

19 April 2021

David Koczkar appointed Medibank CEO

Medibank Private Limited today announced the appointment of David Koczkar as Chief Executive Officer effective from 17 May 2021.

Medibank Chairman Mike Wilkins said that the Board was pleased to be able to appoint an executive of Mr Koczkar's calibre and experience.

"As our Chief Customer Officer David has been a champion for our customers and has played an instrumental role in the growth and re-positioning of Medibank. This has enabled Medibank to implement some of the largest changes undertaken by the private health insurance sector in Australia. These changes have resulted in improved advocacy, retention and growth of customer numbers, significant improvement in the products and services experienced by our customers and enhanced performance for our shareholders," Mr Wilkins said.

"David's experience and customer focus ensures that Medibank will continue to capitalise on the strength of its position. The Board and I look forward to working with David as Medibank continues its journey to becoming a broader healthcare company," he said.

Incoming CEO David Koczkar said that it was an incredible honour to be appointed Chief Executive Officer of Medibank.

"For the last seven years, I have had the privilege of working to improve our relationship with our customers, their experience and enhancing the value that we provide them," Mr Koczkar said.

"I am thrilled to be able to continue this work, working with the amazing team at Medibank to continue to ensure our focus remains on meeting the needs of our customers and transforming the way we work as we become a broader healthcare company.

"Medibank plays an important role in our community, and my commitment is to ensure that we continue to meet these needs, with our people and our broad network of partners, in a manner that anchors to our values and purpose – Better Health for Better Lives.

"I would also like to take this opportunity to thank Craig Drummond for his leadership of our company over the last five years. He leaves our company in a stronger position, and we all remain committed to realising the ambition outlined for our customers, our owners and our people," Mr Koczkar said.

Mr Koczkar will commence in the role of CEO 17 May 2021. Mr Drummond, who is retiring, will remain with the business until 30 June to assist in the handover of responsibilities.

This announcement has been authorised for release by the Board.

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DAVID KOCZKAR BIOGRAPHY

David was appointed Group Executive – Chief Customer Officer in September 2016. Prior to that he held the role of Chief Operating Officer from March 2014 and was Acting Chief Executive Officer between April 2016 and June 2016.

As Chief Customer Officer David has been responsible for Medibank Group's consumer businesses, including the health and diversified insurance portfolios, Live Better and the ahm business. His key accountabilities included Medibank's member health programs, all customer touchpoints, including the Group's retail, phone and digital channels, and the sales and marketing, customer analytics and portfolio management functions.

Prior to joining Medibank, David was the Group Chief Commercial Officer at Jetstar where he was responsible for the airline's customer and commercial businesses across the Asia Pacific region.

David has more than 25 years of leadership experience in customer focussed businesses, including previous work in strategy consulting and finance industries.

KEY TERMS OF EMPLOYMENT AGREEMENT

The key terms of Mr Koczkar's employment arrangements are summarised below. They have been developed with the benefit of input from external consultants and information on Australian peer company benchmarks.

1. Appointment

Mr Koczkar is appointed as Managing Director and Chief Executive Officer (CEO) with effect from 17 May 2021. Mr Koczkar will report to the Chairman of the Medibank Board of Directors and fulfil the duties expected of a Managing Director and CEO.

2. Term

Mr Koczkar's appointment is a full-time appointment with no fixed term, and continues until terminated by either party in accordance with the employment agreement (see section 4 below).

3. Remuneration package

The remuneration package is designed to ensure alignment of reward with the interests of our shareholders, and community and customer expectations.

Mr Koczkar will be provided with the following elements of remuneration (on an annualised basis):

Total Fixed Remuneration: Mr Koczkar's total fixed remuneration is \$1,500,000 per annum, reviewed annually. Fixed remuneration includes cash salary, salary packaged benefits and compulsory superannuation contributions.

Short Term Incentive (STI): Mr Koczkar will be eligible to receive a target STI opportunity of 100%, with a maximum opportunity of 150%, of his annual total fixed remuneration. The STI is subject to the rules of Medibank's Executive Short Term Incentive Plan and the satisfaction of gateway and performance conditions (financial and non-financial) as determined by the Board. 50% of the STI will be granted as cash, with the remaining 50% provided in the form of 12-month deferred performance rights to Medibank shares.

Long Term Incentive (LTI): Mr Koczkar will be eligible to receive a target LTI of 150% of his annual total fixed remuneration. The LTI is subject to the rules of Medibank's Long Term Incentive Plan and the satisfaction of gateway and performance conditions (financial and non-financial) as determined by the Board. The LTI will be granted in the form of conditional performance rights to Medibank shares.

4. Termination provisions

Either party may end Mr Koczkar's employment at any time by giving six months' written notice to the other party. Medibank may also end Mr Koczkar's employment without notice in certain circumstances, such as for serious misconduct.

5. Post-employment restrictions

Mr Koczkar is subject to non-compete and non-solicitation restrictions for a period of up to nine months following termination of his employment.