



**NOTICE OF 2015  
ANNUAL GENERAL MEETING**

# CHAIRMAN'S MESSAGE



**The annual general meeting of Medibank Private Limited will be held at the Melbourne Park Function Centre, National Tennis Centre, Batman Avenue, Melbourne, Victoria on Wednesday 21 October 2015 at 10.30am (Melbourne time).**

## Dear Shareholder

I am pleased to invite you to attend the annual general meeting ("AGM") of Medibank Private Limited ("Medibank") to be held on Wednesday 21 October 2015 at 10.30am (Melbourne time).

## Meeting details

The AGM will be held at the Melbourne Park Function Centre, National Tennis Centre, Batman Avenue, Melbourne. A map with directions to the venue appears on page 9 of this notice of meeting.

If you attend the meeting, you will need to register at one of the registration desks on the day. Registration will commence at 9.30am. You will find it easier to register if you bring with you a shareholder document showing your holder number (such as a holding statement or proxy form).

This notice sets out the details of the items of business of the AGM, as well as voting instructions and explanatory notes.

At the meeting the Managing Director and I will review the operations and performance of Medibank for the year ended 30 June 2015. There will be an opportunity for shareholders to ask questions of the Board and the external auditor. We encourage your participation at the AGM and look forward to providing an informative program.

## If you are unable to attend

If you are unable to attend the AGM in person, I encourage you to submit your voting instructions by:

- following the instructions on the front of the proxy form to lodge your proxy electronically at [www.investorvote.com.au](http://www.investorvote.com.au); or
- completing the personalised proxy form and returning it to Medibank's share registry.

The completed proxy form must be lodged electronically or be received by no later than 10.30am (Melbourne time) on Monday 19 October 2015.

The AGM will be webcast live and may be viewed at [www.medibank.com.au](http://www.medibank.com.au). The webcast will also be available on Medibank's website shortly after the conclusion of the meeting together with the presentations and voting results.

I look forward to seeing you at the AGM, and thank you for your support as a shareholder.

Yours sincerely

A handwritten signature in black ink that reads "Elizabeth Alexander". The signature is written in a cursive style and is positioned above a short horizontal line.

Elizabeth Alexander AM  
Chairman

# MEDIBANK PRIVATE LIMITED

## NOTICE OF 2015 ANNUAL GENERAL MEETING

The annual general meeting of Medibank Private Limited ("Medibank" or the "Company") will be held at the Melbourne Park Function Centre, National Tennis Centre, Batman Avenue, Melbourne, Victoria on Wednesday 21 October 2015 at 10.30am (Melbourne time).

### BUSINESS

#### 1. Financial statements and reports

To consider the financial report for the year ended 30 June 2015, together with the directors' report and auditor's report as set out in the annual report.

#### 2. Re-election of Christine O'Reilly as a director

#### 3. Re-election of Peter Hodgett as a director

#### 4. Appointment of auditor

To appoint PricewaterhouseCoopers as auditor of Medibank.

#### 5. Adoption of the remuneration report

To adopt the remuneration report (which forms part of the directors' report) for the year ended 30 June 2015.

#### 6. Grant of performance rights to the Managing Director

To approve the grant to George Savvides (being Medibank's Managing Director) of 582,524 performance rights to be issued in accordance with Medibank's 2016 long term incentive plan.



#### Mei Ramsay

Group General Counsel and Company Secretary

2 September 2015

### ATTENDANCE AND VOTING

All shareholders may attend the AGM. For the purpose of voting at the AGM, the directors have determined that shareholders will be taken to be those persons who are registered as holding shares in Medibank at 7.00pm (Melbourne time) on Monday 19 October 2015.

All resolutions at the AGM will be determined by way of a poll.

### SHAREHOLDER QUESTIONS

If you are entitled to vote at the AGM, you may submit written questions in advance relevant to the business of the meeting. Questions may also be submitted for the external auditor about the auditor's report or the conduct of the audit.

Questions may be lodged as part of the online proxy process. Alternatively you may send written questions to Medibank's share registry at the address as set out on the proxy form or email your question to [company.secretary@medibank.com.au](mailto:company.secretary@medibank.com.au). Please ensure that your written questions are received no later than 5.00pm, Wednesday 14 October 2015.

# MEDIBANK PRIVATE LIMITED

## NOTICE OF 2015 ANNUAL GENERAL MEETING

### HOW TO VOTE

#### Voting in person

Shareholders may vote by attending the AGM and casting their votes in person.

#### Voting by proxy

A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or attorney to attend and vote on behalf of the shareholder. A proxy or attorney need not be a shareholder of Medibank and may be an individual or a body corporate (and any body corporate so appointed may then appoint an individual to exercise its powers at the meeting).

A shareholder who is entitled to cast two or more votes may appoint two proxies or attorneys and may specify the proportion or number of votes which each proxy or attorney may exercise. If no proportion or number is specified, each proxy or attorney may exercise half of the shareholder's votes. If you wish to appoint two proxies, please follow the instructions on the proxy form.

Shareholders can direct their proxy how to vote. If a shareholder appoints the Chairman of the meeting as proxy and does not direct the Chairman how to vote, then the Chairman (unless restricted from voting on the resolution) will vote in favour of each resolution.

#### How to vote by proxy

Shareholders should consider directing their proxy as to how to vote on each resolution by marking either the "For", "Against" or "Abstain" box when completing their proxy form.

Under the Corporations Act, if the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- if the proxy is not the Chairman of the meeting, 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 exclusions); and
- if the proxy is the Chairman of the meeting, the proxy must vote on a poll and must vote as directed.

In addition, there are some circumstances where the Chairman of the meeting 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 meeting 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; and
- the appointed proxy is not the chair of the meeting; 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.

#### Lodging your Proxy Form

To be valid, proxy forms (including electronic proxy appointments) must be received by Medibank's share registry, Computershare Investor Services Pty Limited ("Computershare"), at least 48 hours before the AGM by the means outlined below.

**The completed proxy form must be received by Computershare no later than 10.30am (Melbourne time) on Monday 19 October 2015 (proxy deadline).**

Proxy forms may be submitted:

- online at [www.investorvote.com.au](http://www.investorvote.com.au). To use this facility, please follow the link in your email inviting you to the AGM, or the instructions on your proxy form;
- by post to GPO Box 242, Melbourne Victoria 3001. Please allow sufficient time for the form to reach Computershare by the proxy deadline;
- by facsimile to Computershare on +61 (0)3 9473 2555; or
- by hand delivery to Computershare, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria.

# MEDIBANK PRIVATE LIMITED

## NOTICE OF 2015 ANNUAL GENERAL MEETING

### Corporate representatives

A corporate shareholder wishing to appoint a person to act as its representative at the AGM may do so by providing that person with:

- a properly executed letter, certificate, form, or other document, such as an "Appointment of Corporate Representative" confirming that they are authorised to act as the corporate shareholder's representative. A form may be obtained from [www.investorcentre.com](http://www.investorcentre.com) under the tab "Need a printable form?"; or
- a copy of the resolution appointing the representative, certified by a director or secretary of the corporate shareholder.

A copy of the signed document must be produced prior to admission to the AGM.

### Power of attorney

If a shareholder has appointed an attorney to attend and vote at the AGM, or if the proxy form is signed by an attorney, the power of attorney (or a certified copy) must be received by Computershare by the proxy deadline, unless the document has been previously lodged with Computershare for notation. Powers of attorney may be submitted by post or by hand delivery to the addresses shown above.

### Voting restrictions

#### Resolution 5 – Remuneration report

A vote may not be cast (in any capacity) on resolution 5 by or on behalf of a member of Medibank's key management personnel ("KMP"), whose remuneration details are included in the remuneration report, or a KMP's closely related party. A "closely related party" includes a spouse, dependant and certain other close family members of a KMP, as well as any companies controlled by a KMP.

However, a vote may be cast on resolution 5 by a KMP, or a KMP's closely related party as a proxy, if the vote is not cast on behalf of the KMP or the closely related party and:

- the proxy appointment is in writing and specifies how the proxy is to vote on resolution 5; or
- the proxy is the Chairman of the meeting and:
  - the appointment does not specify the way the proxy is to vote on resolution 5; and
  - the appointment expressly authorises the Chairman of the meeting to exercise the proxy even if resolution 5 is connected directly or indirectly with the remuneration of a KMP.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on resolution 5 on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy even if resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the meeting.

The Chairman of the meeting intends to vote undirected proxies FOR resolution 5.

#### Resolution 6 - Grant of Performance Rights to the Managing Director

Medibank will disregard any votes cast on resolution 6 by and on behalf of George Savvides or any of his associates.

Further, a vote must not be cast on resolution 6 by a KMP, or a closely related party of a KMP acting as a proxy, if their appointment does not specify the way the proxy is to vote on the resolution.

However, Medibank will not disregard a vote on resolution 6 (and that person is not prohibited from voting) if:

- it is cast by a person identified above as a proxy for a person who is entitled to vote on the resolution and the vote is cast in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting (who is a KMP) as proxy for a person who is entitled to vote on the resolution and the proxy appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP.

The voting restriction means that if you appoint a KMP (such as a director) as your proxy, it is important that you direct them on how to vote on resolution 6 by ticking one of the "For", "Against" or "Abstain" boxes on your proxy form. This is because, in certain circumstances, a KMP is prohibited from voting undirected proxies on resolution 6.

If the Chairman of the meeting is your proxy or is appointed your proxy by default, and you do not direct your proxy to vote "For", "Against" or "Abstain" on resolution 6, you expressly authorise the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairman of the meeting intends to vote undirected proxies FOR resolution 6.

# MEDIBANK PRIVATE LIMITED

## NOTICE OF 2015 ANNUAL GENERAL MEETING

### EXPLANATORY NOTES

#### 1. Financial statements and reports

Medibank's financial statements and reports for the year ended 30 June 2015 are set out in its 2015 annual report. The annual report is available at [www.medibank.com.au](http://www.medibank.com.au)

The Corporations Act requires that the financial report, directors' report, and auditor's report of the Company and the consolidated entity be placed before the AGM. There is no requirement for shareholders to vote on these reports.

Shareholders will be given a reasonable opportunity at the AGM to ask questions about and make comments on the financial statements and reports and on the management of the Company. During discussion on this item, the external auditor will be present and will answer relevant questions.

#### 2. Re-election of Christine O'Reilly as a director



##### **Christine O'Reilly** Non-Executive Director *BBus*

Christine O'Reilly retires by rotation in accordance with article 11.3(b)(iv) of the Company's constitution and, being eligible, offers herself for re-election.

Christine was appointed a director in March 2014. She is Chairman of the Audit and Risk Management Committee, a member of the Nomination Committee, and was a member of the Privatisation Committee in the lead up to Medibank's listing.

Christine has more than 30 years of financial and infrastructure experience both in Australia and internationally. Christine is currently a director of CSL Limited, Transurban Group, EnergyAustralia and Baker IDI, and is Deputy Chair of Care Australia.

Christine was formerly Co-head of Unlisted Infrastructure at Colonial First State Global Asset Management, and prior to that was Chief Executive and director of GasNet Australia Group.

#### **Recommendation**

The Board (other than Christine O'Reilly abstaining because of her interest in this resolution) recommends that shareholders vote FOR this resolution.

#### 3. Re-election of Peter Hodgett as a director



##### **Peter Hodgett** Non-Executive Director *BSc (Hons), FIAA, FAHRI, FAICD*

Peter Hodgett retires by rotation in accordance with article 11.3(b)(iv) of the Company's constitution and, being eligible, offers himself for re-election.

Peter was appointed a director in June 2013. He is Chairman of the Investment and Capital Committee, and a member of the Audit and Risk Management and Nomination Committees.

Peter worked for AMP for more than 20 years in a wide variety of business and functional roles, including Chief Actuary during its demutualisation, General Manager of Human Resources and Strategy, and as Global Director of Finance and Operations for Henderson Global Investors in the United Kingdom.

Peter is currently a director of Colonial First State Investments Limited, Colonial Mutual Superannuation and Avanteos Investments Limited, and a member of the compliance committee for CFS Managed Infrastructure.

#### **Recommendation**

The Board (other than Peter Hodgett abstaining because of his interest in this resolution) recommends that shareholders vote FOR this resolution.

# MEDIBANK PRIVATE LIMITED

## NOTICE OF 2015 ANNUAL GENERAL MEETING

### EXPLANATORY NOTES (continued)

#### 4. Appointment of auditor

Prior to its ASX listing, Medibank was audited by the Auditor General for the Commonwealth of Australia. As a result of the sale and public listing of Medibank, the Auditor General resigned as auditor of Medibank and PricewaterhouseCoopers was appointed as auditor to fill the casual vacancy. In accordance with section 327C of the Corporations Act, PricewaterhouseCoopers holds office until Medibank's next annual general meeting. The Board is therefore seeking shareholder approval for the re-appointment of PricewaterhouseCoopers as auditor of Medibank with effect from the close of the meeting.

Following a review of organisations that have the capacity to provide auditing services to the Company, PricewaterhouseCoopers was appointed by Medibank on the basis of its expertise, independence and proposed fees. In particular, PricewaterhouseCoopers has deep experience of Medibank's business from its role as the contract auditor on behalf of the Auditor General, Medibank's auditor, for the six years prior to listing. The appointment of PricewaterhouseCoopers followed a review by the Audit and Risk Management Committee of a detailed proposal submitted outlining the skills, audit plan and proposed fees.

In accordance with section 328B of the Corporations Act which requires a member of the company to nominate the auditor, Andrea Lee-Holman has nominated PricewaterhouseCoopers. Andrea is Medibank's Deputy Company Secretary. A copy of the nomination of PricewaterhouseCoopers is included in this notice of meeting as required by the Corporations Act. PricewaterhouseCoopers has given its consent to act as the Company's auditor.

#### Recommendation

The Board recommends that shareholders vote FOR this resolution.

#### 5. Adoption of the remuneration report

The remuneration report for the year ended 30 June 2015 is set out on pages 29 to 51 of Medibank's annual report.

The remuneration report contains information about the remuneration policy of Medibank and the remuneration of non-executive directors, the Managing Director and senior executives for the financial year ended 30 June 2015.

At the meeting the Chairman will give shareholders a reasonable opportunity to ask questions about or make comments on the remuneration report.

The vote on this resolution is advisory only and does not bind the Company or its directors. However, the Board will actively consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing Medibank's future remuneration policies and practices.

#### Recommendation

The Board recommends that shareholders vote FOR this resolution. Subject to the voting restrictions set out on page 4, the Chairman of the meeting intends to vote undirected proxies FOR this resolution.

2 September 2015

The Directors  
Medibank Private Limited  
720 Bourke Street  
Docklands Victoria 3008

#### Nomination of PricewaterhouseCoopers as auditor of Medibank Private Limited

I, Andrea Lee-Holman, being a member of Medibank Private Limited, pursuant to section 328B of the Corporations Act 2001, nominate PricewaterhouseCoopers as auditor of Medibank Private Limited, at the next annual general meeting of Medibank Private Limited.

Yours sincerely



Andrea Lee-Holman

# MEDIBANK PRIVATE LIMITED

## NOTICE OF 2015 ANNUAL GENERAL MEETING

### EXPLANATORY NOTES (continued)

#### 6. Grant of performance rights to the Managing Director

Under the ASX Listing Rules, Medibank must seek shareholder approval to grant equity securities in Medibank to the Managing Director, George Savvides, in respect of grants for the 2016 financial year. As explained below, grants in respect of 2015 were covered by an ASX waiver associated with the initial public offering.

Details of George's remuneration arrangements are set out in Medibank's 2015 remuneration report. Under his employment contract, he is eligible to receive awards of performance rights each year under Medibank's short term incentive (STI) and long term incentive (LTI) plans. This item seeks approval for the grant of performance rights under the LTI plan for the 2016 financial year, and Medibank shares on exercise of those performance rights.

#### LTI performance rights

Subject to shareholder approval, it is intended that George be granted 582,524 performance rights. These performance rights have a face value of \$1,200,000 (being 100% of his annual total fixed remuneration for the year commenced 1 July 2015). The number of performance rights to be granted has been determined using the volume weighted average price of Medibank shares on the ASX during the 10 trading days up to and including 30 June 2015. That average price was \$2.06.

If shareholders approve the grant of performance rights under the LTI plan, those performance rights are expected to be granted shortly after the AGM at no cost to George.

#### Vesting conditions

Each performance right proposed to be granted to George under the LTI plan will give him the right to acquire one share in Medibank subject to the performance right vesting at the end of a three year performance period beginning on 1 July 2015 and ending on 30 June 2018. Half of these performance rights proposed to be granted will be subject to a vesting condition based on Medibank's absolute earnings per share ("EPS") compound annual growth rate over the performance period ("EPS Performance Rights"), while the other half will be subject to a relative total shareholder return ("TSR") vesting condition measured over the performance period ("TSR Performance Rights").

#### EPS Performance Rights

For any of the EPS Performance Rights to vest, the EPS target must be met. The percentage of EPS Performance Rights that vest will be determined over the performance period by reference to the following vesting schedule:

Medibank's EPS compound annual growth rate over the performance period	% of EPS Performance Rights that vest
Less than 7%	Nil
Equal to 7%	50%
Between 7% and 15%	Straight line pro-rata between 50% and 100%
At or above 15%	100%

#### TSR Performance Rights

For any of the TSR Performance Rights to vest, Medibank must achieve the threshold TSR ranking over the performance period. Medibank's relative TSR will be compared with a comparator group comprising companies with a market capitalisation positioned within the ASX 11 to 100, excluding mining and energy companies. The percentage of TSR performance rights that vest, if any, will be based on Medibank's TSR ranking over the performance period, as set out in the following vesting schedule:

Medibank's TSR rank in the comparator group	% of TSR Performance Rights that vest
Less than 50th percentile	Nil
50th percentile	50%
Greater than 50th and up to 75th	Straight line pro-rata between 50% and 100%
75th percentile or greater	100%



# MEDIBANK PRIVATE LIMITED

## NOTICE OF 2015 ANNUAL GENERAL MEETING

### EXPLANATORY NOTES (continued)

#### What happens on vesting of performance rights?

On vesting, each performance right will be automatically exercised and satisfied by the issue or transfer of one Medibank share to George. The shares may be purchased on market by Medibank or new shares may be issued, as determined by the Board.

#### Are the performance rights hurdles re-tested?

No, performance hurdles are only tested once following the end of the performance period. Any performance rights that remain unvested following the end of the performance period will lapse immediately.

#### Cessation of employment

If George ceases employment with Medibank and is a "good leaver" (meaning he ceases employment by reason of death, serious disability, permanent incapacity, retirement, redundancy or with Board approval), the performance rights held by him on cessation of employment will remain in place and continue to be subject to the same vesting conditions that will be assessed at the end of the performance period. If George's employment is terminated for other reasons (such as resignation, misconduct, fraud or unsatisfactory performance) then the performance rights held by him on cessation of employment will lapse immediately.

#### Are performance rights entitled to receive dividends?

No, dividends are not paid on performance rights.

#### When are performance rights subject to early vesting?

The Board has discretion to allow the early vesting of the performance rights in circumstances such as on a change of control or winding up of Medibank.

#### Are the performance rights subject to clawback?

The Board has adopted an Executive Remuneration Clawback Policy that provides the Board with discretion to reduce, cancel or recover any performance-based awards (including performance rights) made to a senior executive employee in certain circumstances. Events that could warrant such action include:

- serious misconduct or fraud by the senior executive employee;
- unsatisfactory performance by the senior executive employee to the detriment of Medibank's strategic objectives;
- error in the calculation of a performance measure related to performance-based remuneration; or
- a misstatement of Medibank's financial statements.

#### What will happen if shareholders do not approve the LTI grant?

If shareholder approval of the grant of performance rights to George under Medibank's LTI plan is not obtained, he will receive a cash payment in lieu of those performance rights. The cash payment will be subject to the same vesting conditions outlined above.

#### Other information required by the ASX Listing Rules

George is the only director who is eligible to participate in Medibank's LTI plan.

No loan has been or will be made to George by Medibank in relation to the performance rights.

As this is Medibank's first annual general meeting since listing, shareholder approval has not previously been obtained under ASX Listing Rule 10.14. However, as outlined in the prospectus issued in connection with Medibank's initial public offering in 2014, Medibank obtained from the ASX a waiver from the requirement to obtain shareholder approval for performance rights granted during the twelve month period from listing. Pursuant to that waiver George was granted performance rights in respect of the LTI plan for 2015, and he will be granted performance rights for the deferred portion of the STI plan for the 2015 financial year and the additional 2015 STI opportunity.

#### Recommendation

The Board (other than George Savvides abstaining because of his interest in this resolution) recommends that shareholders vote FOR this resolution. Subject to the voting restrictions set out on page 4, the Chairman of the meeting intends to vote undirected proxies FOR this resolution.

# MEDIBANK PRIVATE LIMITED NOTICE OF 2015 ANNUAL GENERAL MEETING

## GETTING TO THE AGM



### Public transport

**Tram** – From Flinders Street (route 70) to the Rod Laver Arena tram stop. Entry to the Function Centre is through the gates at Garden Square. Proceed left up the ramp.

**Train** – Richmond Station is 1km east of Hisense Arena along Olympic Boulevard. Jolimont Station is through Yarra Park past the MCG.

### Parking

Take Entrance D off Olympic Boulevard and proceed to the Northern or Eastern Plaza Car Park. From the Northern Car Park, walk through the gates at Garden Square to the Function Centre and proceed left up the ramp. From Eastern Plaza Car Park, walk west along Olympic Boulevard to 'The Oval'. Continue along the designated paths up the stairs towards the entrance of Rod Laver Arena. Continue to the right.

**medibank**  
For Better Health

Medibank Private Limited ABN 47 080 890 259