HCF Nominations Committee Charter

HCF

Organisation

This charter governs the operations of the Nominations Committee of The Hospitals Contribution Fund of Australia Limited. The Committee shall review and reassess the charter at least annually and obtain approval of the Board of directors.

Membership

The Committee is composed of all the independent directors of the company provided that any independent director seeking re-election by contributors or re-appointment is excluded from membership of the Committee.

The Committee will be chaired by the Chairman of the Board provided he / she is an independent director and not seeking re-election or re-appointment.

Members of the Committee shall meet the definition of what constitutes an 'independent director' specified in Schedule 5 of the company's Constitution adopted on 24 November 2005. The Committee notes Schedule 5 complies with paragraph 1.5.3.3 of Australian Standard AS 8000: 2003 which defines independence.

The Board has decided the company's interests are well served by having directors and committee members with specific expertise it requires provide services to the company on normal commercial terms and conditions provided full disclosure is made to stakeholders in the Annual Report.

The only compensation paid for Nomination Committee duties shall be directors' fees for services provided to the Board.

Purpose

The Committee shall identify individuals qualified to become Board members as specified in Schedule 4 of the company's Constitution adopted on 24 November 2005.

The Committee will recommend to the Board those candidates it has selected as potential directors who will subsequently stand for election by contributors or appointment / re-appointment by Members at annual general meetings if approved by the Board.

Meetings

The Committee shall meet at least once each calendar year. The purpose of the meeting shall be to:

1. Review the Board composition including the skills, abilities and experience of existing directors

2. Determine the optimal mix of skills, competencies and characteristics needed by the company

3. Identify men and women who meet the Committee's criteria who are willing and able to contribute their time and expertise to the company

4. Prepare recommendations to the Board on candidates selected as best meeting the company's needs

The Committee shall request the Chief Executive Officer to attend meetings and answer questions as it considers necessary.

Meetings shall be formally structured, held in appropriate facilities with Agendas, supporting papers and Minutes of prior meetings distributed sufficiently in advance.

Duties and responsibilities

Understanding the business

The Committee shall ensure it understands the political and economic environment relevant to the industry together with the company's vision, values, mission, strategies, business objectives, competitive position, strengths/weaknesses, Group structure, accountability, management responsibilities and performance measures.

Oversight

The Committee is responsible for the overall selection process associated with identifying, attracting, motivating and retaining the most qualified, experienced and ethical persons to serve as directors.

The Committee shall, if it deems fit, establish criteria additional to those specified in Schedule 4 of the company's Constitution adopted on 24 November 2005 for selection of potential directors including independence, availability, experience, skills, operational/ technical expertise, membership of HCF's hospital tables, loyalty, honesty and the courage to ask tough questions/challenge management.

The Committee shall develop plans for identifying, assessing and enhancing directors' competencies together with preparing succession plans to maintain an appropriate balance of skills, experience and expertise on the Board.

The Committee shall also review the effectiveness of the Board as a whole and the performance of individual directors periodically.

Communications with stakeholders

The Committee shall report on its proceedings and make its recommendations to the Board of directors.

Committee Performance

The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.