



Good Performance in a Year of Challenging Market Conditions

Company/ASX Code	nib Holdings/ NHF
AGM date	Thursday 4 November 2021
Time and location	11am AEDT Virtual Meeting
Registry	Computershare
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Geoff ORROCK
Pre AGM Meeting?	No

The individual involved in the preparation of this voting intention has no shareholding in this company.

Item 1	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

The industry across Australia and New Zealand experienced another year of challenging market conditions due to the ongoing Covid 19 pandemic.

Nevertheless, **nib** had another year of good performance across the Group. Revenue was up 2.9% to \$2.6 billion. Underlying Operating Profit (UOP) was up 39.5% to \$204.9m which includes a partial release of last year's Covid claims provision offset by an increase in member claims expense. NPAT was \$160.5m and statutory EPS rose to 35.2 cps.

Australians Residents Health Insurance (**arhi**) had a strong result with an increase of 4.2% to **nib** membership. UOP was \$211.8m. nib New Zealand also delivered a good result.

The share price recovered during the financial year to \$6.51 at 30 June 2021 and the Board declared a fully franked dividend of 24 cps.

Net debt of \$233M was unchanged.

Summary

(As at FYE)	2021	2020	2019	2018	2017
NPAT (\$m)	160.5	87.0	149.3	133.5	120.2
UPAT (\$m)	204.9	146.9	184.8	153.7	132.0
Share price (\$)	6.51	4.61	7.67	5.73	5.75
Dividend (cents)	24	14	23	20	19
TSR (%)	46.4	(38.1)	37.3	3.1	30
EPS (cents)	35.2	19.3	32.9	29.4	27.2
CEO total remuneration, actual (\$m)	2.0	3.7	3.7	3.6	2.6

For FY 2021, the CEO's total actual remuneration was **22 times** the Australian Full time AAWTE. STI paid in FY 2021 is for the FY 2020 year. LTI is the face value of shares on the exercise of performance rights.

Item 2	Adoption of Remuneration Report
ASA Vote	For

Summary of ASA Position

CEO rem. framework	Target* \$m	Max. Opportunity \$m	% of Total
Fixed Remuneration	NA	1.143*	28
STI - Cash	NA	0.715	18
STI - Equity	NA	0.715	18
LTI	NA	1.430**	36
Total	NA	4.00	100%

*includes superannuation

** LTI granted at face value

Short-term incentive (**STI**) of 125% of FR is awarded on a combination of individual leadership assessment (20%), and financial (Growth, Profitability and Cost Control) and non-financial milestones (People and Customer Satisfaction) (80%). Results against KPI's are tabulated in a 5 year performance Table in the Annual Report.

STI is paid in *the following year*, 50% cash and 50% equity with a 2 year deferral.

The MD's Fixed Remuneration (**FR**) in FY2021 was \$1.143M. Actual **STI** awarded in cash was \$0.56M with a similar amount awarded in deferred equity. This was 76.5 % of maximum.

Long-term incentive (**LTI**) equal to 125% of **FR** is granted as zero priced Performance Share Rights (**PSRs**) with performance measured over four years. The **LTI** grant is divided into 2 tranches with 50% of the **PSRs** subject to a Total Shareholder Return (**TSR**) hurdle ranked against the **TSR** of a peer group (S&P/ASX 200) and 50% against a Statutory EPS Growth Target of 4%-9% CAGR.

In FY 2021 the **TSR** ranked at the 58th percentile and 58% of the FY2017-2021 **TSR** tranche vested.

The 4 year Statutory EPS CAGR was 6.67% and 70.5% of this tranche also vested.

The MD's total actual remuneration in FY 2021 including STI earned in FY 2020 and the value of shares which vested was \$2.0M and the 4 year **TSR** for shareholders was 46.4%.

This is satisfactory alignment and ASA will support this resolution.

Item 3	Election of Mr Peter Harmer
ASA Vote	For

Summary of ASA Position

Mr Harmer was appointed by the Board as Independent Non-Executive Director of the Company in July 2021. He is a member of the Risk and Reputation Committee, People and Remuneration Committee, Investment Committee and Nomination Committee.

He also a Director of nib health funds limited.

Mr Harmer has over 40 years' experience in the Australian and international insurance and financial sectors.

He is also a director of CBA, AUB Group and Lawcover Pty Ltd.

Item 4	Re-election of Ms Jacqueline Chow
ASA Vote	For

Ms Chow was appointed by the Board as Independent Non-Executive Director of the Company in April 2018. She is a Chairperson of the Risk and Reputation Committee, and a member of the People and Remuneration Committee, Audit Committee, Investment Committee and Nomination Committee.

She also a Director of nib health funds limited.

Ms Chow has over 20 years' experience working with global blue-chip consumer product multinationals including in positions in general management, strategy, marketing and technology.

She is also a director of Coles Group, Charter Hall and a senior advisor to McKinsey & Co.

Ms Chow has an interest in 50,000 shares.

tem 5	Grant of LTI to Mr Fitzgibbon
ASA Vote	For

Summary of ASA Position

This resolution asks shareholders to approve the grant of 220,251 **PSRs** to Mr. Fitzgibbon. For all of these to vest in 4 years would require a minimum **TSR** ranking in the 75th percentile and a CAGR in Statutory EPS of 9% in FY 2025.

As the number of **PSRs** awarded were based on the share price face value of \$6.65 and the hurdles are challenging ASA will support this resolution.

Item 6	Amendment to nib's Constitution
ASA Vote	Against

Summary of ASA Position

This resolution asks shareholders, given the evolving situation in relation to Covid 19, to approve amendments to the Constitution to allow the Board:

to alter place and time of meetings and advise members electronically,

to hold meetings fully electronically if required, and

to allow the chairman to make appropriate decisions prior to or during a meeting if a change is required to a venue or if a disruption occurs.

The AGM is the only opportunity that retail shareholders have to direct questions to their Board, to see their Board face to face and to hear a response in person.

At last year's AGM the company committed to *"provided we can, we will definitely have an in-person meeting, but we will also provide the opportunity for people to come in via video link..."*

We commend the company for the commitment but are unable to support this resolution given the clause allowing "the Directors may determine that a meeting be held by means of Virtual Meeting Technology or other communication facilities permitted by the Corporations Act.

Legislation passed on 20 October 2021 now permits virtual-only meetings where a company's constitution allows, and the technology and practice does not allow reasonable participation at this time.

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