

## 1. PURPOSE AND AUTHORITY

### 1.1. Purpose

The purpose of this Nomination Committee Charter is to specify the authority delegated to the Nomination Committee (“**Committee**”) by the board of directors of Medibank (“**Board**”) and to set out the role, responsibilities, membership and operation of the Committee.

### 1.2. Authority

The Committee is a committee of the Board established in accordance with Medibank’s constitution and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolutions of the Board from time to time.

## 2. ROLE OF THE COMMITTEE

The Committee assists and advises the Board regarding:

- a) director selection and appointment practices;
- b) induction and continuing professional development programs for directors;
- c) director performance evaluation processes and criteria;
- d) Board composition; and
- e) succession planning for the Board and the MD/CEO ,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of Medibank as a whole.

## 3. NOMINATION RESPONSIBILITIES

The Committee is responsible for:

- a) formulating a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership;
- b) identifying and making recommendations regarding the necessary and desirable competencies of directors, which include a range of skills, knowledge and experience to:
  - (i) understand collectively the risks to Medibank;
  - (ii) understand Medibank’s legal and prudential obligations;
  - (iii) oversee effectively the management of Medibank; and
  - (iv) contribute effectively to the Board’s deliberations and processes;
- c) developing and reviewing the process for the selection, appointment and re-election of directors, and making recommendations to the Board by:
  - (i) evaluating the balance of skills, experience, independence, knowledge and diversity of directors sitting on the Board;
  - (ii) in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
  - (iii) undertaking appropriate checks before putting forward a candidate for appointment or election as a director; and
  - (iv) ensuring that all regulatory requirements (including any requirements of the Australian Securities Exchange or the Private Health Insurance Administration Council) are satisfied in respect of the structure and composition of the Board;

- d) giving consideration to the length of time a director has served on the Board and whether this could affect his or her ability to perform his or her duties and identifying ways to ensure the composition of the Board facilitates it remaining open to new ideas and independent thinking;
- e) making recommendations regarding the size of the Board to ensure that that the size encourages efficient decision making;
- f) providing shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director;
- g) ensuring Medibank's People and Culture team undertake appropriate checks in accordance with the Fit and Proper Policy for Medibank Responsible Persons before appointing a person, or putting forward to shareholders a candidate for election, as a director;
- h) developing, implementing and reviewing director induction programs and continuing education measures to enhance director competencies and to update and enhance directors' knowledge and skills including in respect of financial literacy and key developments affecting Medibank and the industry and environment in which it operates in order to develop and maintain the skills and knowledge needed to perform their role as directors effectively;
- i) reviewing the time required to be committed by non-executive directors to properly fulfil their duties to Medibank and whether non-executive directors are meeting these requirements;
- j) reviewing Board and the MD/CEO succession plans and processes and being conscious of each director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity;
- k) implementing a formal and rigorous process (including considering whether to use external facilitators) to evaluate the performance of the chairman, Board, Board committees, individual directors, including the MD/CEO and addressing issues that may arise from the review; and
- l) reviewing and making recommendations in relation to any corporate governance issues as requested by the Board from time to time.

## **4. MEMBERSHIP**

### **4.1. Composition and size**

The Committee is appointed by the Board and will consist of at least three members. Medibank will disclose the members of the Committee.

Each member must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonably be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the Committee.

Each member is expected to possess adequate regulatory and industry knowledge to carry out his or her responsibilities as a member of the Committee.

### **4.2. Chairman**

The chairman of the Committee will be the chairman of the Board. If, for a particular Committee meeting, the Committee chairman is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairman for the meeting.

### **4.3. Secretary**

The company secretary is the secretary of the Committee

## 5. COMMITTEE MEETINGS AND PROCESS

### 5.1. Meetings

Meetings and proceedings of the Committee are governed by the provisions in Medibank's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

Committee members may attend meetings in person or by electronic means.

### 5.2. Frequency and calling of meetings

The Committee will meet as frequently as required to perform its functions and at least annually.

The chairman must call a meeting of the Committee if requested by any member of the Committee. Medibank will disclose in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.

In cases where circumstances make it impractical to convene and hold a meeting, the Committee may pass resolutions by each member signing a circular resolution.

### 5.3. Quorum

Two directors constitute a quorum for meetings of the Committee.

### 5.4. Attendance by management and advisers

The Committee chairman may invite the MD/CEO, Chief Financial Officer, other senior executives, directors who are not members of the Committee and external advisers to attend meetings of the Committee.

### 5.5. Notice, agenda and documents

Unless otherwise agreed or considered necessary by the chairman, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting documentation, will be circulated by the secretary to each Committee member and any other individual invited to attend, not less than seven days before the meeting.

### 5.6. Minutes

The secretary will keep minute books to record the proceedings and resolutions of Committee meetings, including the names of those present.

The chairman of the Committee, or delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

### 5.7. Access to information and advisers

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities, including engaging counsel or other experts as it considers appropriate. This may include requesting management or external consultants to provide information to the Committee.

The Committee also has the authority to conduct or direct any investigation required to fulfill its responsibilities.

## **6. COMMITTEE'S PERFORMANCE EVALUATION**

The Company Secretary will facilitate a review of the performance of the Committee annually in accordance with processes established by the Board and will report the findings of that review to the Committee and the Board.

The performance evaluation will have regard to, amongst other matters, the extent to which the Committee has met its responsibilities in terms of this charter.

Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or prudential standards.

## **7. REVIEW AND PUBLICATION OF THE CHARTER**

The Committee will review this charter from time to time to keep it up to date and consistent with the Committee's authority, objectives and responsibilities and report to the Board any changes it considers should be made. This charter may be amended by resolution of the Board.

This charter will be made available on Medibank's website and the key features will be published in Medibank's annual report.

**Approved by the Board on 17 October 2014**