

Corporate governance statement

Medibank was founded in 1976 as a private health insurer and was operated by the Australian Government. In 1998, Medibank Private Limited became the operating entity with the Commonwealth of Australia as the sole shareholder. In 2014 the Australian Government sold Medibank by way of an initial public offering, and divested all its shares in Medibank. Medibank listed on the Australian Securities Exchange (ASX) on 25 November 2014.

The Medibank Board is committed to improving our customers' experience and providing them with greater value. In line with this, the Board seeks to ensure that Medibank is properly managed to protect and enhance shareholder interests, and that Medibank, its directors, officers and employees operate in an appropriate environment of corporate governance.

Governance structure

The Board has a framework in place for governing Medibank. This includes adopting internal controls, risk management processes and corporate governance policies and practices, designed to promote responsible management and ethical conduct.

During the year, Medibank had in place policies and practices which comply with the recommendations in the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (CGPRs), 4th edition. As a registered private health insurer, Medibank also complies with the CPS510 governance standard issued by the Australian Prudential Regulation Authority (APRA). The key corporate governance practices applied at Medibank are described in this statement and the key corporate governance policies are available on the corporate governance section of our website at medibank.com.au.

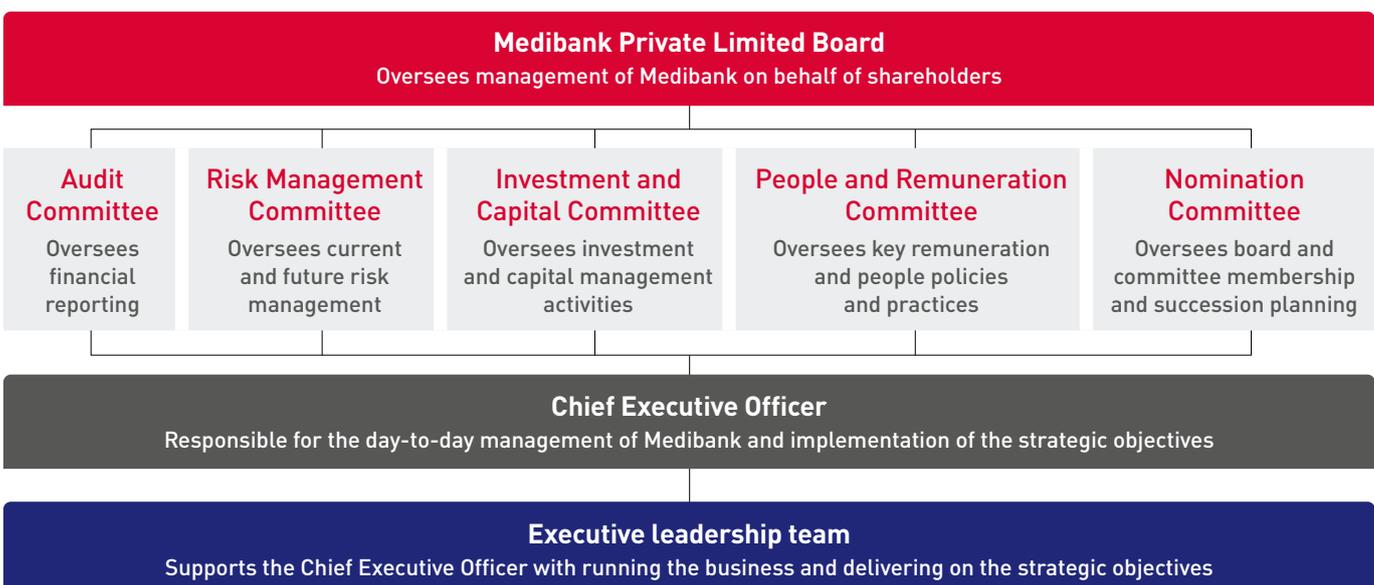
The governance and performance of Medibank is overseen by the Board elected by the shareholders.

Roles and responsibilities of the Board and management

The Board provides overall strategic guidance for Medibank and effective oversight of management. Responsibility for the governance of Medibank, including establishing and monitoring key performance goals, rests with the Board. The Board monitors the operational performance and financial position of Medibank, as well as overseeing the business strategy and approving strategic goals. In performing its role, the Board is committed to ensuring sound corporate governance practices.

The Board Charter, which is available on our website, articulates the Board's roles and responsibilities, its membership and operation, and which responsibilities may be delegated to committees or to management. Specific responsibilities have been reserved by the Board in key areas of: strategy (including approval and monitoring of the corporate strategy and performance objectives); governance (including disclosure); appointment, performance evaluation and remuneration of the Chief Executive Officer (CEO) and other senior executives, including the Company Secretary; approving the Code of Conduct and overseeing Medibank's purpose, culture and values; financial approvals and reporting; risk management, compliance and workplace health and safety; and culture (including diversity and inclusion). The Board has established standing committees to assist in performing its responsibilities. These committees examine particular issues in detail and make recommendations to the Board. A description of these committees can be found on pages 38 to 39.

The CEO has responsibility for managing the day-to-day affairs of Medibank. The CEO, with the support of the executive leadership team, manages Medibank in accordance with the Board-approved Corporate Plan, the corporate strategy and Medibank's policies within the risk appetite set by the Board. A detailed delegation of authority framework defines the decision making and expenditure limits that apply at various levels of management.



Key areas of focus for the Board in 2023

Corporate governance

- Oversight of the cybercrime event and response, including:
 - Supporting our customers including the Cyber Response Support Program.
 - Keeping our stakeholders informed, such as the government, shareholders and regulators.
 - Ensuring the health and wellbeing of our employees.
 - Continuing to strengthen our information security environment.
 - Monitoring the financial and other impact of the cybercrime event.
- Oversight of COVID-19 impacts and response, including:
 - Ensuring we don't profit from COVID-19 by returning any permanent net claims savings via customer give backs and hardship policies.
 - Accounting and regulatory responses, including in relation to claims liability.
- Continuing to embed the enterprise risk and compliance management framework and risk and compliance culture, including review and monitoring of financial and non-financial material risks and emerging risks.
- Continuing to embed our environmental, social and governance (ESG) strategy, including accelerating our pathway to Net Zero emissions by 2040.
- Continuing to evolve our approach to data management, particularly in light of impending reform to the Privacy Act and changing community expectations.
- Review and approval of Accounting Policies and associated Financial Statement disclosures in the light of the adoption of the new AASB17 *Insurance Contracts* with effect from 1 July 2023.
- Oversight of the Group's capital management policies and level of capital, including implementation of APRA's new capital standards (from 1 July 2023).

Strategy and execution

- Review of strategy, including growing as a health company and evaluation of opportunities to execute on our strategic pillars and key objectives.
- Oversight of investments, partnerships and organic growth initiatives to support execution of the strategy.
- Review and approval of the Corporate Plan, budget and performance targets and oversight of business performance against these targets.
- Monitoring the impacts of economic conditions and cost-of-living pressures.

People, remuneration and culture

- Oversight of Medibank's 2030 vision, values, strategy and culture.
- Alignment of executive leadership team (ELT) roles.
- Review of Board composition, including consideration of succession planning and its continuing education.
- Oversight of our people frameworks, ensuring we provide a safe environment for our people focused on health and wellbeing and diversity and inclusion.
- Oversight of talent attraction, development and retention, including succession planning for the executive leadership team.
- Review of remuneration framework and reward governance practices in preparation for the implementation of APRA Prudential Standard CPS511 Remuneration in FY24.

Structure and composition of the Board

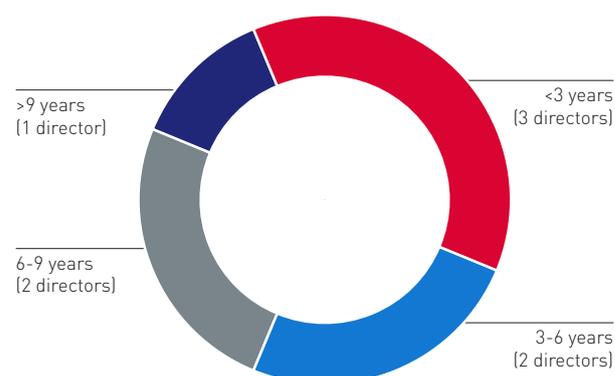
The Board comprises nine directors in total – eight non-executive directors, including a non-executive Chair, and the CEO.

The Chair of the Board is responsible for providing leadership to the Board and Medibank as a whole. The Chair's other key responsibilities are outlined in the Board Charter.

The current Chair is Mike Wilkins AO, an independent non-executive director who has served as Chair since October 2020 and on the Board since May 2017. The current CEO is David Koczkar, who commenced in the role in May 2021.

Biographies of the directors, including their skills, experience and year of appointment, are set out on pages 29 to 31. Details of directors' attendance at Board and committee meetings during the year ended 30 June 2023 are on page 52. The non-executive directors' tenure profile is shown in the table below. The length of service of the non-executive directors ranges from one year and four months to ten years and eight months.

Non-executive director tenure profile



Corporate governance statement

Independence

Directors are expected to bring an independent judgement to bear on all Board decisions. A director is considered independent if they are a non-executive director who is not a member of management and are free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgement or could reasonably be perceived to do so.

Each director provides periodic updates of their interests, positions, associations and relationships, and all directors must keep the Board advised on an ongoing basis of any interest that could potentially conflict with those of Medibank.

Directors will be required to abstain from participating in discussions or voting on any matters in which they have, or may be perceived to have, a material personal interest.

The Board regularly assesses the independence of each director in light of the interests disclosed. The Board has assessed the interests, positions, associations and relationships of each director. It has determined that all non-executive directors are independent in accordance with the principles outlined by the ASX Corporate Governance Council and APRA and as set out in Medibank's Board Charter.

To provide an opportunity for independent discussion, the non-executive directors meet without management present at the commencement of each Board meeting.

Appointment and re-election of directors

Medibank's Constitution provides that a director may be appointed by the Board, and if so, is subject to election by shareholders at the annual general meeting (AGM) following their appointment if they wish to remain a director (other than the CEO). Shareholders may also nominate individuals to stand for election as a director at the AGM. The Constitution requires an election of directors at each AGM, and a director must retire and may stand for re-election by the third AGM following the director's election. Mike Wilkins AO and Dr Tracey Batten will retire and offer themselves for re-election at the upcoming AGM on 22 November 2023. Further information about these directors is set out on pages 29 to 31, and in the notice of annual general meeting.

Before appointing a person as a director, the Board undertakes checks as to that person's character, experience and background, including criminal and bankruptcy checks. Medibank has a Fit and Proper Policy that complies with APRA's Fit and Proper Prudential Standard. This standard requires that a person in a position of responsibility, including a director, be assessed prior to appointment (or in some cases, as soon as possible after appointment) and on an ongoing basis as to whether the person meets the fit and proper requirements. The person must have the appropriate skills, experience and knowledge to perform the role and act with the requisite character, diligence, honesty, integrity and judgement.

Upon appointment, each non-executive director enters into a service agreement setting out the terms of their appointment. This includes the requirement to build a shareholding in Medibank in order to align the interests of directors with those of shareholders. The Minimum Shareholding policy requires non-executive directors to acquire shares equal to the value of one year's base fee after tax over a period of five years.

As part of the appointment process, Medibank enters into a deed of indemnity, insurance and access with each director.

Each director is indemnified against liability in connection with their role as a director and Medibank is required to maintain a directors' and officers' insurance policy. The deed confirms and extends the director's general law rights of access to Board papers and other records of Medibank.

Director induction, continuing education and access to information

The Board is committed to enhancing the capabilities of each director and the performance of the Board generally. Upon joining the Board, all new non-executive directors undertake a tailored induction program. This includes meetings with the Chair, CEO, executive leadership team and senior leaders on Medibank's business, strategy and operation.

The Board is provided with ongoing professional development opportunities during the year to maintain the skills and knowledge needed to effectively perform their role. This involves formal briefing sessions on a range of subjects by key stakeholders, including regulators and industry experts, to provide deeper insights on industry context and trends. This also includes visits to Medibank's retail stores, customer engagement, conference attendance, and participation in the management-led Executive Risk Committee and Divisional Risk Committees. The professional development program is periodically reviewed by the Nomination Committee to ensure it meets the needs of the directors.

The directors have complete and open access to the CEO, executive leadership team and senior management following consultation with the CEO. A director may, following consultation with and consent from the Chair, seek independent professional advice at Medibank's expense in respect of any matter connected with the discharge of the director's responsibilities. Directors also have direct access to the advice and services of the Company Secretary, who is directly accountable to the Board through the Chair and advises the Board and the Chair on all governance matters.

Board skills, experience and diversity

The Nomination Committee regularly reviews the balance of skills, experience, independence, knowledge and diversity of the Board, and is committed to ensuring that the directors collectively have the appropriate skills mix. The evolution of the mix of skills and diversity of the Board is a long-term process and must reflect the current and emerging challenges for the organisation.

Corporate governance statement

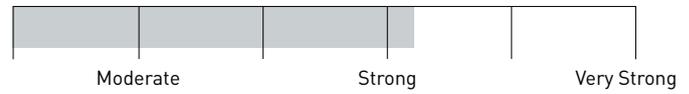
Skills and experience

Collective strength¹



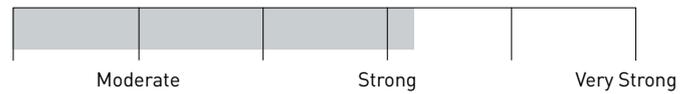
Government relations and public policy

Interacting with government and/or regulators and/or involvement in public policy decisions



Technology, data and digital innovation

Understanding technology and innovation, including data management, data privacy and information security practices. Experience with businesses that have developed and implemented technology-based initiatives to enhance productivity and/or customer experiences



1. This represents the collective strength of the Board including David Koczkar, CEO.

Board performance evaluation

The Nomination Committee is responsible for reporting on the evaluation of the performance of the Chair, Board, committees and individual directors to the Board. The evaluation is conducted annually either through an internal review process or an external process.

In 2023, the Chair of the Nomination Committee led an internal Board evaluation by way of a detailed directors' survey seeking feedback in the areas of the role of the Board, people on the Board, procedures, practices and committees, and behaviours. This included an assessment of the committees' handling of the issues and challenges that occurred throughout the year. The internal Board evaluation in 2023 followed the external Board evaluation that was undertaken in 2021 and the internal Board evaluation in 2022.

Following the survey, the Board discussed and evaluated the outcomes and committed to relevant action items.

The Chair continues to be responsible for the assessment of each individual non-executive director's performance and contribution. The Chair met with each of the non-executive directors in 2023 to review their performance and professional development needs.

Committees of the Board

The Board has established five standing committees to assist in the execution of its responsibilities – the Audit Committee, Risk Management Committee, Investment and Capital Committee, People and Remuneration Committee and Nomination Committee. Each committee is governed by a charter setting out the committee's role, responsibilities, membership and processes. The membership, roles and responsibilities of each committee are summarised in the table below. The charters can be accessed on our website.

The Board has also formed a Cyber Response Board Committee as part of its cyber response playbook. More information on this committee and its role during the recent cybercrime event can be found on page 49.

The relevant qualifications and experience of the members of each standing committee can be found in the director biographies on pages 29 to 31. The number of meetings of each committee, and the individual attendance of their members, are provided on page 52.

Committee membership as at 24 August 2023

Committee	Composition	Key roles and responsibilities
Audit Committee <ul style="list-style-type: none"> Gerard Dalbosco (Chair) Peter Everingham David Fagan Kathryn Fagg 	<ul style="list-style-type: none"> At least three members, all of whom are non-executive directors, a majority of whom are independent directors and at least one of whom is a member of the Risk Management Committee. Structured so that members are all financially literate, and between them have accounting and financial expertise and experience and an understanding of Medibank's industries. The chair must be an independent non-executive director and must not be the chair of the Board (but the chair of the Board may sit on the committee). 	<ul style="list-style-type: none"> Overseeing and reviewing the integrity of external financial reporting and financial statements. Endorsing and recommending the appointment and removal of, and reviewing the terms of engagement, performance and independence of external auditors. Reviewing management processes for compliance with relevant laws, regulations and other accounting and external reporting requirements. Overseeing and reviewing internal and external audit processes and internal control framework.

Committee membership
as at 24 August 2023

Committee membership as at 24 August 2023	Composition	Key roles and responsibilities
<p>Risk Management Committee</p> <ul style="list-style-type: none"> • David Fagan (Chair) • Tracey Batten • Anna Bligh • Gerard Dalbosco • Linda Bardo Nicholls 	<ul style="list-style-type: none"> • At least three members, all of whom are non-executive directors, a majority of whom are independent directors and at least one of whom is a member of the Audit Committee. • Structured to have the necessary knowledge and a sufficient understanding of Medibank's industries. • The chair must be an independent non-executive director and must not be the chair of the Board (but the chair of the Board may sit on the committee). 	<ul style="list-style-type: none"> • Approving and recommending to the Board the adoption of policies and procedures on risk oversight and management to ensure effective risk management systems are in place. • Ensuring that Medibank has in place a robust risk management framework and procedure to support the effective identification and management of risks. • Evaluating the adequacy and effectiveness of the management and reporting and control systems associated with material risks. • Establishment and monitoring of Medibank's overall risk appetite. • Monitoring and review of Medibank's risk culture. • Oversight of, and monitoring progress against, Medibank's sustainability strategy. • Oversight and prior endorsement of the appointment and replacement of the Chief Risk Officer.
<p>Investment and Capital Committee</p> <ul style="list-style-type: none"> • Linda Bardo Nicholls (Chair) • Anna Bligh • Mike Wilkins 	<ul style="list-style-type: none"> • At least three members, all of whom are non-executive directors. • The chair must be an independent non-executive director, appointed by the Board. 	<ul style="list-style-type: none"> • Assisting and advising the Board on capital and investment related matters. • Overseeing the investment strategy and Capital Management Policy. • Monitoring the effectiveness of the investment process. • Authorising delegated investment decisions.
<p>People and Remuneration Committee</p> <ul style="list-style-type: none"> • Tracey Batten (Chair) • Peter Everingham • Kathryn Fagg • Mike Wilkins 	<ul style="list-style-type: none"> • At least three members, all of whom are non-executive directors, a majority of whom are independent directors and at least one of whom is a member of the Risk Management Committee. • The chair must be an independent non-executive director, appointed by the Board. 	<ul style="list-style-type: none"> • Reviewing and overseeing people and organisational culture strategies, including employee engagement, values and behaviours. • Reviewing and making recommendations to the Board on the remuneration framework, policy and arrangements for the non-executive directors, CEO, executive leadership team and certain nominated personnel. • Reviewing executive succession planning, talent management, industrial relations and diversity strategies. • Reviewing and overseeing key incentive schemes and equity incentive plans. • Recommending to the Board the measurable objectives for diversity. • Reviewing and monitoring Medibank's health, safety and wellbeing performance.
<p>Nomination Committee</p> <ul style="list-style-type: none"> • Mike Wilkins (Chair) • Tracey Batten • Gerard Dalbosco • David Fagan • Linda Bardo Nicholls 	<ul style="list-style-type: none"> • At least three members, comprising the chair of the Board and the chair of each standing Board committee (unless the Board resolves otherwise). • All members of the committee must be independent directors. • The chair of the Board will be the chair of the committee. 	<ul style="list-style-type: none"> • Director selection and appointment. • Director induction and professional development. • Board composition. • Board succession planning and renewal. • Performance evaluation of the Board, committees and individual directors.

Executive leadership team

The CEO, supported by the executive leadership team (ELT), is responsible for the day-to-day management and performance of Medibank. ELT members have a clear understanding of their roles and responsibilities through position descriptions and a structured performance management system. Profiles and accountabilities for ELT members are set out on pages 32 to 33. Each ELT member has entered into a service agreement with Medibank which sets out the terms of their employment. Remuneration policies and practices applying to the ELT are detailed in the remuneration report from page 54.

The remuneration report from page 59 contains the performance measures applied to Executive KMP members and the process for the annual evaluation of their performance.

The same process is also undertaken for the annual performance of each other ELT member. A performance evaluation was undertaken during 2023 in accordance with that process for each ELT member in that role at 30 June 2023.

Values and ethical standards

Central to the Board's governance framework is a culture of integrity and ethical behaviour based on Medibank's key values: Customer Obsessed; Show Heart; Brilliance Together; and Break Boundaries. These values are intended to guide the way employees work together and engage with customers, business partners, governments and the wider community, and are supported by a range of policies and procedures. Our values are further articulated on our website and in the [Sustainability Report 2023](#).

Key policies

Details of key policies supporting our commitment to integrity and ethical behaviour are set out below. Copies of each policy can be found on our website.

	Purpose	Key provisions	Breaches and reporting
Code of Conduct	Medibank employees are required to conduct their activities ethically and with integrity. The Code of Conduct sets out the ethical standards that are expected of all directors, managers, employees and contractors in their dealings with customers, suppliers and each other.	Requires directors, managers, employees and contractors to behave with high standards of personal integrity, and in a manner that: <ul style="list-style-type: none"> • complies with applicable laws, standards and internal policies; • promotes health, safety and wellbeing; • fosters relationships of trust, accountability and transparency; • avoids conflicts of interest (including not offering or accepting inducements, secret commissions or bribes); and • respects privacy and protects confidential information. 	Sets out different approaches to dealing with breaches of the Code, depending on the circumstances – including raising concerns with immediate or senior managers, the People, Spaces & Sustainability team, the CEO, or via the Whistleblower Policy. Breaches of the Code of Conduct are reported to the People and Remuneration Committee.
Whistleblower Policy	Medibank is committed to a culture where our people are encouraged to speak up if something doesn't look right, and to support them when they do. The Whistleblower Policy establishes what is reportable conduct, how to contact Medibank Alert, and the protections available to whistleblowers.	Sets out the types of conduct that can be disclosed, who may make a disclosure under the policy and what to include in a report. Sets out support and protection available to whistleblowers, and the processes for managing whistleblower complaints (including key roles and responsibilities).	Provides details of the Medibank Alert whistleblower service, which is available through an external provider, enabling whistleblowers to report anonymously or limit who is informed of their identity. Material incidents reported under the policy are reported to the Risk Management Committee.
Anti-Bribery and Corruption Policy	Medibank has zero tolerance for bribery and corruption. The Anti-Bribery and Corruption Policy describes conduct that is prohibited for directors, employees and contractors when conducting business on behalf of Medibank, and how breaches can be reported.	Requires that directors, employees and contractors: <ul style="list-style-type: none"> • not offer, pay or accept inducements, bribes, kickbacks, secret commissions or improper payments, or engage in corrupt business practices; • not accept gifts, hospitality or anything of value which may have obligations attached; 	Requires requests for bribes or facilitation payments to be reported to the Chief Risk Officer. Requires other breaches or potential breaches to be reported to the Chief Risk Officer or the Whistleblower Hotline.

	Purpose	Key provisions	Breaches and reporting
Anti-Bribery and Corruption Policy cont.		<ul style="list-style-type: none"> not offer or give anything of value, or solicit any inducement, that may conflict with their work or duties to Medibank; and ensure approved grants and donations are appropriately recorded. 	Breaches of the policy are reported to the Risk Management Committee.
Share Trading Policy	The Share Trading Policy describes restrictions on buying and selling Medibank shares for the Board, the ELT, senior executives and other Medibank employees.	<p>Prohibits directors, executives and employees from dealing in Medibank or other securities if they possess inside information.</p> <p>Prohibits trading by directors, executives and certain restricted employees in Medibank securities during blackout periods, which apply in the lead-up to the release of financial results and at other times as required.</p>	Details the penalties for breaches of insider trading laws and the consequences as a director or employee for a breach of law and the policy.

Ethical conduct is also supported by a range of other corporate policies, including in the areas of health, safety and wellbeing and modern slavery. Copies of these policies are also available on our website.

The Health, Safety and Wellbeing Policy underpins our objective of preventing injury and illness and inspiring our people to eat, move and feel good in a way that works for them. Medibank has a health and safety management system in place to ensure it meets legislative requirements and proactively addresses its key risks in health and safety.

Diversity and inclusion

Medibank is committed to creating an inclusive culture that acknowledges and embraces difference in all its forms and ensures that every voice is heard. We recognise that all employees are different, and these differences benefit our employees, shareholders, customers and the community.

The Board has adopted a Diversity and Inclusion Policy that facilitates an inclusive culture and supports us to deliver an

inclusive health and wellbeing experience for our community. The policy outlines the role of the People and Remuneration Committee in recommending to the Board measurable objectives for diversity and annually assessing progress against these. The policy is reviewed annually and is available on our website. A Diversity and Inclusion Strategy supports the policy and sets out the measurable objectives established by the Board.

The Board emphasises the importance of having a gender diverse leadership team, which is supported by Medibank's commitment to having and maintaining at least 40% women representation in the Group and senior executive population and on our Board. As at 30 June 2023, the actual representation across the Group and senior executive population was 48%.

In May 2023, Medibank completed the reporting of its gender equality indicators under the *Workplace Gender Equality Act 2012* (Cth). The reports can be accessed on the corporate website. As at 30 June 2023, the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation were as follows:

Position	Women	Men	Other	% Women
Board (including CEO)	4	5	-	44%
Group Executives (including CEO) ^{1,2}	3	5	-	38%
Senior executives ³	24	24	-	50%
Group and senior executive total	27	29	-	48%
Senior managers	102	116	1	47%
Other managers	408	334	1	55%
Non-managers	2,014	592	8	77%
Overall (including Board)	2,555	1,075	10	70%

1. Group executive positions refer to the CEO and the executive leadership team (ELT) as at 30 June 2023. All of the ELT report directly to the CEO.

2. Kylie Williamson, Acting Group Lead - Data & Technology, has been included in the Group Executive data.

3. Senior executive positions include all roles classified as senior executives as part of Medibank's broad based banding framework.

Corporate governance statement

In 2022 the Board set measurable objectives for achieving diversity at Medibank and committed to reporting progress achieved against these in the 2023 corporate governance statement.

The table below shows our progress against these objectives:

Measurable objective	Progress towards achievement
Medibank will remain committed to ensuring a representation of at least 40% women across our executive leadership and senior leadership populations, and at least 40% women on the Medibank Board.	As at 30 June 2023, women represented 48% of Group and senior executive roles (up from 44% in FY22). Representation of women on the Medibank Board remains above target at 44% (including the CEO), aligned with FY22.
Medibank will aim to improve the gender balance across our manager and non-manager population by maintaining at least 40% women across our manager workforce and improving the representation of men in our non-manager workforce.	Women represented 53% of all manager roles (excluding Group and senior executives), unchanged from FY22 and 77% of non-manager positions (compared to 79% in FY22). This is largely driven by our Amplar Health division where women made up 87% of the non-manager workforce, compared to other Medibank divisions at 71%.
Medibank will continue to focus on increasing the representation and engagement of Aboriginal and Torres Strait Islander employees with a target set of at least 43 employees (approx. 1.6% of survey respondents) as self-reported in our annual engagement survey.	<p>In FY23, the number of employees identifying as Aboriginal and Torres Strait Islander in our annual engagement survey increased to 32 people, which equates to 1.2% of survey respondents¹, an increase from 0.9% in FY22. Engagement for this cohort was 8.3 which is above the Medibank average of 7.7 and above FY22's result of 8.1.</p> <p>While our representation of Aboriginal and Torres Strait Islander employees was 0.4% lower than our target, in 2022 we developed our Aboriginal and Torres Strait Islander recruitment, engagement and professional development strategy. This strategy supports our aim to increase meaningful, sustained employment opportunities for Aboriginal and Torres Strait Islander peoples by facilitating a tailored recruitment process and regular surveys to better understand the ongoing experience of Aboriginal and Torres Strait Islander candidates and employees.</p>
Medibank will continue to focus on increasing the representation and engagement of employees with disability with a target set of at least 178 employees (approx. 6.5% of survey respondents) as self-reported in our annual engagement survey.	<p>In FY23, the number of employees identifying as having a disability in our annual engagement survey rose to 184 people, which equates to 6.7% of survey respondents¹, an increase from 5.9% in FY22. Engagement for this cohort was 7.6, which is below the Medibank average of 7.7 and 0.1 lower than FY22's result of 7.7.</p> <p>In May 2022, we launched our second Accessibility and Inclusion Plan. In the first year of the plan, we delivered disability awareness education as part of our annual training requirements for all employees as part of our goal to foster a disability confident culture. In FY24, we will focus on developing this further to uplift the capability of our leaders and ensure an inclusive and accessible recruitment process.</p>
Medibank will provide a market leading comprehensive and targeted support carers package to improve the engagement of employees with caring responsibility for elderly parents, or person with a disability or chronic condition.	A significant proportion of our people have caring responsibilities; either elderly parents, or a family member with a disability or chronic condition (18.2%, as measured by our employee survey). In FY23, we further invigorated our carers support proposition by refreshing our Carers Network, promoting our carers information hub and making our Caregiver Support Program available to all eligible employees, following a successful pilot in FY22. In FY24, we will continue to share the support offerings for carers with all employees and prioritise listening to feedback from our Carers Network to further enhance their experience.

1. Based on employee engagement survey response rate of 80% (2,742) from 3,452 employees invited to participate.

For 2024, the Board has set the following measurable objectives for achieving diversity at Medibank and is committed to reporting progress achieved against these in the 2024 corporate governance statement:



Medibank will remain committed to ensuring a representation of **at least 40% women across our executive leadership and senior leadership populations, and at least 40% of women on the Medibank Board.**



Medibank will aim to **improve the gender balance across our manager and non-manager population by maintaining at least 40% women across our manager workforce and improving the representation of men in our non-manager workforce.**



Medibank will continue to **focus on increasing the representation and engagement of Aboriginal and Torres Strait Islander employees** with a target set of at least 49 employees (approx. 1.8% of survey respondents) as self-reported in our annual engagement survey.



Medibank will continue to focus on **increasing the representation and engagement of employees with disability** with a target set of at least 192 employees (approx. 7% of survey respondents) as self-reported in our annual engagement survey.

Market and shareholder communication

Market disclosure

We promote investor confidence and the rights of shareholders by ensuring the immediate disclosure of market sensitive information regarding Medibank. The measures to further these commitments are detailed in the Disclosure and Communication Policy approved by the Board, which is available on our website.

This policy is designed to facilitate compliance with Medibank's obligations under the ASX Listing Rules and the *Corporations Act 2001* (Cth) by assigning authorisation processes for market announcements and reserving certain matters for approval by the Board. The policy also requires the Board to receive copies of all material market announcements promptly after they have been made. Processes for engagement with analysts and investors are detailed in the policy as well as the assignment of spokespersons for market and media communications. Awareness and compliance is promoted by compulsory periodic online employee training and additional information sessions for those likely to become aware of potentially market sensitive information.

The Board is supported by a management Disclosure Committee responsible for considering potentially market sensitive information and monitoring Medibank's disclosure processes and reporting framework. The Disclosure

Committee Charter is available within the Disclosure and Communication Policy.

Medibank's full year financial reports are audited, and our half year financial reports reviewed, by our external auditor. For other periodic corporate reports, such as the annual report and sustainability report, relevant subject matter experts confirm the factual accuracy of relevant statements; final reports are also reviewed by senior executives who have the knowledge and skills to verify the accuracy of the information. Periodic corporate reports are reviewed and where appropriate, approved by the Board prior to publication.

Information about Medibank and its governance

Our website provides information about Medibank and its corporate governance, and an investor centre that provides information specifically for prospective and existing Medibank shareholders which links to our results, investor presentations, annual reports, sustainability reports, share price, ASX announcements and AGM materials. We also maintain a shareholder calendar of upcoming events within the investor centre, along with information to assist investors in managing their shareholdings. Medibank's share register is managed by Computershare Investor Services Pty Limited (Computershare) which provides an accessible online platform for shareholders to access and manage their shareholdings.

We encourage shareholders to receive communications securely by email for reasons of speed, security, environmental friendliness and cost reductions. Unless a shareholder elects to receive information by post, Medibank and through its share registry, Computershare, communicate with shareholders via email and other electronic channels, including providing notices of meetings and facilitating online voting on the AGM resolutions.

Investor engagement

We conduct briefings, meetings, telephone calls and webcasts for institutional and retail investors, analysts and proxy advisors to provide a greater understanding of the business and results. Investor briefings and ad hoc meetings with institutional and retail investors, analysts and proxy advisors provide a forum for two-way communications between Medibank and the investment community. During the year, we participated and presented at a number of conferences and investor events, including the Morgan Stanley Private Healthcare Forum in May 2023 and the Macquarie Australia Conference in May 2023.

We generally communicate with the investment community through the CEO, the Group Lead – CFO & Group Strategy, other members of the ELT and the Hub Lead – Investor Relations. We also communicate through the Chair for governance and remuneration issues and the Company Secretary and Group Lead – People, Spaces & Sustainability for environmental, social and governance issues. Feedback from engagement with the investor community is communicated to the Board at each Board meeting.

Corporate governance statement

In all communications with investors, analysts and media, only publicly available information and information that is not market sensitive is discussed. In order to ensure that all shareholders have equal and timely access to material information concerning Medibank, advance notification of investor and analyst results briefings is announced via the ASX. The briefing materials are released first via the ASX and then on the investor centre section of our website, together with a recording of the half and full year results briefing. We also release the materials for new and substantive investor and analyst presentations to the ASX before the presentation starts.

Shareholder meetings

The Board encourages shareholders to attend the AGM and to take the opportunity to ask questions. In 2023, investors will be able to attend the meeting in person at an accessible venue in Melbourne, or virtually, with the ability to vote and ask questions at the venue or online; the meeting will also be webcast live and made available on our website. All substantive resolutions at the meeting are decided by a poll and not by a show of hands.

The external auditor attends the AGM and is available at the meeting to answer questions relevant to the auditor's report.

We provide shareholders with a clear and concise notice of meeting, setting out the business to be considered, including all material information relevant to the election or re-election of directors. These materials, together with the presentations at the AGM and the voting results, are released to the ASX and then made available on our website.

Integrity of financial reporting

The Board has a strong commitment to the integrity and quality of its financial reporting and its systems for risk management, compliance and internal control.

The role of the Audit Committee is to provide an objective, non-executive review of the effectiveness of Medibank's internal control, financial reporting and risk management framework, to assist the Board in carrying out its accounting, auditing, and financial reporting responsibilities. Details of the composition and key roles and responsibilities of the Audit Committee are set out on page 38. In addition to the members of the Audit Committee, any director may attend Audit Committee meetings. Representatives of management and the Hub Lead – Internal Audit may attend Audit Committee meetings by standing invitation, and the Chief Actuary and external auditors are invited as required.

Financial reporting assurances

The preparation of the full year and half year financial statements is subject to a detailed process of review and approval by the Board supported by the Audit Committee.

As required under section 295A of the *Corporations Act 2001* (Cth), the Board receives a declaration from the CEO and the CFO that the financial records of the company have been properly maintained and that the financial statements and notes comply with accounting standards and give a true and fair view of the consolidated entity's financial position and performance for the financial period. This includes a written declaration that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects.

This declaration was received by the Board prior to approving the financial statements for the half year ended 31 December 2022 and the full year ended 30 June 2023.

Internal audit

Medibank has an internal audit function that provides the Board and Audit Committee with an independent evaluation of the adequacy and the effectiveness of Medibank's financial and risk management framework. The Internal Audit Plan, which is approved by the Audit Committee, is developed using a risk-based approach and is driven by Medibank's strategy, risk profile and assurance priorities.

The Internal Audit Charter provides the internal audit team unrestricted access to review all activities of the business. The internal audit function is supplemented by the engagement of external subject matter experts when required.

The head of the internal audit function is the Hub Lead – Internal Audit. To ensure the independence of the internal audit function, the role reports directly to the Audit Committee Chair, with a direct communication line to the CEO and administrative reporting line to the CFO. The Hub Lead – Internal Audit (in addition to their standing invitation to attend Audit Committee meetings) reports to each Audit Committee meeting on progress against the Internal Audit Plan, audit findings and recommendations, business insights and the status of management actions.

Risk management

Information about Medibank's risk management framework (page 45), risk governance (page 45) and material business risks, including environmental, social and governance risks and emerging risks (page 46), can be found in the following risk management section.

This corporate governance statement is accurate and up to date as at 24 August 2023 and has been approved by the Board.

Risk management

Our approach to risk management reflects our commitment to ethical and responsible business practices and guides the work we are doing to deliver on our 2030 vision of the best health and wellbeing for Australia.

Our risk management approach is defined within our risk management strategy and underpinned by our enterprise risk management framework, which encompasses the systems, structures, policies, processes and people that manage risks across the business. These align with the requirements of the Australian Prudential Regulation Authority's (APRA) Consolidated Prudential Standard 220 *Risk Management* (CPS220).

We undertake an annual strategic planning process to establish and agree upon our strategic objectives with the Board and develop our risk appetite statement, corporate plan and capital management plan.

Risk governance

The Board has overall responsibility for Medibank's risk management framework including setting the risk appetite for Medibank. The Board reviews the risk management strategy and risk appetite statements on an annual basis and satisfies itself that management has developed and implemented a sound system of risk management and internal control to effectively manage risk across the business in line with regulatory and statutory requirements.

The Risk Management Committee assists the Board in overseeing the implementation of the risk management framework. Committee members are appointed based on their qualifications and experience to ensure that the committee can adequately discharge its duties. More information about the committee and its members can be found in the corporate governance statement on page 39.

Risk management plays an important role in remuneration outcomes. For a short-term incentive award to be made to any employee, a risk, compliance and behaviour gateway must be met. As well all employees have risk-related key performance measures incorporated into their performance scorecard under the company-wide 'I Perform Better' performance framework. More information on the relationship between risk and remuneration can be found in the remuneration report on page 61.

The Board is further assisted by the Investment and Capital Committee, which oversees the implementation and monitoring of the investment strategy and ICAAP Summary Statement Policy approved by the Board, including monitoring the effectiveness of the investment process which aims to achieve optimum return relative to Medibank's risk appetite.

The Executive Risk Committee and divisional risk committees are management committees that assist the CEO with the

oversight of risk management activities across the business to ensure material risks are managed in line with the approach defined in the risk management strategy and the risk appetite set by the Board. There are seven divisional risk committees covering key business units — Amplar Health, Customer, Digital & Ventures, Data & Technology, Finance & Strategy, Trust, Legal & Compliance and People, Spaces & Sustainability.

Medibank has adopted a three lines of defence approach to define risk management roles, responsibilities and accountability:

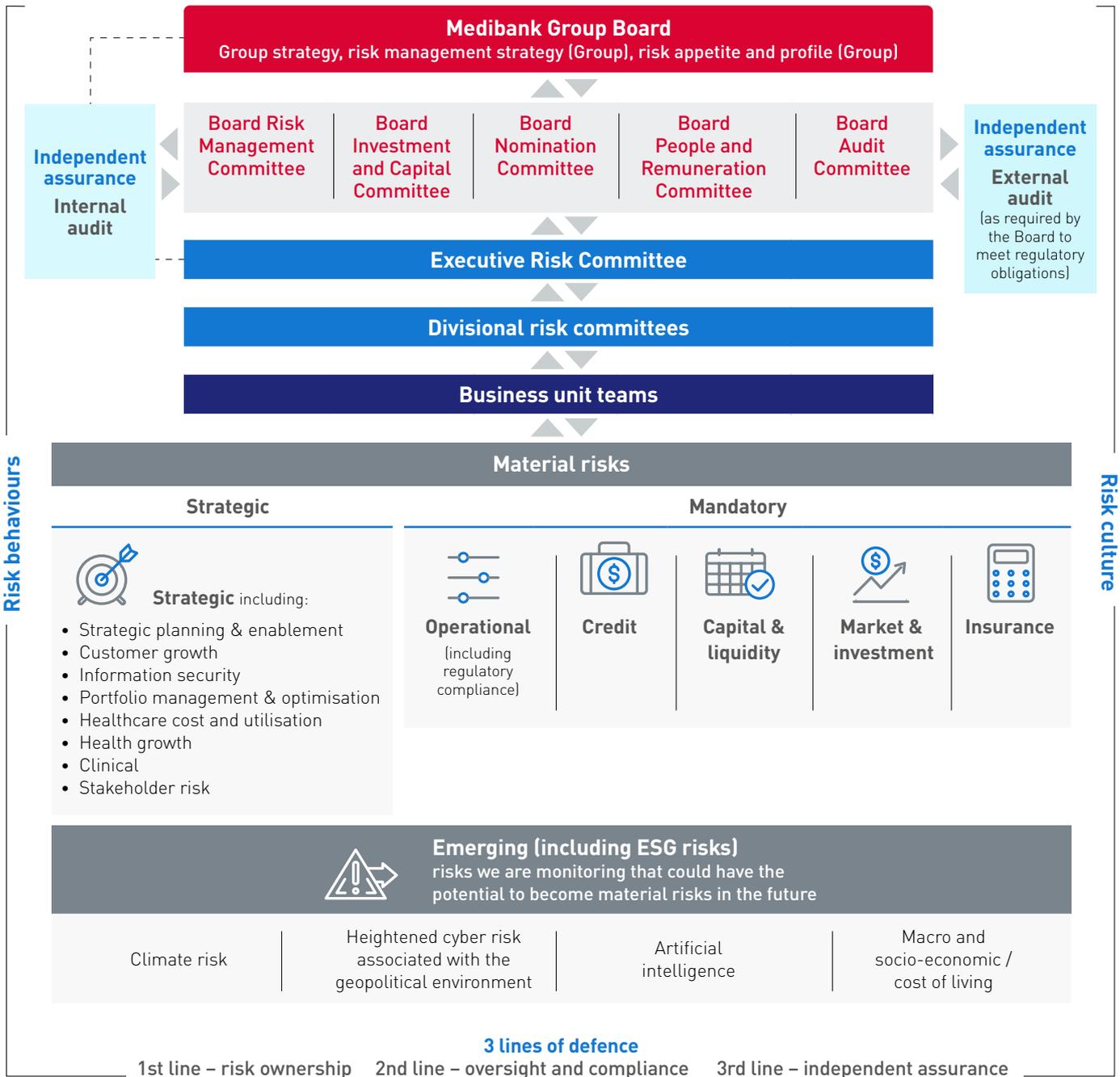
- **First line:** Management is accountable for identifying, assessing, monitoring and managing material risks in the business. They are responsible for decision making and the execution of business activities, whilst managing risk to ensure it is in line with the Board's risk appetite and strategy.
- **Second line:** The enterprise risk and compliance functions provide objective advice and challenge to the first line on risk and control activities and provide assurance and guidance on the design and implementation of appropriate risk management activities.
- **Third line:** The internal audit function provides independent assurance to the Audit Committee and the Board on the adequacy and effectiveness of the risk management framework, financial reporting processes and internal control and compliance systems operating in the first and second line.

Risk management framework

Our risk management framework guides risk management activities across the business to effectively identify, assess, manage, monitor and report risks. The framework is implemented through the three lines of defence model and its effectiveness is assessed by the internal audit function on an annual basis with a full comprehensive review on a three yearly basis in accordance with the Risk Management Committee Charter and APRA Prudential Standard CPS220.

A key component of our risk management framework is the definition of Medibank's risk appetite by the Board which informs management's decision-making process. The annual review of the framework considers whether the framework is sound, and Medibank is operating with due regard to the risk appetite set by the Board. The Risk Management Committee reviews the risk management framework at least yearly and regularly monitors the framework's effectiveness. The annual review of the framework was completed in 2023. Medibank continues to operate and strengthen enterprise risk management practices in alignment with the requirements outlined in the APRA Prudential Standard CPS220 – Risk Management.

Risk management



Material business risks

Material business risks are those risks deemed to have a significant impact on the Group's operations, financial prospects and business objectives. Emerging risks are those we are monitoring that could have the potential to become material risks in the future. These risks are summarised on the following page.

The cybercrime event has, and will continue to have, the potential to impact our material business risks. Building upon our existing program of work to enhance IT security across our business, we expanded our work into an IT security uplift program following the cybercrime event. It aims to continue maturing our cybersecurity approach and better enable us to respond to the rapidly evolving cyber threat landscape. We continue to review our cybersecurity governance arrangements, recognising the increasing prevalence of cybercrime and the need to meet the ongoing expectations of our customers.

Material business risk		Mitigations	
<p>Strategic</p> <p>The risk that we are unable to identify and execute the right strategic initiatives and projects on target and on time that deliver measurable and agreed outcomes to support our goals</p>		<p>Medibank's strategic risks are identified and assessed as part of our annual strategic planning process and endorsed by the Board. Key strategic risks identified include loss of private health insurance customers, healthcare costs and utilisation and execution of non-private health insurance growth. These risks influence the prioritisation of investments and resources in the Corporate Plan, which is approved by the Board. To effectively understand and assess some key strategic risks that are broad in nature (e.g. customer risks), we undertake detailed analysis on threats or opportunities that specific scenarios may pose to our business.</p>	 
<p>Operational (including regulatory compliance)</p> <p>The risk of financial loss resulting from inadequate or failed internal processes, people and systems or from external events</p>		<p>We have established risk management policies and procedures for identifying, assessing, monitoring and reporting operational risks and controls. This includes the important areas of information security, technology, business continuity, outsourcing, fraud, people, and health and safety risks. We have established compliance management policies and procedures for identifying and managing regulatory obligations and incidents that may arise. Management of operational risk is overseen by divisional risk committees, the Executive Risk Committee and the Board's Risk Management Committee.</p>	  
<p>Credit</p> <p>The risk of financial loss due to counterparties failing to meet all or part of their contractual obligations</p>		<p>Exposure to this risk is primarily through Medibank's investment portfolio. This risk is managed through the application of the Investment Management Policy. The effective implementation of this policy is overseen by the Board's Investment and Capital Committee to ensure that credit risk is managed in line with the risk appetite set by the Board.</p>	
<p>Capital & liquidity</p> <p>The risk of not being able to meet financial commitments as and when they are due and in complying with APRA's prudential standards</p>		<p>Medibank has Board-approved policies for capital management (ICAAP) and liquidity management designed to ensure it meets or exceeds regulatory capital requirements at all times, and is able to fund all payments as and when they fall due, as well as under adverse stress scenarios. Liquidity risk is managed by our treasury function through daily cash management of cash flows and liquid asset positions and projected future cash flows under current and adverse scenarios. The ICAAP (Internal Capital Adequacy Assessment Process) also includes actions that can be taken to support Medibank's capital position under various stress scenarios.</p>	
<p>Market & investment</p> <p>The risk of adverse financial impact market factors e.g. foreign exchange rates, interest rates and equity prices</p>		<p>We have a Board-approved Investment Management Policy. The Board's Investment and Capital Committee oversees the investment process and compliance with investment mandates, performance against benchmarks and asset allocation. Our strategic asset allocation is weighted largely towards defensive assets and with limits applied to illiquid assets.</p>	 



Customer health



Employee health



Community health



Environmental health



Governance

Risk management

Material business risk	Mitigations	Material sustainability categories
<p>Insurance</p> <p>The risk of misestimation of incurred and expected costs, frequency and severity of insured events</p> 	<p>The Board approves the Pricing Policy, which includes pricing and profitability objectives and forms a key part of the Capital Management Plan. Our objective is to support customer growth through balancing the offer of competitive value to all customers with profitability objectives and the need to meet capital management and regulatory requirements. Insurance risk is a key part of regular portfolio monitoring and treatment plans are formulated and implemented in response to any potential for deviation from target measures.</p>	
<p>Clinical</p> <p>The risk of unexpected, adverse clinical outcomes from a health service provided by Medibank, or a third party acting on behalf of Medibank</p> 	<p>Clinical risk arises from clinical services that Medibank provides and procures, the provision of health-related information, and customer health initiatives. We have implemented a clinical governance and quality management framework that defines the principles, structures and processes that underpin service quality, continuous improvement and patient safety. Our Chief Medical Officer, supported by a clinical governance team, provides oversight and assurance. The Risk Management Committee and Board receive regular reporting on the performance of clinical risk management.</p>	 
Emerging risk (including ESG risks)	Emerging risks	Material sustainability categories
	<ul style="list-style-type: none"> • Climate risk • Heightened cyber risk associated with the geopolitical environment • Artificial Intelligence • Macro and socio-economic / cost of living 	  



Customer health



Employee health



Community health



Environmental health



Governance

Environmental, social and governance risks

Medibank's risk management framework also applies to the environmental, social and governance (ESG) risks (including climate risk). Medibank commissioned an independent external review in 2021 to assess our exposures to climate change risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The review did not identify material exposures at this time for Medibank; however, the outcomes of the review, and Medibank's response, have been reported on pages 57 to 65 of the Sustainability Report 2023. Further detail on our approach to sustainability and ESG issues can also be found in the [Sustainability Report 2023](#).