

26 September 2019

Company Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**2019 Notice of Annual General Meeting - nib holdings limited**

Please find attached nib's 2019 Notice of Annual General Meeting and Proxy Form which was distributed to nib shareholders today.

nib's 2019 Notice of Annual General Meeting and Proxy Form can also be viewed online at [nib.com.au/shareholders](http://nib.com.au/shareholders).

Yours sincerely,



Roslyn Toms  
**Company Secretary**

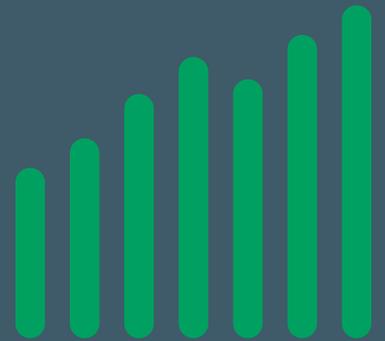
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# notice of meeting

2019



# from the chairman

Dear Shareholder,

**I am pleased to invite you to attend the 2019 nib Annual General Meeting (AGM).**

The AGM will be held at Amora Hotel, 11 Jamison Street, Sydney on Wednesday, 30 October 2019, commencing at 11.00am (AEDT). The AGM will be webcast from this time at [nib.com.au/shareholders](http://nib.com.au/shareholders) and can be viewed live or as a recording following the AGM.



The following Notice of Meeting contains details on the items of business for the AGM, as well as explanatory notes and voting procedures.

If you are unable to attend the AGM in person you may lodge your proxy form electronically at [investorvote.com.au](http://investorvote.com.au) or complete and return the enclosed proxy form in the reply paid envelope provided. We are also pleased to offer you the opportunity to ask questions via the webcast.

Shareholders can also submit written questions in advance of the AGM. A shareholder question form is enclosed and this can be returned with your proxy form in the reply paid envelope provided. Questions can also be submitted online at [investorvote.com.au](http://investorvote.com.au).

Further information including a map and transport options for attending the AGM is located on the inside back cover of this Notice of Meeting.

We look forward to seeing you at the AGM.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve Crane'. The signature is fluid and cursive, extending horizontally across the page.

**Steve Crane**  
Chairman

# items of business

Notice is given that the 2019 Annual General Meeting (“AGM”) of nib holdings limited (ACN 125 633 856) (“nib” or “Company”) will be held:

**Date:** Wednesday, 30 October 2019

**Time:** 11.00 (AEDT)

**Venue:** Amora Hotel  
11 Jamison Street, Sydney NSW 2000

## Items of Business

### Ordinary Business

#### 1. Consideration of Reports

To receive and consider the Financial Report, the Directors’ Report and the Independent Auditor’s Report of nib and the entities it controlled (also known as the Group) for the financial year ended 30 June 2019.

Shareholders will be able to ask questions about, or comment on the reports, management and audit of the Group.

*There is no vote on this Item.*

#### 2. Remuneration Report

To consider and, if thought appropriate, pass the following as an advisory ordinary resolution:

“That the Remuneration Report of the Company for the financial year ended 30 June 2019 (set out in the Directors’ Report) is adopted.”

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

#### 3. Re-election of Mr Steve Crane

To consider and, if thought appropriate, pass the following as an ordinary resolution:

“That Mr Steve Crane be re-elected as a Non-Executive Director of the Company.”

#### 4. Re-election of Mr Donal O’Dwyer

To consider and, if thought appropriate, pass the following as an ordinary resolution:

“That Mr Donal O’Dwyer be re-elected as a Non-Executive Director of the Company.”

### Special Business

#### 5. Approval of participation in Long-Term Incentive Plan

To consider and, if thought appropriate, pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes the following is approved:

- participation in the nib Long-Term Incentive Plan (LTIP) by Mr Mark Fitzgibbon, Managing Director/Chief Executive Officer;
- acquisition accordingly by Mr Fitzgibbon of Performance Rights and in consequence of the vesting of those Performance Rights, of ordinary shares of the Company; and
- the provision of benefits to Mr Fitzgibbon under the LTIP, for the year commencing 1 July 2019,

in accordance with the terms of the LTIP (as approved by the Board and amended from time to time by the Board) and on the basis described in the Explanatory Notes to this Notice of Meeting.”

# items of business continued

## Voting Exclusion Statements

### Item 2

For the purposes of sections 250R(2) and 250BD(1) of the Corporations Act 2001 (Cth):

1. Subject to paragraph 2, a vote must not be cast (in any capacity) on the resolution in Item 2 by or on behalf of a member of the Company's key management personnel (including the Directors) (KMP), details of whose remuneration are included in the Remuneration Report or their closely related parties, whether as a shareholder or as a proxy except that a vote may be cast on the resolution in Item 2 by a KMP, or a closely related party of a KMP if:
  - the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution in Item 2; and
  - the vote is not cast on behalf of a KMP or a closely related party of a KMP.
2. If you appoint the Chairman of the AGM as your proxy, and you do not direct your proxy how to vote on the resolution in Item 2 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy even if the resolution in Item 2 is connected directly or indirectly with the remuneration of a KMP of the Group, which includes the Chairman of the AGM.

The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of the resolution in Item 2.

### Item 5

For the purposes of section 250BD(1) of the Corporations Act 2001 (Cth):

1. a vote must not be cast on the resolution in Item 5 by a KMP, or a closely related party of a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on the resolution in Item 5. However, this voting exclusion does not apply if the KMP is the Chairman of the AGM acting as proxy and their appointment expressly authorises the Chairman of the AGM to exercise the proxy even if the resolution in Item 5 is connected directly or indirectly with the remuneration of a member of the KMP of the Group; and
2. if you appoint the Chairman of the AGM as your proxy, and you do not direct your proxy how to vote on the resolution in Item 5 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy even if the resolution in Item 5 is connected directly or indirectly with the remuneration of a member of the KMP of the Group, which includes the Chairman of the AGM.

The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of the resolution in Item 5.

For the purposes of the ASX Listing Rules, the Company will disregard any votes cast in favour of the resolution in Item 5 by:

- a Director of nib who is eligible to participate in the LTIP; and
- an associate of that Director of nib who is eligible to participate in the LTIP.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated: 9 September 2019

By Order of the Board



**Roslyn Toms**  
Company Secretary

## Notes

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies. Shareholders can appoint a body corporate as well as an individual as their proxy. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at general meetings of nib or in the capacity of a shareholder's proxy at general meetings of nib. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a resolution.
2. A shareholder who appoints two proxies may state on the proxy form what proportion or number of the shareholder's votes each proxy is being appointed to exercise. If a shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half the shareholder's votes.
3. If a shareholder has appointed two proxies, when a resolution is decided on a show of hands, only the first person named on the proxy form may vote. If two proxy forms have been completed, the person whose name is earlier in alphabetical sequence may vote.
4. A proxy need not be a shareholder of nib.
5. Either the original, facsimile or electronic transmission of the proxy form(s) and any Power of Attorney or authority under which they are signed must be received at least 48 hours prior to the AGM (i.e. by no later than 11.00am (AEDT) on Monday, 28 October 2019,) or any adjournment. Any proxy form received after this deadline, including at the AGM, will be invalid.
6. A proxy form accompanies this Notice of Meeting.
7. Additional proxy forms will be supplied by the nib share registry on request.
8. An electronic proxy facility is also available to shareholders via the nib shareholder website – [nib.com.au/shareholders](http://nib.com.au/shareholders)
9. If a corporate representative is to attend the AGM on behalf of a corporation, a formal Notice of Appointment must be brought to the AGM or lodged with the share registry prior to the AGM.
10. In accordance with Regulation 7.11.37 of the Corporations Regulations (Cth) and ASX Settlement Operating Rule 5.6.1, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of shareholders as at 7.00pm (AEDT) on 28 October 2019.  
Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the AGM.
11. If you wish a question to be put to the Chairman or Auditor and you are not able to attend the AGM, please complete the question form which is included with this Notice of Meeting.
12. Either the original or facsimile transmission of the question form must be received at least five business days prior to the AGM (by no later than 5.00pm on 23 October 2019 or any adjournment). This is to allow time to collate questions and to prepare answers.
13. If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:
  - the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting exclusions);
  - if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
  - if the proxy is not the Chairman of the AGM, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
  - if the proxy is the Chairman of the AGM, the proxy must vote on a poll and must vote as directed.
14. There are now some circumstances where the Chairman of the AGM will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairman of the AGM as their proxy. This will be the case where:
  - the appointment of the proxy specifies the way the proxy is to vote on a particular resolution;
  - the Chairman of the AGM is not named as the proxy;
  - a poll has been called on the resolution; and
  - either of the following applies:
    - the proxy is not recorded as attending the AGM; or
    - the proxy attends the AGM but does not vote on the resolution.

Shareholders should consider directing their proxy how to vote on each resolution by crossing either the "For", "Against", or "Abstain" box when lodging their proxy form to ensure that their proxy is permitted to vote on their behalf in accordance with their instructions.

# explanatory notes

## on the business to be transacted at the nib AGM

### Ordinary Business

#### 1. Consideration of Reports

Section 317(1) of the Corporations Act 2001 (Cth) ("Corporations Act") requires a public company to lay before its annual general meeting the Financial Report, the Directors' Report and the Auditor's Report for the company for the financial year that ended before the annual general meeting.

Shareholders will be able to consider, comment on and ask questions of the Directors and the Auditor of the Company about the management of the Company, the conduct of the audit, and the preparation and contents of the financial statements and reports of the Company for the financial year ended 30 June 2019.

#### 2. Remuneration Report

The Corporations Act requires listed companies to put a remuneration report relating to Director and Executive remuneration for each financial year to a resolution of members at each annual general meeting. The Remuneration Report for the Group for the financial year ended 30 June 2019 is set out on pages 19 to 38 of the Company's Annual Report and is also available on the Company's website [nib.com.au/shareholders](http://nib.com.au/shareholders).

Under section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders will be able to ask questions about, and make comments on, the Remuneration Report at the AGM.

The Directors unanimously recommend that shareholders vote in favour of this ordinary resolution to adopt the Remuneration Report.

#### 3. Re-election of Mr Steve Crane



In accordance with the ASX Listing Rules and nib's Constitution (Constitution), Mr Steve Crane retires from office at the AGM and, being eligible for re-election, offers himself for re-election as a Non-Executive Director.

Steve was appointed to the Board of nib holdings limited in September 2010 and elected as Chairman in October 2011. Steve is also Chairman of nib health funds limited, Grand United Corporate Health Limited and the Nomination Committee.

With more than 40 years of financial market experience, as well as an extensive background in publicly-listed companies, Steve has expertise in developing and leading international businesses, corporate strategy, people leadership and government interactions at senior levels. He was previously the Chief Executive of BZW Australia and ABN AMRO.

Steve is a Director of APA Group, including APT Pipelines Limited, SCA Property Group and Chairman of the Taronga Conservation Society Australia and Global Valve Technology Limited.

The Board (with Mr Steve Crane abstaining and not voting) supports the re-election of Mr Steve Crane and recommends that shareholders vote in favour of this ordinary resolution.

#### 4. Re-election of Mr Donal O'Dwyer



In accordance with the ASX Listing Rules and nib's Constitution (Constitution), Mr Donal O'Dwyer retires from office at the AGM and, being eligible for re-election, offers himself for re-election as a Non-Executive Director.

Donal was appointed to the Board of nib holdings limited in March 2016. He is also a Director of nib health funds limited and Grand United Corporate Health Limited. Donal is Chairman of the Investment Committee and a member of the Risk and Reputation Committee, People and Remuneration Committee and Nomination Committee.

Donal is a highly experienced Non-Executive Director and former Executive. He is currently a Non-Executive Director of Cochlear Ltd, Mesoblast Ltd and Fisher & Paykel Healthcare Corporation Ltd.

He has extensive Executive experience in global general management of healthcare products and medical devices as the former worldwide President at Cordis Cardiology (a Johnson & Johnson company) and President of the Cardiovascular Group Europe with Baxter Healthcare (now Edwards Lifesciences).

The Board (with Mr Donal O'Dwyer abstaining and not voting) supports the re-election of Mr Donal O'Dwyer and recommends that shareholders vote in favour of this ordinary resolution.

### Special Business

#### 5. Approval of participation in Long-Term Incentive Plan

##### Approval Sought

nib seeks shareholder approval for Mr Mark Fitzgibbon, Managing Director & CEO, to participate in the LTIP via a grant of Performance Rights from July 2019 (with a four-year vesting period).

##### Background

The LTIP forms part of nib's remuneration strategy. The LTIP is designed to align the interests of Executives and shareholders and to assist nib in the attraction, motivation and retention of Executives. In particular, the LTIP provides Executives with an incentive for future performance, thereby encouraging those Executives to remain with and contribute to the future performance of nib.

Under the LTIP, eligible persons participating in the LTIP may be granted performance rights on terms and conditions determined by the Board from time to time (Performance Rights).

A Performance Right is a right to acquire a share in nib, subject to the satisfaction of applicable vesting conditions including the achievement of Board-determined performance hurdles.

In 2008, nib adopted the LTIP and the LTIP Rules (LTIP Rules). The LTIP Rules were most recently amended on 25 July 2018. A summary of the LTIP Rules, which apply to Performance Rights granted to Mr Fitzgibbon and others from July 2018, is set out in the Schedule to these Explanatory Notes.

#### Overview of awards to Mr Mark Fitzgibbon

Performance Rights are awarded to Mr Mark Fitzgibbon (Managing Director & CEO) on an annual basis at the discretion of the Board (and subject to any required shareholder approvals). The Performance Rights for each annual award are granted in two tranches of equal value.

The Performance Rights proposed to be issued will have a four-year performance period (from 1 July 2019 to 30 June 2023) (Performance Period).

#### Vesting conditions

The Performance Rights will vest in accordance with the achievement of the following vesting conditions:

Vesting Condition 1	Vesting Condition 1
50% of the Performance Rights ("Tranche 1")	50% of the Performance Rights ("Tranche 2")
Total Shareholder Return targets (TSR) for the relevant Performance Period are met (TSR Hurdle)	Statutory Earnings per Share growth targets (EPS) for the relevant Performance Period are met (EPS Hurdle)

The TSR Hurdle and the EPS Hurdle have been chosen by the Board to focus management attention on four-year strategic and financial objectives, as well as shareholder alignment.

#### TSR Hurdle

The TSR Hurdle measures the growth in the price of securities plus cash distributions notionally reinvested in securities. In order for the Tranche 1 Performance Rights to vest, the TSR of nib is compared to companies in the S&P/ASX 200 (which nib forms part of) as at the commencement of the relevant Performance Period. For the purpose of calculating the TSR measurement, the security prices (plus cash distributions notionally reinvested in securities) of each comparator company in the S&P/ASX 200 and of nib will be averaged over the 20 consecutive ASX trading days preceding the start date and end date of the relevant Performance Period.

The percentage of Tranche 1 Performance Rights that vest will be as follows:

nib's TSR performance compared to the relevant peer group	Percentage of Tranche 1 Performance Rights to vest
< 50th percentile	No vesting
≥ 50th percentile to 74th percentile	Pro-rata straight line vesting between 50% and 74%
≥ 75th percentile	100% vesting

#### EPS Hurdle

The principle used in setting the EPS Hurdle is to use nib's prior financial year's EPS as a base and apply a range of compound annual growth rates in EPS from 3.0% to 9.0%, which in turn determines the percentage of Tranche 2 Performance Rights that will vest on 1 September 2023 following the end of the relevant Performance Period, depending on the compound annual growth rate in EPS achieved. The EPS targets have been determined with reference to the macro-economic environment, relevant benchmarks and nib's strategy over the measurement period.

No Performance Rights will vest if the compound annual growth rate is below 3.0%.

The EPS Hurdle base for the Performance Period is 32.9 cents per share, being nib's 2019 financial year earnings per share, which is calculated based on net profit after tax of \$149.3 million.

The EPS Hurdle for the Performance Period will be determined in accordance with the principles set out in the table below (with the Board setting the EPS hurdles annually):

Percentage of Performance Rights vesting	EPS Hurdle
100%	Compound annual growth rate of 9% (equates to EPS of \$0.464 in the financial year ending 30 June 2023)
75%	Compound annual growth rate of 7% (equates to EPS of \$0.431 in the financial year ending 30 June 2023)
50%	Compound annual growth rate of 5% (equates to EPS of \$0.400 in the financial year ending 30 June 2023)
25%	Compound annual growth rate of 3% (equates to EPS of \$0.370 in the financial year ending 30 June 2023)
0%	Nil

#### Notes:

- For the purpose of calculation, 25% and 50% will be discrete thresholds (e.g. performance will be assessed at 25% for EPS greater than or equal to \$0.370 but less than \$0.400, with performance above the 50% entitlement calculated on a pro rata basis to a maximum entitlement of 100%).

The EPS Hurdle will be tested as at 30 June 2023 and the percentage of Performance Rights that will vest on 1 September 2023 will be calculated in accordance with the criteria set out in these Explanatory Notes.

#### Number of Performance Rights

The number of Performance Rights to be granted to the Managing Director & CEO for the financial year commencing 1 July 2019 is calculated as follows:

$$\frac{125\% \times \text{TFR}}{\text{Strike Price}}$$

TFR = the Managing Director's total fixed remuneration for the relevant financial year (being base salary plus superannuation).

Strike Price = Volume weighted average price (VWAP) for nib shares for the first 10 trading days following the announcement of the full year financial results for the financial year ended 30 June 2019, which is \$7.1231.

If approved by shareholders, the number of Performance Rights to be granted to Mr Fitzgibbon for the financial year commencing 1 July 2019 is calculated as follows:

$$\frac{125\% \times \$1,143,300}{\$7.1231} = 200,632 \text{ Performance Rights}$$

# explanatory notes continued

## on the business to be transacted at the nib AGM

### *Delivery of Shares on Vesting of Performance Rights*

Mr Fitzgibbon will receive one share for every vested Performance Right, subject to the LTIP Rules, and the Company may elect whether to allocate shares for the purpose of the LTIP by way of an issue of shares or by procuring the on-market purchase and transfer of shares. The Company currently proposes that it will satisfy its obligations to allocate shares for the purpose of the LTIP by arranging for the on-market purchase and transfer of shares to Mr Fitzgibbon after the testing of the particular performance hurdles.

A two-year non-disposal period applies to 50% of the shares allocated to Mr Fitzgibbon on vesting of the Performance Rights.

### *Participation in the LTIP by Mr Fitzgibbon*

nib seeks shareholder approval for Mr Fitzgibbon, Managing Director & CEO, to participate in the LTIP for the financial year from 1 July 2019 to 30 June 2020, with the number of Performance Rights to be awarded to Mr Fitzgibbon to be calculated in accordance with the formula set out in this Notice of Meeting.

It is proposed that the performance hurdles for Mr Fitzgibbon will be applied to any other offer of Performance Rights to nib's KMP, unless the Board determines otherwise. Details relating to the performance hurdles will be set in the same manner as outlined in relation to Mr Fitzgibbon, unless the Board determines otherwise.

### *Further Information*

Listing Rule 10.14 provides that a listed company may only permit a director to acquire shares or rights to shares under an employee incentive scheme where that director's participation has been approved by an ordinary resolution of shareholders. It is the Board's current intention that if the Performance Rights vest, shares will be acquired on-market for the purposes of the LTIP.

The Board wishes to seek approval for the acquisition of Performance Rights and shares by the Managing Director & CEO under the LTIP as discussed in these Explanatory Notes.

The Board wishes to seek approval for the acquisition of Performance Rights and shares by the Managing Director & CEO under the LTIP as discussed in these Explanatory Notes.

In accordance with the Listing Rules, the following information is provided for shareholders:

1. the maximum number of Performance Rights for which approval is sought will be calculated as described above and will be provided to shareholders in the relevant Annual Report;
2. the Performance Rights will be granted at no cost to Mr Fitzgibbon and the Board has determined that no amount is payable by Mr Fitzgibbon on the vesting of each Performance Right granted under the LTIP;
3. upon satisfaction of the performance hurdles set by the Board, the Performance Rights will vest and Mr Fitzgibbon will be allocated or issued shares on a one-for-one basis;
4. no loan will be made by nib in connection with the acquisition of Performance Rights or shares by Mr Fitzgibbon under the LTIP;
5. Mr Fitzgibbon is the only person referred to in Listing Rule 10.14 entitled to receive an award of Performance Rights under the LTIP;
6. Mr Fitzgibbon is the only person referred to in Listing Rule 10.14 who has received Performance Rights and securities under the LTIP since the last approval. Mr Fitzgibbon received 215,962 Performance Rights since the last approval with an acquisition price of nil; and
7. no Performance Rights will be granted under this approval later than 12 months after the date of the AGM.

### *Recommendation*

The Board (with Mr Fitzgibbon abstaining and not voting) recommends that shareholders vote in favour of the ordinary resolution in Item 5 on the basis that the overall remuneration of Mr Fitzgibbon, which includes his participation in the LTIP, is reasonable having regard to the Company's circumstances and that the grant of Performance Rights to Mr Fitzgibbon under the LTIP and on the terms described in these Explanatory Notes:

- is in the best interests of the Company as a whole; and
- is consistent with the Company's remuneration policy, in particular the Company's policy of linking remuneration to achievement, and the objective of attracting and retaining highly-skilled Executives.

# schedule

## Summary of the LTIP Rules

A grant of performance rights is subject to both the LTIP Rules and the terms of the specific grant as determined by the Board. The Board is responsible for administering the LTIP in accordance with the LTIP Rules and the terms and conditions of specific grants of performance rights to participants in the LTIP.

## Eligibility and Participation

The Board may determine which persons are eligible to participate in the LTIP from time to time. Eligible persons may be invited to apply to participate in the LTIP. The Board may, in its discretion, accept such applications.

## Performance Rights

A person participating in the LTIP (“Executive”) may be granted performance rights on terms and conditions, including tenure conditions and performance hurdles, determined by the Board. A performance right has a nil exercise price and is exercised automatically on vesting unless determined otherwise by the Board.

## Consideration for Grant

The Board may determine the amount (if any) payable for the grant of a performance right from time to time.

## Vesting

Following the satisfaction of the performance hurdles applying to a performance right, the performance right vests on a date predetermined by the Board (“Vesting Date”).

## Accelerated Vesting at Board's Discretion

The Board may, in its discretion, decide to accelerate the vesting of all or part of the performance rights held by an Executive if there is a winding up of the Company, a delisting of the Company, a change of control, reconstruction or amalgamation of the Company, death of a participant or a cessation of employment as a result of total disablement, redundancy or retirement.

## Delivery of Shares on Vesting of Performance Rights

Following the Vesting Date or the accelerated vesting of a performance right, the Executive will be allocated or issued the number of shares comprised in each performance right.

The Board has the discretion to have shares issued or transferred to an Executive on vesting of performance rights. Any shares issued or allotted under the LTIP will rank equally with those shares of the same class for the time being on issue, except for any rights attaching to those shares by reference to a record date prior to the date of issue or allotment.

## Lapse

An unvested performance right will lapse on the earliest of:

- a. the expiry date applicable to that performance right;
- b. the Board determining that the vesting conditions in respect of the performance right are not satisfied and not capable of being satisfied on the relevant testing date and that the performance right has lapsed;
- c. the Board making a determination in accordance with the terms and conditions of grant of the performance rights that the performance right has lapsed;
- d. the date the Executive ceases to be employed by nib or a company in the Group due to being a “bad leaver” (being an Executive who ceases employment with nib or a company in the Group by reason of summary dismissal, resignation (other than a mutually agreed separation) and any other reason the Board determines creates a “bad leaver” (other than a reason specified in e below)), unless the Board determines otherwise;
- e. the date the Executive ceases to be employed by nib or a company in the Group due to:
  - i. death;
  - ii. total and permanent disablement;
  - iii. retirement;
  - iv. redundancy; or
  - v. mutually agreed separation,

in which case a pro rata number of each tranche of that Executive’s unvested performance rights (calculated in accordance with the LTIP Rules) will lapse 30 days after the date the Executive ceases employment and the balance of the Executive’s unvested performance rights will continue to be held by the Executive subject to the terms and conditions of the grant of the performance rights and the LTIP Rules, unless the Board determines otherwise; or

- f. the Board determining that the Executive has committed (or it is evident that the Executive intends to commit) any act (whether by omission or commission) of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Executive’s duties, the Executive is convicted of a criminal offence (other than minor/trivial offences) or is guilty of wilful or recklessly indifferent conduct which may injure the reputation or business of an nib entity, the Executive has breached a confidentiality or non-compete obligation, or the Executive has been involved or contributed to a material financial misstatement and that the performance right has lapsed.

# schedule continued

## Clawback

If the Board becomes aware of a material financial misstatement, that the Executive has committed (or it is evident that the Executive intends to commit) any act (whether by omission or commission) of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Executive's duties, the Executive is convicted of a criminal offence (other than minor/trivial offences) or is guilty of wilful or recklessly indifferent conduct which may injure the reputation or business of an nib entity, the Executive has breached a confidentiality or non-compete obligation, and the Board determines that a Performance Right which has been awarded to an Executive or become a vested Performance Right would not have been awarded or become a vested Performance Right if the Board had been aware of the material financial misstatement at the time the Performance Right was awarded or became a vested Performance Right, the Board may (in its absolute discretion):

- a. lapse or cancel the Performance Right (including a vested Performance Right); or
- b. require the Executive to transfer to the Company's nominee, for nil consideration, any shares which the Executive has received in respect of the vested Performance Right or to pay to the Company the sale proceeds of any shares.

## Adjustment

In the event of any capital reorganisation by the Company (including any bonus issues), an Executive's performance rights, and the shares allocated to the Executive on vesting of the Executive's performance rights, will be adjusted as set out in the LTIP Rules and otherwise in accordance with the Listing Rules. In general, it is intended that the Executive will not receive any advantage or disadvantage from such adjustment.

## Restrictions on Disposal of Shares

An Executive may not dispose of, deal in, or grant a security interest over any interest in, a share allocated to the Executive on the vesting of a performance right for any relevant period determined by the Board. The Board may implement such arrangements (including a holding lock) as it determines are necessary to enforce this restriction. Once the restriction is removed, and subject to the Company's Trading Policy, shares acquired on the vesting of performance rights may be dealt with freely.

# enclosures

Enclosed with the Notice of Meeting are:

- i. a proxy form to be completed if you would like to be represented at the AGM by proxy. An electronic proxy facility is also available to shareholders via the nib shareholders website - [nib.com.au/shareholders](http://nib.com.au/shareholders);
- ii. an AGM question form to be completed if you would like a specific question to be addressed by the Chairman or Auditor at the AGM. You may also submit your questions online at [investorvote.com.au](http://investorvote.com.au) and there will be an opportunity to ask questions during the AGM via the webcast; and
- iii. a reply paid envelope for you to return either or both of the proxy form and AGM question form.

# further information

nib's 2019 AGM will be held at Amora Hotel, 11 Jamison Street, Sydney on Wednesday, 30 October 2019, commencing at 11.00am (AEDT).

Please be advised that this AGM will be broadcast over the internet to the public. Your attendance and questions may be visible to others. By asking a question, you acknowledge that other persons viewing or attending the AGM will be able to see that you have asked a question, and nib is permitted to broadcast that question and its responses.

The AGM will be webcast live at [nib.com.au/shareholders](http://nib.com.au/shareholders)

nib's 2019 Annual Report and Shareholder Review is available to view online at [nib.com.au/shareholders](http://nib.com.au/shareholders)

If you would like any further information about nib's AGM, please visit [nib.com.au/shareholders](http://nib.com.au/shareholders), call 1300 664 316 or email [nibshareregistry@computershare.com.au](mailto:nibshareregistry@computershare.com.au)

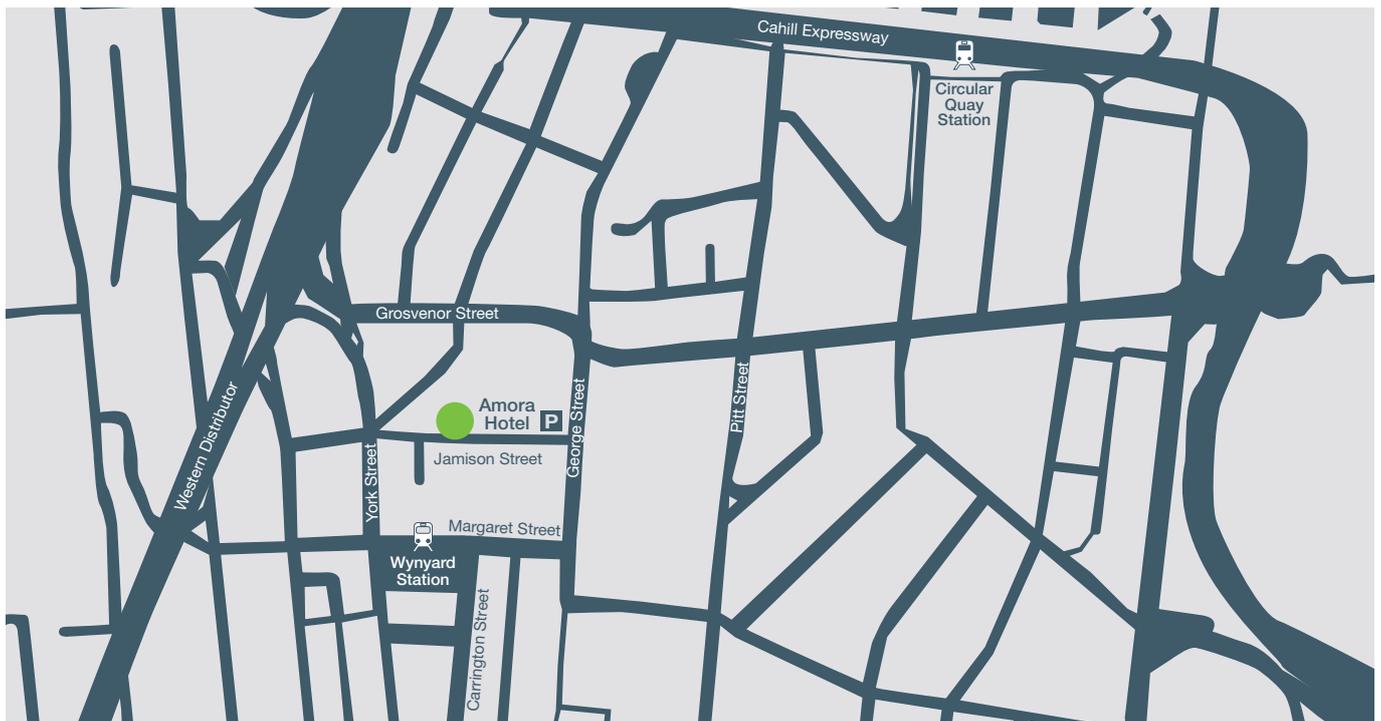
## Request an Auslan Interpreter Service

If you are attending nib's AGM on 30 October 2019 and you require an Auslan interpreter, please contact nib in either of the ways detailed below by close of business on 25 October 2019 to request an Auslan interpreter service.

Telephone: +61 2 4914 1357

Email: [corporate.affairs@nib.com.au](mailto:corporate.affairs@nib.com.au)

## Getting there



### Train

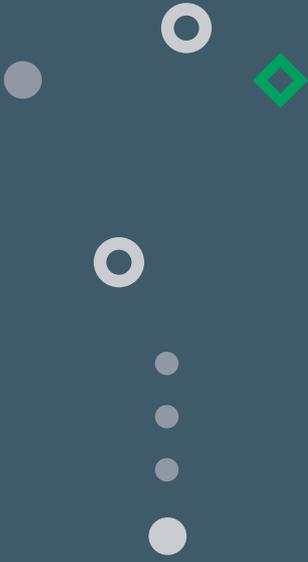
Circular Quay Station and Wynyard Station are located within a short distance from the venue. For information on train timetables please visit [www.transportsw.info](http://www.transportsw.info) or call 131 500.

### Bus

For information on bus routes and timetables please visit [www.transportsw.info](http://www.transportsw.info) or call 131 500.

### Parking

Venue parking is managed by Secure Parking and accessed via Jamison Street off George Street, Sydney. For parking rates and further information visit [www.secureparking.com.au](http://www.secureparking.com.au) or call 1300 727 483.





NHF

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:

Online:  
[www.investorvote.com.au](http://www.investorvote.com.au)



By Mail:  
Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Victoria 3001 Australia



By Fax  
1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)



## For all enquiries call:

1300 664 316 (within Australia)  
0800 451 326 (within New Zealand)  
+61 3 9415 4651 (outside Australia)



**Investorvote Control Number: 111111**  
**SRN/HIN: I999999999**

## Proxy Form

**For your vote to be effective it must be received by 11.00am (AEDT) on Monday 28 October 2019**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the annual general meeting (Meeting) and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities each proxy may vote, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of nib holdings limited.**

### Signing Instructions for this Form

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the Meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

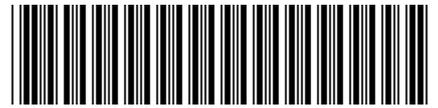
**Comments & Questions:** If you have any comments or questions for nib holdings limited, please write them on the "Questions from Shareholders" form accompanying the Notice of Meeting. Alternatively, questions may be submitted via the AGM webcast available at [nib.com.au/shareholders](http://nib.com.au/shareholders) from 11.00am (AEDT) on Wednesday, 30 October 2019.

GO ONLINE TO LODGE YOUR FORM, or turn over to complete the form

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.**

If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Please mark  to indicate your directions

## Proxy Form

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of nib holdings limited hereby appoint

The Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law and in accordance with any applicable voting exclusions, as the proxy sees fit) at the Annual General Meeting of nib holdings limited to be held at The Amora Hotel, 11 Jamison Street, Sydney NSW 2000 on Wednesday, 30 October 2019 at 11.00am (AEDT), and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 and 5 (except where I/we have indicated a different voting intention below) even though Items 2 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 5 by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

##### ORDINARY BUSINESS

		FOR	AGAINST	ABSTAIN
Item 2	That the Remuneration Report of the Company for the financial year ended 30 June 2019 (set out in the Directors' Report) is adopted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Mr Steve Crane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Mr Donal O'Dwyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### SPECIAL BUSINESS

Item 5	Approval of participation in Long-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote all available proxies able to be voted in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Contact \_\_\_\_\_

Securityholder 2

Director

Daytime Telephone \_\_\_\_\_

Securityholder 3

Director/Company Secretary

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

