

Investment and Capital Committee Charter

Medibank Private Limited (ABN 47 080 890 259) (“**Medibank**”)

1 PURPOSE AND AUTHORITY

1.1 Purpose

The primary purpose of this charter is to set out the authority delegated to the Investment and Capital 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. 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 role of the Committee is to assist and advise the Board regarding Medibank’s capital and investment related matters, including:

- (a) overseeing the implementation and monitoring the effectiveness of Medibank’s investment strategy and capital management policy as approved by the Board;
- (b) monitoring and reviewing, on behalf of the Board, the effectiveness of the investment process of Medibank and its wholly owned subsidiaries (“**Medibank Group**”) in achieving optimum return relative to the Medibank’s risk appetite; and
- (c) authorising investment decisions in those areas where investment powers have been delegated by the Board.

In fulfilling this role, the Board will – in accordance with Medibank’s purpose, values and Code of Conduct – have appropriate regard to customer and community interests and expectations.

3 RESPONSIBILITIES AND DELEGATED POWERS

3.1 Capital management matters

The Committee is responsible for reviewing, monitoring and making recommendations to the Board regarding:

- (a) Medibank’s ICAAP summary statement policy, including in relation to any applicable regulatory standards (such as the APRA capital standards); and
- (b) capital related matters, including quantum of dividend to be paid and any potential material changes in capital structure.

3.2 Investment matters

The Committee is responsible for:

- (a) making recommendations to the Board for the appointment of advisers on asset allocations, custodians and other service providers;
- (b) reviewing the performance of appointed service providers;
- (c) reviewing management’s brief to asset allocation advisers regarding acceptable levels of risk and projected operating financial performance of the Medibank Group;
- (d) reviewing asset allocation advisors’ recommendation on asset allocation and make recommendations to the Board; and
- (e) reviewing management reports on investment performance and outlook and make appropriate recommendations to the Board.

3.3 Delegated powers

The Committee has been delegated the following powers from the Board:

- (a) to appoint and terminate fund managers;
- (b) to determine the percentage of funds allocated to investment sector sub classes and individual fund managers;
- (c) to authorise derivative purchases and/or sales to meet the investment objectives and risk tolerance set by the Board; and

- (d) to approve the process governing tactical asset allocation tilts within the variance parameters approved by the Board.

4 MEMBERSHIP

4.1 Composition and size

The Committee is appointed by the Board and will consist of at least three members, all of whom are non-executive directors.

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 shall have sufficient skill and experience to undertake their responsibilities as a member of the Committee.

Medibank will disclose the members of the Committee and, as at the end of each financial year, the number of times the Committee met throughout the financial year and the individual attendances of the members at those meetings.

A member may retire from the Committee by giving notice to the Chair of the Committee or the secretary of the Committee.

4.2 Chair

The Chair of the Committee must be an independent non-executive director and will be appointed by the Board.

If, for a particular Committee meeting, the Chair is not present within 10 minutes of the nominated starting time of the meeting, or is unable to attend the meeting, the Committee may elect another member as a chair for the meeting.

4.3 Secretary

The company secretary is the secretary of the Committee.

5 COMMITTEE MEETING 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.

Committee members will make themselves available to meet with external bodies and regulators if requested to do so in accordance with relevant laws, regulations or prudential standards.

5.2 Frequency and calling of meetings

The Committee will meet as frequently as required to perform its functions, as required by the Chair, and at least three times per annum.

The Chair must call a meeting of the Committee if requested by any member of the Committee.

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 non-executive directors constitute a quorum for meetings of the Committee.

5.4 Attendance by management and advisers

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

The Chair of the Committee may also invite the Investment Advisor appointed by the Board.

5.5 Reporting

The Committee, through its Chair, will:

- (a) report to the Board on its activities, outcomes and recommendations on a regular basis; and
- (b) taking reasonable steps to ensure the Board is aware of material matters considered by the Committee.

5.6 Minutes

The secretary of the Committee will keep minute books to record the proceedings and resolutions of Committee meetings, and make them available to the Board on request.

5.7 Access to information and advisers

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities. This may include:

- (a) requiring management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) accessing Medibank's documents and records;
- (c) obtaining the advice of the Investment Advisor, special or independent counsel, accountants or other experts, without seeking approval of the Board or management; and
- (d) having unfettered access at all times to senior management.

The Committee also has the authority to conduct or direct any investigation required to fulfil 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.

7 REVIEW AND PUBLICATION OF THE CHARTER

The Committee will review its 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. The Committee may approve non-material or administrative amendments to this charter and report these to the Board.