



medibank

Notice of Annual
General Meeting

2017

ABOUT MEDIBANK

Purpose

Better Health for Better Lives

Ambition

To deliver Better Health for Better Lives we will:

- Broaden the offering of our Medibank and ahm brands to deliver the best combination of products, service and advice for our customers.
- Build a market leading health services offering for our customers.

Values



“Medibank has an increasingly important role to play in helping our customers live healthier and happier lives. To do this, we are embracing a bigger purpose – Better Health for Better Lives.”

Craig Drummond, Chief Executive Officer

During the year Medibank provided private health insurance under our Medibank and ahm brands, supporting customers through more than 1.3 million hospital admissions and 500,000 surgical procedures, and around 23.5 million extras services. We also distributed travel, life and pet insurance.

In addition, Medibank provided a range of health services in Australia including mental health support, preventative and better integrated primary care, after-hours health support, and healthcare for the 60,000 permanent and 20,000 reservist uniformed Australian Defence Force personnel.

Dear Shareholder

I am pleased to invite you to attend the annual general meeting ("AGM") of Medibank Private Limited ("Medibank") to be held on Monday, 13 November 2017 at 2.00pm (Melbourne time).

AGM details

The AGM will be held at the Melbourne Park Function Centre, National Tennis Centre, Batman Avenue, Melbourne. A map with directions to the venue appears on page 15 of this notice.

If you attend the AGM, you will need to register at one of the registration desks on the day. Registration will commence at 1.00pm. You will find it easier to register if you bring with you a shareholder document showing your holder number (such as a holding statement or proxy form).

This notice sets out the details of the items of business of the AGM, as well as voting instructions and explanatory notes.

At the AGM our Chief Executive Officer, Craig Drummond, and I will review the operations and performance of Medibank for the year ended 30 June 2017. There will be an opportunity for shareholders to ask questions of the Board and the external auditor. We encourage your participation at the AGM and look forward to providing an informative program.

If you are unable to attend the AGM in person, I encourage you to submit your voting instructions by:

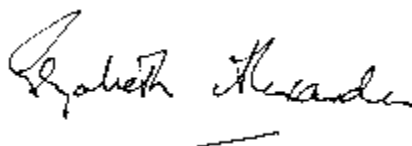
- following the instructions on the front of the proxy form to lodge your proxy electronically at **www.investorvote.com.au**; or
- completing the personalised proxy form and returning it to Medibank's share registry.

The completed proxy form must be lodged electronically or be received by no later than 2.00pm (Melbourne time) on Saturday, 11 November 2017.

The AGM will be webcast live and may be viewed at **www.medibank.com.au**. The webcast will also be available on Medibank's website shortly after the conclusion of the AGM together with the presentations and voting results.

I look forward to seeing you at the AGM, and thank you for your support as a shareholder.

Yours sincerely



Elizabeth Alexander AM
Chairman

FINANCIAL SUMMARY

All data is presented on a statutory basis

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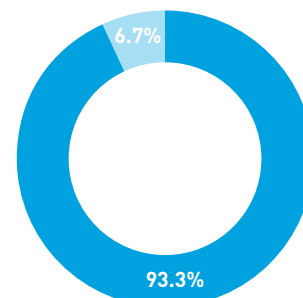
cents per share

Total dividend for 2017
(interim and final) fully franked

Group net profit after tax (\$m)

2017	\$449.5m
2016	\$417.6m
2015	\$285.3m
2014	\$130.8m \$251.8m*
2013	\$232.7m

Composition of 2017 segment operating profit (%)



● Health Insurance ● Medibank Health

Health Insurance premium revenue (\$m)

2017	\$6,244.9m
2016	\$6,172.5m
2015	\$5,934.8m
2014	\$5,648.7m
2013	\$5,344.1m

Health Insurance net claims expense (including risk equalisation) (\$m)

2017	\$5,179.0m
2016	\$5,145.8m
2015	\$5,092.9m
2014	\$4,884.3m
2013	\$4,630.9m

Health Insurance operating profit (\$m)

2017	\$497.5m
2016	\$510.7m
2015	\$332.2m
2014	\$250.8m
2013	\$204.3m

Health Insurance gross margin (%)

2017	17.1%
2016	16.6%
2015	14.2%
2014	13.5%
2013	13.3%

Health Insurance management expense ratio (%)

2017	9.1%
2016	8.4%
2015	8.6%
2014	9.1%
2013	9.5%

Health Insurance operating margin (%)

2017	8.0%
2016	8.3%
2015	5.6%
2014	4.4%
2013	3.8%

* Excludes impairment and restructuring expenses in 2014 (\$134.7 million before tax; \$121.0 million after tax) in relation to the write-down of goodwill mainly associated with the Telehealth business and costs incurred in relation to the reorganisation within Medibank Health.

BUSINESS SNAPSHOT



CHAIRMAN'S MESSAGE



It has been a year of transition for Medibank, with Craig Drummond coming on board as Chief Executive Officer. Craig's leadership has re-energised the business and strengthened our investment in, and focus on, customers. Our progress in overhauling service, launching a range of new products and providing increased value to our customers has delivered another good result.

Australia has a world-class health system and I am proud of the significant role Medibank plays within it. During the year we supported our customers through more than 1.3 million hospital admissions and 500,000 surgical procedures, and around 23.5 million extras services.

That said, rising healthcare costs continue to put upward pressure on premiums. This has had a significant impact on the household budgets of Australians, with the participation rate in private health insurance the lowest in four years. We continued to work closely with government to deliver greater transparency, affordability and value for our customers and to support the long-term sustainability of Australia's public and private health systems. This will continue to be important in the year ahead.

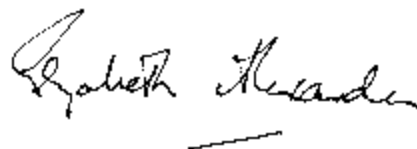
I am delighted to welcome two new directors to the Medibank Board who will add a great deal to Medibank as we look to further strengthen our relationship with customers, and expand our role within the health industry.

Mike Wilkins joined us in May 2017, bringing with him more than 30 years of experience in financial services, a strong track record in transforming culture as well as a passion for customer service. We also announced the appointment of Dr Tracey Batten from August 2017, who is an experienced clinician with over 25 years of experience in the health system both in Australia and overseas.

Tracey's appointment follows Dr Cherrell Hirst's decision to retire from the Medibank board. On behalf of the directors, I would like to thank Cherrell for her significant contribution to Medibank over the past eight years and wish her all the best in the future.

I also wish to thank Craig, Medibank's management team and all of our employees for their tireless efforts over the last 12 months, and in particular for their committed focus on improving the experience of our customers.

Our performance in 2017, coupled with your continued support, holds your company in good stead for the future.



Elizabeth Alexander AM
Chairman

CEO'S MESSAGE

The 2017 financial year has seen Medibank make significant improvements to the service and experience we deliver to our customers. This was one of my top priorities when I joined the business last year, and it will continue to be a key focus in 2018.



Medibank's Group net profit after tax (NPAT) increased by 7.6 percent to \$449.5 million in 2017, primarily due to net investment income increasing by \$80.0 million, more than offsetting a lower operating profit for the Health Insurance business of \$497.5 million.

The performance in the Health Insurance business in part reflected our increased investment in customer initiatives and focus on strengthening our core, improving healthcare value and expanding Medibank's customer offering.

This investment is making a difference. During the year our share of complaints to the Private Health Insurance Ombudsman nearly halved and the average call wait time in our customer service centre dropped significantly. We launched new products for both the Medibank and ahm brands which performed strongly, and gave value back to more than 1.6 million of our customers through new and extended benefits. We also bedded down our new IT system and successfully navigated the premium review and tax statement cycles.

We paid a record \$5.2 billion in benefits to our customers in 2017. Costs in the health system continued to increase and our ongoing challenge is to get the balance right between meeting these rising costs and ensuring our products remain affordable and meet customers' needs. While our average premium increase in 2017 was the lowest in 15 years, we need greater transparency within the health system to give our customers a better deal. This will continue to be a focus for Medibank going forward.

Medibank Health, which was previously known as Complementary Services, recorded an increase in operating profit to \$35.7 million. We are on track to more than double the share of segment operating profit this business contributes by 2019. Medibank Health will play a bigger role in the future as we look ahead to further diversify our business and integrate more health into our customers' experience.

Our success this year in reorientating Medibank to customers has positioned us strongly for the year ahead. But we are not there yet. The more we do to strengthen our relationship with customers, the better placed we are to pursue strategic growth opportunities that will benefit customers and shareholders alike.

A handwritten signature in black ink, appearing to read 'Craig Drummond'.

Craig Drummond
Chief Executive Officer

MEDIBANK PRIVATE LIMITED

NOTICE OF ANNUAL GENERAL MEETING 2017

The Medibank AGM will be held at the Melbourne Park Function Centre, National Tennis Centre, Batman Avenue, Melbourne, Victoria on Monday, 13 November 2017 at 2.00pm (Melbourne time).

BUSINESS

1. Financial statements and reports

To consider the financial report for the year ended 30 June 2017, together with the directors' report and auditor's report as set out in the annual report.

2. To elect Dr Tracey Batten as a director

3. To elect Mike Wilkins AO as a director

4. To re-elect Elizabeth Alexander AM as a director

5. To re-elect Anna Bligh AC as a director

6. Adoption of the remuneration report

To adopt the remuneration report (which forms part of the directors' report) for the year ended 30 June 2017.

7. Grant of performance rights to the Chief Executive Officer

To approve the grant of performance rights to Craig Drummond (being Medibank's Chief Executive Officer) to be issued in accordance with Medibank's 2018 Long-Term Incentive Plan as described in the explanatory notes.



Mei Ramsay

Company Secretary
28 September 2017

ATTENDANCE AND VOTING

All shareholders may attend the AGM. For the purpose of voting at the AGM, the directors have determined that shareholders will be taken to be those persons who are registered as holding shares in Medibank at 2.00pm (Melbourne time) on Saturday, 11 November 2017.

All resolutions at the AGM will be determined by way of a poll.

SHAREHOLDER QUESTIONS

If you are entitled to vote at the AGM, you may submit written questions in advance relevant to the business of the meeting. Questions may also be submitted for the external auditor about the auditor's report or the conduct of the audit.

Questions may be lodged as part of the online proxy process. Alternatively you may send written questions to Medibank's share registry at the address set out on the proxy form or email your questions to company.secretary@medibank.com.au. Please ensure that your written questions are received no later than 5.00pm, Monday, 6 November 2017 (Melbourne time).

HOW TO VOTE

Voting in person

Shareholders may vote by attending the AGM and casting their votes in person.

Voting by proxy

A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or attorney to attend and vote on behalf of the shareholder. A proxy or attorney need not be a shareholder of Medibank and may be an individual or a body corporate (and any body corporate so appointed may then appoint an individual to exercise its powers at the meeting).

A shareholder who is entitled to cast two or more votes may appoint two proxies or attorneys and may specify the proportion or number of votes which each proxy or attorney may exercise. If no proportion or number is specified, each proxy or attorney may exercise half of the shareholder's votes. If you wish to appoint two proxies, please follow the instructions on the proxy form.

Shareholders can direct their proxy how to vote. If a shareholder appoints the Chairman of the meeting as proxy and does not direct the Chairman how to vote, then the Chairman (unless restricted from voting on the resolution) will vote FOR each resolution.

How to vote by proxy

Shareholders should consider directing their proxy as to how to vote on each resolution by marking either the "For", "Against" or "Abstain" box when completing their proxy form.

Under the Corporations Act, if the appointment of a proxy specifies the way the proxy is to vote on a particular resolution, and:

- if the proxy is not the Chairman of the meeting, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
- if the proxy is the Chairman of the meeting, the proxy must vote on a poll and must vote as directed.

In addition, there are some circumstances where the Chairman of the meeting will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairman of the meeting as their proxy.

This will be the case where:

- the appointment of the proxy specifies the way the proxy is to vote on a particular resolution; and
- the appointed proxy is not the Chairman of the meeting; and
- a poll is called on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the AGM; or
 - the proxy attends the AGM but does not vote on the resolution.

Lodging your proxy form

To be valid, proxy forms must be lodged electronically or be received by Medibank's share registry, Computershare Investor Services Pty Limited ("Computershare") no later than 2.00pm (Melbourne time) on Saturday, 11 November 2017 ("Proxy Deadline").

Proxy forms may be submitted:

- online at www.investorvote.com.au. To use this facility, please follow the link in your email inviting you to the AGM, or the instructions on your proxy form;
- by post to GPO Box 242, Melbourne Victoria 3001. Please allow sufficient time for the form to reach Computershare by the Proxy Deadline;
- by facsimile to Computershare on +61 (0)3 9473 2555; or
- by hand delivery to Computershare, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria.

NOTICE OF ANNUAL GENERAL MEETING 2017 continued

Corporate representatives

A corporate shareholder wishing to appoint a person to act as its representative at the AGM may do so by providing that person with:

- a properly executed letter, certificate, form, or other document, such as an "Appointment of Corporate Representative" confirming that they are authorised to act as the corporate shareholder's representative. A form may be obtained from www.investorcentre.com under the tab "Need a printable form?"; or
- a copy of the resolution appointing the representative, certified by a director or secretary of the corporate shareholder. A copy of the signed document must be produced prior to admission to the AGM.

Power of attorney

If a shareholder has appointed an attorney to attend and vote at the AGM, or if the proxy form is signed by an attorney, the power of attorney (or a certified copy) must be received by Computershare by the Proxy Deadline, unless the document has been previously lodged with Computershare. Powers of attorney may be submitted by post or by hand delivery to the addresses shown on page 7.

Voting restrictions

Resolution 6 – Adoption of the remuneration report

A vote may not be cast (in any capacity) on resolution 6 by or on behalf of a member of Medibank's key management personnel ("KMP"), whose remuneration details are included in the remuneration report, or a KMP's closely related parties. A "closely related party" includes a spouse, dependant and certain other close family members of a KMP, as well as any companies controlled by a KMP.

However, a vote may be cast on resolution 6 (and that person is not prohibited from voting) if:

- it is cast by a KMP or a KMP's closely related party as proxy for a person entitled to vote and the vote is cast in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting, as proxy for a person entitled to vote, if:
 - the appointment does not specify the way the proxy is to vote on resolution 6; and
 - the appointment expressly authorises the Chairman of the meeting to exercise the proxy even if resolution 6 is connected directly or indirectly with the remuneration of a KMP.

The Chairman of the meeting intends to vote undirected proxies FOR resolution 6.

Resolution 7 – Grant of performance rights to the Chief Executive Officer

The following persons may not vote, and Medibank will disregard any votes cast on resolution 7 by or on behalf of, the following persons:

- Craig Drummond or any of his associates; and
- a KMP or a closely related party of a KMP, acting as a proxy, if their appointment does not specify the way the proxy is to vote on the resolution.

However, a vote may be cast on resolution 7 (and that person is not prohibited from voting) if:

- it is cast by a person identified above as a proxy for a person who is entitled to vote on the resolution and the vote is cast in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting, as proxy for a person who is entitled to vote on the resolution, and the proxy appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP.

The Chairman of the meeting intends to vote undirected proxies FOR resolution 7.

If the Chairman of the AGM is your proxy or is appointed your proxy by default, and you do not direct your proxy to vote "For", "Against" or "Abstain" on resolution 6 or 7, you expressly authorise the Chairman to exercise the proxy even though those resolutions are connected directly or indirectly with the remuneration of a member of the KMP.

EXPLANATORY NOTES

1. Financial statements and reports

Medibank's financial statements and reports for the year ended 30 June 2017 are set out in its 2017 annual report. The annual report is available at www.medibank.com.au

The Corporations Act requires that the financial report, directors' report, and auditor's report of Medibank and the consolidated entity be placed before the AGM. There is no requirement for shareholders to vote on these reports.

Shareholders will be given a reasonable opportunity at the AGM to ask questions about and make comments on the financial statements and reports and on the management of Medibank. During discussion on this item, the external auditor will be present and will answer relevant questions.

2. Election of Dr Tracey Batten as a director

Dr Tracey Batten was appointed by the Board as a director of Medibank with effect from 28 August 2017 and, in accordance with article 11.7 of Medibank's constitution and being eligible, offers herself for election.



Dr Tracey Batten

Independent Non-Executive Director
MBBS, MHA, MBA, FAICD, FRACMA

Tracey was appointed a director on 28 August 2017. She is a member of the Risk Management Committee.

Tracey has extensive experience in the health services sector, with strong commercial, business and change leadership skills.

Most recently, Tracey was the Chief Executive of the Imperial College Healthcare NHS Trust in the United Kingdom. In that role, Tracey focused on change leadership, in particular improving organisational culture and strengthening patient safety and experience. Tracey also oversaw the implementation of a range of digital initiatives as Chief Executive. Tracey is a former Chief Executive of St Vincent's Health Australia, which runs a group of public hospitals, private hospitals and aged care facilities.

Recommendation

The Board (other than Dr Tracey Batten) recommends that shareholders vote FOR this resolution.

NOTICE OF ANNUAL GENERAL MEETING 2017 continued

3. Election of Mike Wilkins AO as a director

Mike Wilkins AO was appointed by the Board as a director of Medibank on 25 May 2017 and, in accordance with article 11.7 of Medibank's constitution and being eligible, offers himself for election.



Mike Wilkins AO

Independent Non-Executive Director
BCom, MBA, FAICD, FCA

Mike was appointed a director on 25 May 2017. He is a member of the Risk Management Committee and the Investment and Capital Committee.

Mike has more than 30 years of experience in financial services in Australia and Asia, including life insurance and investment management. Mike has more than 20 years of experience as CEO for ASX100 companies. Most recently, he served as Managing Director and CEO of Insurance Australia Group Limited (IAG). He is a former Managing Director and CEO of Promina Group Limited and Tyndall Australia Limited.

Mike is currently a director of QBE Insurance Group Limited and AMP Limited.

Recommendation

The Board (other than Mike Wilkins AO) recommends that shareholders vote FOR this resolution.

4. Re-election of Elizabeth Alexander AM as a director

Elizabeth Alexander AM retires in accordance with article 11.3(b)(iii) of Medibank's constitution and, being eligible, offers herself for re-election.



Elizabeth Alexander AM

Chairman and Independent
Non-Executive Director
BCom, FAICD, FCA, FCPA

Elizabeth was appointed a director in October 2008 and Chairman in March 2013. She is Chairman of the Nomination Committee and member of the Audit Committee and the Risk Management Committee.

As a former partner at PricewaterhouseCoopers (1977–2002), Elizabeth specialised in the area of risk management and corporate governance.

Elizabeth is currently Chairman of DEXUS Wholesale Property Limited and a director of DEXUS Funds Management Limited as part of the DEXUS Property Group, a director of the IOOF Foundation and the Victorian Registration and Qualifications Authority.

Recommendation

The Board (other than Elizabeth Alexander AM) recommends that shareholders vote FOR this resolution.

5. Re-election of Anna Bligh AC as a director

Anna Bligh AC retires in accordance with article 11.3(b)(iii) of Medibank's constitution and, being eligible, offers herself for re-election.



Anna Bligh AC
Independent Non-Executive Director
BA (QLD)

Anna was appointed a director in December 2012. She is a member of the Investment and Capital Committee and the People and Remuneration Committee.

Anna has extensive experience in leadership and public policy, including in the fields of healthcare, finance, infrastructure and project management. Anna is currently the Chief Executive Officer of the Australian Bankers' Association and a director of Bangarra Dance Theatre Australia.

Recommendation

The Board (other than Anna Bligh AC) recommends that shareholders vote FOR this resolution.

6. Adoption of the remuneration report

The remuneration report for the year ended 30 June 2017 is set out on pages 32 to 56 of Medibank's annual report.

The remuneration report contains information about the remuneration policy of Medibank and the remuneration of non-executive directors, the Chief Executive Officer and other KMPs for the financial year ended 30 June 2017.

At the AGM, the Chairman will give shareholders a reasonable opportunity to ask questions about or make comments on the remuneration report.

The vote on this resolution is advisory only and does not bind Medibank or its directors. However, the Board will actively consider the outcome of the vote and comments made by shareholders on the remuneration report at the AGM when reviewing Medibank's future remuneration policies and practices.

Recommendation

The Board recommends that shareholders vote FOR this resolution. Subject to the voting restrictions set out on page 8, the Chairman of the meeting intends to vote undirected proxies FOR this resolution.

7. Grant of performance rights to the Chief Executive Officer

Shareholder approval is being sought to grant performance rights to the Chief Executive Officer, Craig Drummond under Medibank's Long-Term Incentive (LTI) Plan. Details of Craig Drummond's remuneration arrangements are set out in Medibank's 2017 remuneration report.

NOTICE OF ANNUAL GENERAL MEETING 2017 continued

Key terms

The key terms of the grant of performance rights proposed to be made to Craig Drummond are set out below.

Number allocated	Craig Drummond's proposed LTI award is 830,684 performance rights ("LTI performance rights"). These LTI performance rights have a face value of \$2,301,000 (being 150 percent of his total fixed remuneration for the 2018 financial year). The number of LTI performance rights proposed to be granted has been determined using the volume weighted average price of Medibank shares on the ASX during the 10 trading days up to and including 30 June 2017 (being \$2.77). No dividends are paid on LTI performance rights.
Date of grant	If shareholders approve the grant of LTI performance rights, those performance rights will be granted to Craig Drummond within 12 months of the AGM at no cost to him.
Performance period and vesting	Each LTI performance right proposed to be granted to Craig Drummond will give him the right to receive one share in Medibank subject to the LTI performance right vesting at the end of a three-year performance period beginning on 1 July 2017 and ending on 30 June 2020. No value will be received if the vesting conditions are not met or the LTI performance rights otherwise lapse.
No retesting	The LTI vesting conditions are only tested once following the end of the performance period. Any LTI performance rights that remain unvested following the end of the performance period will lapse immediately.
Vesting conditions	<p>50 percent of the LTI performance rights proposed to be granted will be subject to a vesting condition based on Medibank's earnings per share compound annual growth rate ("EPS CAGR") over the performance period ("EPS performance rights"), while the other 50 percent will be subject to a relative total shareholder return ("TSR") vesting condition measured over the performance period ("TSR performance rights").</p> <p>In 2017, the Board reviewed the targets and vesting conditions in the context of the lower growth environment in which Medibank is operating. The Board is committed to setting targets which are appropriately challenging for management to meet while not being unattainable and, which ultimately, support the delivery of strong results for our shareholders.</p> <p><i>EPS performance rights</i></p> <p>In this context, the Board approved a threshold EPS CAGR target of 3 percent. The number of EPS performance rights that vest on achievement of the threshold EPS CAGR target has been reduced to 33.33 percent of the EPS performance rights. The EPS CAGR target that must be met for 100 percent of the EPS performance rights to vest has been retained by the Board at 9 percent. Details of the vesting schedule are set out over the page.</p>

Medibank's EPS CAGR over the performance period	Percentage of EPS performance rights that vest
Less than 3% EPS CAGR	Nil
At 3% EPS CAGR	33.33%
Between 3 and 9% EPS and CAGR	Straight line pro-rata between 33.33% and 100%
9% EPS CAGR or greater	100%

Relative TSR performance rights

Medibank's TSR will be compared with a comparator group comprising companies with a market capitalisation positioned within the ASX 11 – 100, excluding mining and energy companies. The percentage of TSR performance rights that vest will be based on Medibank's TSR ranking over the performance period, as set out in the vesting schedule below:

Medibank's TSR rank in the comparator group	Percentage of TSR performance rights that vest
Less than 50th percentile	Nil
Equal to 50th percentile	50%
Greater than 50th and up to 75th percentile	Straight line pro-rata between 50% and 100%
At or above 75th percentile	100%

The Board believes that the vesting conditions are robust targets which require strong performance. The Board reviews incentive targets and the broader executive remuneration framework on an ongoing basis to ensure they continue to align with our business strategy and shareholder experience.

Cessation of employment

If Craig Drummond ceases employment with Medibank before his LTI performance rights have vested and is a 'good leaver', the LTI performance rights held by him on cessation of employment will be forfeited on a pro rata basis according to a formula which takes into account the length of time that he has held the LTI performance rights relative to the performance period for the grant. The remaining LTI performance rights will remain unvested and will be tested at the end of the performance period against the existing vesting conditions.

If Craig Drummond's employment is terminated for other reasons (such as resignation, misconduct, fraud or unsatisfactory performance) then the unvested LTI performance rights held by him will lapse immediately on cessation of employment.

Clawback

The Board has discretion to reduce, cancel or recover any performance-based awards (including performance rights) made to a senior executive employee in certain circumstances including serious misconduct or fraud by the senior executive employee, if the senior executive employee engages in any action that impacts on Medibank's reputation or long-term financial soundness, unsatisfactory performance by the senior executive employee to the detriment of Medibank's strategic objectives, an error in the calculation of a performance measure related to performance-based remuneration, a misstatement of Medibank's financial statements, or if the Board becomes aware of any other action that it determines (acting in good faith) has resulted in the senior executive employee receiving an inappropriate benefit.

NOTICE OF ANNUAL GENERAL MEETING 2017 continued

The Board has determined to purchase the shares required on market, and therefore is not required to seek shareholder approval for the proposed grant. However, in the interests of transparency and good governance, Medibank considers it is appropriate to do so.

If shareholder approval of the grant of performance rights to Craig Drummond under Medibank's LTI Plan is not obtained, he will receive a cash payment in lieu of those performance rights. The cash payment would be subject to the same vesting conditions outlined on page 12.

Other information required by the ASX Listing Rules

At Medibank's 2016 annual general meeting, shareholder approval was obtained for the grant of performance rights to Craig Drummond under the LTI Plan, and Craig was granted 765,306 performance rights on 1 March 2017.

No amount is payable by Craig Drummond for the LTI performance rights.

Craig Drummond is the only director eligible to participate in Medibank's LTI Plan.

No loan has been or will be made to Craig Drummond by Medibank in relation to the LTI performance rights.

Recommendation

The Board (other than Craig Drummond) recommends that shareholders vote FOR this resolution. Subject to voting restrictions set out on page 8, the Chairman of the meeting intends to vote undirected proxies FOR this resolution.

GETTING TO THE AGM

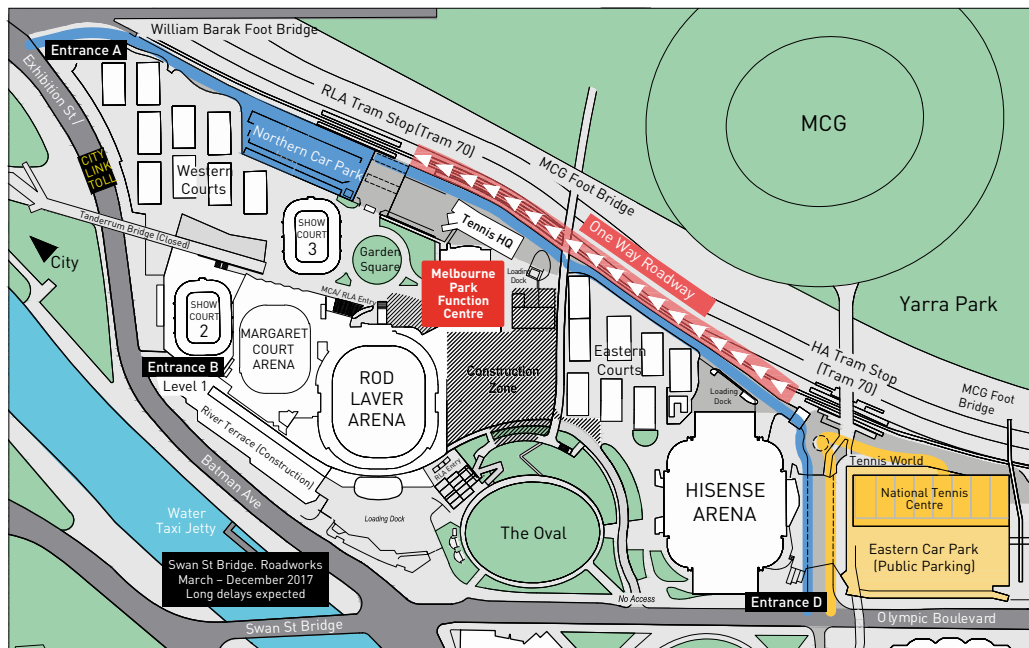
Public transport

Tram – From Flinders Street (route 70) to the Rod Laver Arena tram stop. Entry to the Function Centre is through the gates at Garden Square. Proceed left up the ramp.

Train – Richmond Station is 1km east of Hisense Arena along Olympic Boulevard. Jolimont Station is through Yarra Park past the MCG.

Parking

Take Entrance D off Olympic Boulevard and proceed to the Northern or Eastern Car Park. From the Northern Car Park, walk through the gates at Garden Square to the Function Centre and proceed left up the ramp. From Eastern Car Park, walk west along Olympic Boulevard to 'The Oval'. Continue along the designated paths up the stairs towards the entrance of Rod Laver Arena. Continue to the right.



Access routes to car parks

- Eastern Car Park (via Entrance D, Olympic Boulevard)
- Northern Car Park (via Entrance A, Batman Ave & Entrance D, Olympic Boulevard)
- Northern Roadway is One Way Only

medibank

Medibank Private Limited
ABN 47 080 890 259