AUSTRALIAN SHAREHOLDERS' ASSOCIATION

Operating profit up, statutory profit down, and a 44.7% increase in the directors' fee pool sought

Company/ASX code	**nib holdings limited (NHF)**
AGM time and date	**9:30am AEDT Monday, 23 November 2026**
Location	The Mint, 10 Macquarie Street, Sydney NSW, and online via nib.com.au/shareholders/shareholder-information/agm
Registry	Computershare
Type of meeting	Hybrid
Monitor	Chad Moffiet assisted by Thivyan Aravindan
Pre-AGM meeting	Yes, 3 November 2026, with Chair David Gordon, People and Remuneration Committee Chair Jacqueline Chow, director Brad Welsh, and Troy Frearson, Group Head of Performance, Planning and Investor Relations

Monitor Shareholding: The individuals (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

Voting forms must reach Computershare by 9:30am AEDT on Saturday, 21 November 2026.

1. How we intend to vote

No.	Resolution description	
2	Adoption of the Remuneration Report	**For**: major guidelines met; secondary concerns raised
3	Election of Mr Hisham El-Ansary as a Director	**For**: direct health insurance experience
4	Re-election of Mr Brad Welsh as a Director	**For**: government and operating experience; ERA role part-time
5	Re-election of Ms Jill Watts as a Director	**For**: provider expertise; conflicts well managed
6	Approval of participation in the Long-Term Incentive Plan by the CEO, Mr Ed Close (FY27 grant)	**For**: lower EPS base mostly explained
7	Increase in the non-executive director fee pool from $1.9 million to $2.75 million	**For** (with reservations): size of increase not fully explained
8	Amendments to the Constitution (special resolution)	**For** (with reservations): sound aim, but the 22-month revocation needs a published reclaim policy

Item 1 (financial statements and reports) is not put to a vote. Ms Anne Loveridge retires at the AGM and is not standing for re-election.

2. Summary of Issues and Voting Intentions for AGM

- **Headline result.** Underlying operating profit (UOP) rose 9.1% to $260.9 million. Statutory net profit fell 5.9% to $186.9 million and earnings per share (EPS) fell 6.6% to 38.4 cents, on lower investment income and a higher tax charge.
- **Core business earnings fell.** Australian residents' health insurance, about 72% of Group UOP (calc.), earned 9.6% less and its lapse rate rose to 16.2% from 14.7%.
- **Growth came from the smaller businesses.** New Zealand earned $27.5 million after a $2.9 million loss, international inbound rose 15.1% to $35.1 million, and Health Services made its first full-year profit of $2.4 million.
- **Dividends rose, funded partly by the travel sale.** The full-year dividend is 34.0 cents fully franked, including a 5.0 cent special paid from the $97.6 million travel sale proceeds; the ordinary dividend was unchanged at 29.0 cents for a third year.
- **One-off costs remain high.** They were $23.7 million in FY26, the third year above $20 million; $13.9 million of them were historical rebate, levy and risk equalisation adjustments. These costs are excluded from the profit measure that drives executive bonuses.
- **Risk management fell short.** The Board paid the risk component of the bonus scorecard at 34.3% of target and forfeited part of a former executive's deferred pay; a multi-year improvement program is under way. See Resolution 2.
- **The CEO's new grant starts from a lower earnings base:** 38.4 cents, down from 41.1 cents, mostly but not entirely explained by a one-off tax benefit in FY25 (calc.). See Resolution 6.
- **The fee pool increase is supported, with reservations.** An increase is due after nine years, but nib has not explained the size of the 44.7% increase (calc.) to $2.75 million, or disclosed the board size and fee path behind the cap. See Resolution 7.
- **Unclaimed dividends to charity sooner.** Item 8 bundles housekeeping with a change letting the Board redirect dividends unclaimed for 22 months, rather than five years, to causes such as nib foundation, after which they can no longer be claimed. nib says it has repaid all requests since 2018 and intends to continue. ASA supports the item with reservations and asks nib to publish that practice as a policy. See Resolution 8.
- **Forthcoming board changes.** Ms Loveridge, the Audit Committee chair, retires after more than nine years and will not be replaced immediately; Mr El-Ansary takes the Audit chair. Women fall to two of seven directors, 28.6% (calc., including the CEO).
- **Audit tender.** No tender of the external audit is disclosed for at least 18 years (calc.), against ASA's expectation of one every 10 years. See Governance and culture.

See ASA Voting Guidelines 2026 and Investment Glossary for definitions.

3. Matters Considered

Accounts and reports

The accounts received an unqualified audit opinion from PricewaterhouseCoopers. The auditor named two key audit matters: the valuation of the liability for incurred claims, and impairment testing of nib Thrive goodwill.

Group revenue rose 6.2% to $3.8 billion, mostly from premium increases. Debt fell $71.8 million to $204.8 million. FY27 guidance is UOP of $265 million to $285 million excluding travel, subject to risk equalisation outcomes.

Financial performance

(As at FYE)	2026	2025	2024	2023	2022
NPAT ($m)	186.9	198.6	181.6	108.5	205.7
UOP ($m)	260.9	239.2	257.5	145.2	339.9
Share price ($)	7.06	7.08	7.35	8.45	7.38
Dividend (cents)	34.0	29.0	29.0	28.0	22.0
Simple TSR (%) (calc.)	3.8	0.0	-9.5	17.8	17.2
EPS (cents)	38.4	41.1	38.3	24.1	45.3
CEO actual remuneration received ($m)	2.02	1.75 (Close) 3.47 (Fitzgibbon)	3.80	3.38	3.21

Note: FY25 CEO remuneration shows Mr Close (CEO from 1 December 2024) and Mr Fitzgibbon separately. TSR (total shareholder return) uses dividends paid in each year (calc.).

Over the four years to 30 June 2026, nib's total shareholder return was 9.49%, at the 43.86th percentile of the S&P/ASX 200. The share price closed at $6.69 on 23 October 2026, 9.5% (calc.) below the $7.39 close a year earlier; including dividends, the one-year total return was about minus 5% (calc.).

Governance and culture

The board has eight directors, seven of them independent; it falls to seven at the AGM. All voting is by poll and the meeting is hybrid.

Four matters warrant follow-up against ASA guidelines.

- **Skills matrix.** nib publishes only a board-average self-assessment and does not show which director holds which skill. ASA raised this last year; individual director skills disclosure is an ASA focus issue for 2026.
- **Auditor tender.** nib says PwC has audited it since 2004 without a tender; its 2009 Annual Report (p.31) refers to a 2008 request for proposal. Either way, no tender is disclosed for at least 18 years (calc.), against ASA's expectation of one every 10 years. ASA would like the incoming Audit Committee chair, Mr El-Ansary, to lead one.
- **Gender balance.** Three of eight directors are women (37.5%, calc.), just under ASA's 40% guideline; after the AGM it will be two of seven. The Chair told ASA gender balance will be front and centre in the next appointments.
- **Executive shareholding.** The CEO holds 250,139 shares, worth about 1.5 times his FY27 fixed pay (calc., at $6.69), which meets ASA's guideline of holding shares worth 100% of fixed pay. On 16 October 2026 he and his family trust sold 40,000 shares for about $262,000. nib has no minimum shareholding requirement for executives and relies on deferring short-term incentive (STI) and long-term incentive (LTI) awards instead.

ASA expects directors to hold one year's base fees in shares within three years. Mr Welsh holds about one year's fee and Ms Watts more; Mr El-Ansary held none at the annual report date (see Resolutions 3 to 5).

Key events

- **Pricing and retention.** Australian premiums rose 5.47% from 1 April 2026. Policyholder growth slowed to 1.9% from 3.2% as lapses rose, which nib told ASA reflected repricing, competition and its exit from a large corporate group.

Key board or senior management changes

Mr Donal O'Dwyer retired on 6 November 2025 after almost a decade, and Mr Hisham El-Ansary, a former CEO of Bupa Asia Pacific, joined on 2 December 2025. The Board set up a Clinical Governance Committee in August 2026, chaired by Ms Watts. Ms Loveridge retires at this AGM after more than nine years and will not be replaced immediately; Mr El-Ansary will chair the Audit Committee.

There were two executive changes. Ms Roslyn Toms, Group Executive Legal and Chief Risk Officer, and Mr James Barr, Chief Executive of Australian private health insurance, ceased as key management personnel on 1 December 2025 and 12 June 2026 respectively.

Sustainability/ESG

nib published its first climate statement under the new Australian standard (AASB S2), with limited assurance from PwC. Its own Scope 1 and market-based Scope 2 emissions are small, 60 tonnes CO2e in FY26; about 99.6% of the Group footprint is Scope 3, reported in the Impact Report. nib's target is net zero for Scope 1 and Scope 2 emissions under operational control by 2030, and no climate measure is included in executive pay.

ASA focus issues and other matters

- **Oversight of AI and cyber risk.** nib processes 86.3% of Australian claims by automation and the Board receives regular AI reports, but the annual report does not say which directors hold technology or cyber expertise.
- **Fair treatment in capital management.** nib made no placements in FY26 and offered no discount on dividend reinvestment plan issues. It has not explained the $43 million to $58 million of travel proceeds labelled "optionality".

4. Rationale for Voting Intentions

Resolution 2: Remuneration Report (For)

ASA supports the report because nib meets ASA's major remuneration guidelines: rights are allocated at face value, there are no options, and the outcomes showed the plan can reduce pay when results fall short. The concerns below fall under ASA's secondary guidelines. They are being raised for the first time and nib has explained the main ones, so they do not warrant an Against vote this year, but the support comes with less comfort than last year.

- **Structure.** About 68% of the CEO's target pay is at risk (calc.), above the 60% in ASA's guidelines. Half the STI is deferred into shares for one to three years, and the LTI is tested over four years on relative total shareholder return and earnings per share, with no re-testing.
- **Outcomes.** Only 29.31% of the 2023 LTI vested, with nothing on the shareholder return measure. The risk component of the STI was assessed below threshold but still paid 34.3% of target, and the Board forfeited part of a former executive's deferred pay. The CEO's actual pay was $2.0 million.

The reasons for the reduced comfort:

- **Bonuses are paid on profit before one-off costs.** UOP of $260.9 million beat the $255.0 million target and paid 107.8%. Had the $13.9 million of historical rebate, levy and risk equalisation corrections been counted, UOP would have been $247.0 million (calc.), below target. ASA's guidelines expect incentive outcomes to be consistent with shareholder experience (Part B, Overall Intent). nib says the corrections relate to earlier periods, particularly rebate claims made during COVID.
- **The CEO's bonus rose while shareholder measures fell.** His STI was 95.6% of target, up from 79.1%, after a 110% individual multiplier, in a year when net profit fell 5.9% and earnings per share fell 6.6%. Ms Chow told ASA this reflected cost control and productivity, the New Zealand turnaround and digital progress, offset by lower scores for revenue and risk.
- **Nearly half the scorecard is Board judgement.** Measures worth 47.5% of the Group scorecard (calc. from Annual Report p.56) are scored by "Board assessment" with no published target. nib says areas such as strategy and risk cannot always be reduced to a single published number.
- **People and culture.** nib's people and culture scorecard line (Board-assessed, no published target, AR p.56) was assessed above target, and the Impact Report shows strong program delivery (100% of FY26 DEI Action Plan, Disability Inclusion Action Plan and Reconciliation Action Plan deliverables). Inclusion improved 1 point on FY25 to 77%, narrowly missing the 78% target, and Wellbeing improved 2 points on FY25 to 73%, narrowly missing the 75% target, while Engagement was 72% against a 75% target (Impact Report p.7).
- **The FY27 changes may loosen the link to Group results.** Individual results will be added to Group results rather than multiplied, and the risk modifier can now raise a bonus by up to 10% as well as cut it. ASA will watch how the upward adjustment is used.

The CEO's fixed pay rises 4.0% (calc.) to $1.12 million for FY27, after 2.5% (calc.) in FY26. Non-executive director fees rise 3.0%.

Other gaps remain: only half the scorecard is financial, not the majority; earnings per share drives both the STI and half the LTI, the guidelines say the measures should differ; nib does not name its pay peers; and at maximum the one-year STI exceeds the four-year LTI (calc.)

Resolution 3: Election of Mr Hisham El-Ansary (For)\

Mr El-Ansary joined the board in December 2025. He spent 15 years at Bupa, including as CEO of Bupa Asia Pacific from 2019 to 2023. He sits on the Audit, People and Remuneration, Nomination and Clinical Governance committees, and will chair the Audit Committee after the AGM. His other roles, as a director of RACV and a senior adviser to Goldman Sachs, are within ASA's workload guideline.

He had not bought nib shares by 23 October 2026. nib requires directors to hold one year's base fee within four years (Annual Report p.60); ASA expects this within three years, so he has until December 2028 (calc.).

ASA supports his election. He brings experience of running a health insurer, and he takes over as Audit Committee chair from Ms Loveridge.

Resolution 4: Re-election of Mr Brad Welsh (For)

Mr Welsh joined the board in July 2023 and sits on the Risk and Reputation, People and Remuneration, and Nomination committees. He brings government experience from senior advisory roles in the offices of the NSW Premier and the Prime Minister, and operating experience from Rio Tinto, including as chief adviser to its CEO on Indigenous affairs after Juukan Gorge. He founded Mawal, a First Nations leadership organisation, and has been Chief Executive and Managing Director of Energy Resources of Australia (ERA), a Rio Tinto-controlled company rehabilitating the Ranger uranium mine site, since February 2022 (acting from October 2021). He told ASA the role has been part-time, about five days a month, since December 2024, and ASA considers his workload manageable. nib is his only other listed board.

ERA's minority shareholders have fared badly on his watch. A 2024 entitlement offer at 0.2 cents a share left Rio Tinto with more than 98%, and Rio is compulsorily acquiring the rest at that price, with an appeal due to be heard on 26 and 27 November 2026. Mr Welsh was not a member of ERA's Independent Board Committee, which approved the offer. Minority shareholders challenged the raising, but the Takeovers Panel declined to intervene, finding that the committee 'took appropriate steps to endeavour to mitigate the potential control effect of the equity raise', and a review Panel also declined to make a declaration. ASA considers directors' performance elsewhere, and this record warrants scrutiny, but it falls short of the two poorly performing companies that would lead to an Against vote under ASA's guidelines, subject to the specific circumstances.

ASA supports his re-election. He attended every board and committee meeting in FY26 and holds 22,947 shares, about one year's base fee (calc.)

Resolution 5: Re-election of Ms Jill Watts (For)

Ms Watts joined the board in July 2023. A former Group CEO of BMI Healthcare and Ramsay Health Care UK, she chairs the new Clinical Governance Committee and holds about 27,000 shares, more than one year's base fee (calc.).

She is a director of St Vincent's Healthcare and Icon Cancer Group, both providers that nib funds. nib told ASA that individual provider contracts are generally decided by management, not the board, and that on conflicted matters she receives redacted papers and leaves the room.

ASA supports her re-election. She brings a hospital operator's perspective and clinical governance experience, and her conflicts are disclosed and well managed.

Resolution 6: Approval of LTIP participation by the CEO (For)

ASA intends to vote For. The grant is 205,906 performance rights worth $1.4 million (125% of fixed pay), tested over four years on two hurdles with no re-testing, no dividends on unvested rights and a two-year holding lock on half of any vested shares. These features meet ASA's guidelines.

ASA's main concern was the earnings hurdle. The base is reset each year to the prior year's earnings per share, so a weak year makes the next grant easier; this year's base is 38.4 cents, down from 41.1 cents. nib said FY25 earnings were lifted by a one-off $10.5 million tax benefit and higher investment income; removing the tax benefit explains most, but not all, of the fall (calc.).

Grant	EPS base	25% vests at	100% vests at
FY26 to FY29 (approved 2025)	41.1 cents (FY25)	46.3 cents in FY29	58.0 cents in FY29
FY27 to FY30 (Item 6)	38.4 cents (FY26)	43.2 cents in FY30	54.2 cents in FY30

ASA has three concerns, which do not change its vote: there is no absolute return gate, so rights can vest when shareholders have lost money; vesting starts at 3% a year earnings growth, a modest hurdle; and the CEO receives 15% more rights (calc.) than last year, mainly because the share price is lower (section 13.2).

ASA also expects any use of the Board's discretion over vesting on a change of control to be clearly justified and consistent with shareholder experience.

Resolution 7: Increase in the non-executive director fee pool to $2.75 million. For (with reservations)

ASA supports the increase, with reservations. Director fees are below the peer median, the board is not large, the pool has been unchanged since 2017 and some increase is needed. The reservation is the size of the cap: a 44.7% increase (calc.) to $2.75 million, effective from 1 January 2027, is larger than the needs the board has explained.

Fee pool	$m
Current pool, unchanged since November 2017	1.90
Estimated FY27 fees (90.91% of the pool, notice of meeting, 5 November 2026, p.15)	about 1.73 (calc.)
Proposed pool from 1 January 2027	2.75

The FY27 estimate, based on the current Board, leaves only $0.17 million of headroom (calc.), too little for another director, so some increase is reasonable.

But at $2.75 million about $1.02 million would be unused in FY27 (calc.). Even after adding a director on two committees ($185,800 at FY26 rates), about $0.84 million is unexplained (calc.), and the Annual Report says the Board is not currently proposing to increase its size.

Fees and board size support an increase: nib's base fee of $153,400 is below all eight financial-services peers, its chair fee is about 80% of the peer median (calc.), and the board has had five to seven non-executive directors since FY18. This meets the no-overpayment and board-size tests in ASA's guidelines.

The Chair said the pool is a ceiling, not a spending target, covering future fee increases, the Clinical Governance Committee and room for another director, but gave no figures. nib says the headroom also allows for overlap between incoming and departing directors during forthcoming board changes. Within the cap the Board can set individual fees without another vote (Listing Rule 10.17).

On balance ASA intends to vote For, with reservations. By ASA's estimate a pool of about $2.3 million would have met the stated needs, allowing for one more director, 3% annual fee rises for five years and a buffer for Clinical Governance Committee fees (calc.), and nib has not disclosed the board size and fee path behind the cap. ASA would be disappointed to see individual fees rise beyond inflation or peer levels without explanation, and will monitor use of the headroom.

Resolution 8: Amendments to the Constitution. For (with reservations)

Most of the changes are housekeeping: circulating resolutions, payment methods, and a clause confirming that members attending online are present in person. On 5 November, nib corrected its Notice of Meeting to confirm that proposed changes relating to electronic proxies, notices and service of documents, and to article 17 (dividend reinvestment and capitalisation), had been included in the explanatory notes in error and are not being proposed. Nothing in the marked-up constitution allows virtual-only meetings.

The change that matters is to unclaimed dividends (article 16.12). The Board can already revoke a dividend that has been unclaimed for five years, after giving six months' notice. Once revoked, the dividend "can no longer be claimed by the relevant Member", and the money can be used for any purpose in nib's interests, including by nib itself. nib used this power in 2018. The amendment shortens the unclaimed period to 22 months and the notice to four months. Revocation remains at the Board's discretion, but the money could then be used only for charitable, benevolent or community benefit purposes, which nib says makes the article narrower.

The notice says the change responds to NSW cutting the holding period for unclaimed money from six years to two, so that unclaimed dividends can "continue to be directed for charitable purposes". Without the change, dividends unclaimed for two years would go to Revenue NSW, where owners can still claim them. At 22 months, two months short of two years (calc.), nib can redirect the money before that happens.

The shareholders affected are the small holders ASA represents. nib demutualised in 2007 and issued shares to its members, many of whom have since moved, died or lost track of a small holding. In March 2018 nib found almost $2.5 million owed to more than 9,000 shareholders, one of whom was owed $14,600; the balance went to nib foundation after 31 August 2018. nib's release said ASA supported that initiative, which applied to dividends unclaimed for five years or more. nib says the foundation has received about $5.8 million in unclaimed dividends since 2018.

nib's response. The Chair told ASA that a shareholder who legitimately missed a dividend has been and will be paid, and should not be out of pocket because of this change. nib's written answer states: "Our intention is to continue to repay any revoked unclaimed dividends … to any shareholder who makes contact with us", assessed case by case as ex-gratia payments "as we have done for all requests received since 2018". Shareholders also receive reminders on each dividend statement and a letter four months before a dividend is revoked.

ASA's view. Shortening the time before a shareholder can lose the right to claim is a modest lessening of shareholders' rights, which under ASA guidelines would lead ASA to vote against. ASA intends to vote For, with reservations, because the power already exists, its use will be confined to community purposes, nib has repaid every request since 2018 and says it will continue, and the **remaining** amendments are housekeeping that cannot be voted on separately. ASA supports the aim of putting unclaimed money to community use. Its reservation is that an intention, assessed case by case, is not a claim right: the amended article still says a revoked dividend can no longer be claimed, and a future board need not follow today's practice. That would be addressed if nib formalised its intention and practice in a published policy giving shareholders, or their estates, the ability to reclaim revoked dividends from nib or nib foundation. ASA will continue to monitor how nib handles revoked dividends.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- *makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- *shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.

Appendix 1: Remuneration framework detail

CEO rem. framework for FY27	Target* $m (calc.)	% of Total (calc.)	Max. Opportunity $m (calc.)	% of Total (calc.)
Fixed Remuneration	1.12	32%	1.12	28%
STI - Cash	0.50	14%	0.76	19%
STI - Equity	0.50	14%	0.76	19%
LTI	1.40	40%	1.40	35%
Total	3.53	100%	4.03	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not al do.

Calculated from the FY27 settings in the 2026 Annual Report: fixed pay of $1,120,000, target STI of 90% of fixed pay, maximum STI of 150% of target, and an LTI grant at face value of 125% of fixed pay. Percentages are rounded.

•