

CORPORATE GOVERNANCE STATEMENT FINANCIAL YEAR 2024–25



MESSAGE FROM THE CHAIR



The past financial year presented the healthcare sector with unprecedented challenges, characterised by continued cost-of-living pressures, increased regulation and a demanding operating environment. Notwithstanding the significant headwinds, we demonstrated remarkable resilience while maintaining our long-term focus on delivering understandable, affordable and quality healthcare for our members when they need it most.

Our member-focused approach continues to drive exceptional results, with membership growth of 4% — more than 1.9 times the industry average — and an 89 cents in the dollar payout ratio over the past decade, compared to the 84 cents sector average. This growth reinforces our position as the leading choice for Australians seeking trusted and quality coverage.

We were particularly proud to be named Australia's Most Trusted Private Health Fund in 2025, as well as retaining number one in member satisfaction of the major health funds for a seventh consecutive year. We also received Canstar's Outstanding Value Health Insurance Award for the tenth year running, testament to our enduring commitment to member value.

During the year, we successfully navigated a planned leadership transition as

Ms Lorraine Thomas assumed the role of CEO & Managing Director from 1 July 2025, succeeding Ms Sheena Jack. I extend the Board's gratitude to Sheena for her outstanding leadership, vision and dedication to our members throughout her tenure. We warmly welcome Lorraine, whose extensive industry experience and shared passion for our mutual values will advance our 2030 strategic agenda with renewed ambition.

GOVERNANCE & REGULATORY ENVIRONMENT

Robust governance practices that underpin sound decision making are fundamental to ensuring The Hospitals Contribution Fund of Australia Ltd (HCF or the Company) remains resilient, financially sustainable and able to adapt swiftly to changes in the broader environment, while remaining prudentially sound. We are guided by regular benchmarking against market best practice.

We made continued positive progress with our risk management maturity, supported by independent reviews that validated the effectiveness of our Risk Management Framework and risk culture. This solid governance foundation proved essential as we navigated an increasingly complex regulatory landscape.

Of particular focus has been the implementation of the Financial Accountability Regime (FAR), helping to strengthen standards of executive accountability and individual ownership across critical business functions.

We will publish our inaugural FY25 Remuneration Disclosure Report in December, demonstrating our commitment to transparency in remuneration outcomes and reinforcing our dedication to rewarding and attracting people within a market-based, sustainable remuneration framework whilst maintaining the highest standards of organisational culture and governance.

The accelerating volume and complexity of regulatory requirements across the sector continues to impact productivity and the cost of doing business. While we acknowledge the legitimate drivers behind regulatory intensification, particularly concerning operational resilience and cyber security, we remain committed to balancing compliance obligations with our core mission of serving members.

Against this backdrop, we continued investing strategically in our operational resilience, embracing artificial intelligence in a prudent manner while advancing our data analytics capabilities to improve healthcare quality and predictiveness. These investments position us to unlock technology and data to deliver enhanced member value aligned with evolving expectations.

SUSTAINABILITY PROGRESS

Sustainability remains integral to our purpose as we build on our environmental, social and governance initiatives to make a positive impact on our community and environment. Our comprehensive approach focuses on delivering meaningful outcomes for stakeholders through improved health and social outcomes while minimising our environmental footprint.

We actively support global efforts towards a low-carbon economy, achieving net zero scopes 1 and 2 by June 2025, while maintaining our commitment to achieve scope 3 net zero by 2040 (excluding investments). We also received a 4.5-star Green Star accreditation for our Sydney head office, demonstrating our ongoing commitment to creating healthier, more sustainable workplaces.

Our Social Sustainability Framework continued gaining momentum as we embedded this strategic approach throughout our operations. Our social mission to build healthier communities by addressing social

“Our member-focused approach continues to drive exceptional results, with membership growth of 4%, more than 1.9 times the industry average.”

determinants of health guided our partnership decisions and community investments.

Our major national partnership with the Royal Flying Doctor Service strengthened critical healthcare access for regional and remote communities, directly supporting our vision of healthcare accessibility for all Australians. Through our ongoing collaboration with The Smith Family, we continue to address educational inequality caused by poverty, providing long-term financial support to 1,500 young students through their *Learning for Life* program.

In 2025, we proudly completed our inaugural Reconciliation Action Plan, marking the beginning of our long-term commitment to work in partnership with Aboriginal and Torres Strait Islander peoples towards a reconciled Australia. As we prepare to embark on our Innovate RAP, we're exploring opportunities to improve health outcomes; supporting employment, professional development and procurement opportunities at HCF; and creating respectful, culturally safe and supportive spaces for Indigenous communities.

BOARD RENEWAL & SKILLS

We maintained our focus on ensuring our Board possesses the right compilation of skills and experience relevant to our evolving needs as Australia's largest not-for-profit health fund. Effective succession planning remains critical for sustaining the high standard of complementary director capabilities, experience and values that guide our organisation.

Board composition underwent thoughtful evolution during the year, with Tim Thorne appointed to the HCF Life Board, ensuring we maintain fresh perspectives while preserving essential institutional knowledge.

Recognising our dynamic operating environment, the Directors comprehensively reviewed the skills required for our next phase of growth. This external assessment resulted in updated critical competencies against which we evaluate Board performance and assess future Director candidates, ensuring our governance capabilities match emerging organisational challenges.

Our refined board skills matrix encompasses both traditional governance expertise and contemporary capabilities in areas such as digital transformation, regulatory engagement, and sustainability oversight, positioning the Board to provide effective guidance as we navigate future opportunities and challenges.

Given I will retire at this year's AGM, having reached my 12-year maximum Board tenure, the Board undertook a rigorous process, assisted by independent adviser oversight, regarding the appointment of a new Board Chair. I am very pleased to report that Annette King will assume the position of HCF Board Chair, effective immediately after the AGM. Annette is an experienced Non-Executive Director with deep CEO experience, being an actuary and former President of the Actuaries Institute. The Board and I are very confident Annette will make a great Chair and I wish her all the best.

DIVERSITY & INCLUSION

As the nation's largest not-for-profit fund, we know diversity and inclusivity drive better business outcomes and help us serve our members more effectively. Our commitment extends across all facets of diversity, creating environments where we can innovate more effectively, improve decision making and better understand the diverse communities we serve.

Our Employee Reference Groups representing LGBTQI+, Gender Equality, Disability, Aboriginal and Torres Strait Islander, and Culturally & Racially Marginalised communities provide dedicated spaces for meaningful connection and contribution to key organisational decisions. These groups drive real change while fostering understanding across our workforce.

We're proud of our achievements this year, including earning Australian Workplace

Equality Index Silver Tier Status and partnering with InsurePride Australia, demonstrating our leadership in advancing LGBTQI+ inclusion within the Australian insurance industry. Our involvement in the groundbreaking RISE program shows our commitment to removing barriers to leadership progression for culturally and racially marginalised women.

Leadership diversity remains a priority, with gender balance achieved across management levels and our Boards. We continued expanding our inclusive leadership programs and flexible work arrangements, with 87% of employees confirming they can effectively manage work and other commitments. Increases in our employee engagement and leadership effectiveness results this year again reinforce our focus on building a flexible, empathetic and inclusive workplace.

LOOKING FORWARD

As we build toward our 2030 strategy, we're creating strong foundations that will help us continue delivering value for our members, while maintaining the agility essential to respond to external landscape shifts and evolving regulatory requirements.

On behalf of our Directors, I'm pleased to present our 2025 Corporate Governance Statement, confident in our organisation's strength and our capacity to serve members' evolving needs in the years ahead.

As I conclude my tenure as Chair, it has been a privilege to serve alongside such a dedicated Board of Directors, an exceptional executive team, and committed people throughout HCF who show Uncommon Care for our members every day. I extend my heartfelt gratitude to each of them, and to our members, for their continued support and trust in our commitment to improving health access and outcomes for all Australians.

I wish HCF, its members and the team all the very best for a long, healthy and rewarding future.

Mark Johnson
Chair, HCF Board

CONTENTS

Message from the Chair	2	6. Sustainability	15
1. Governance Approach & Framework	4	7. Stakeholder Engagement	16
2. Board Role & Responsibilities	6	8. Risk Management	17
3. Director Appointment, Performance & Remuneration	10	9. Internal Audit	19
4. An Inclusive & Collaborative Workplace	11	Appendix A HCF Life	20
5. Promoting Ethical & Responsible Behaviour	14		

1. GOVERNANCE APPROACH & FRAMEWORK

The Hospitals Contribution Fund of Australia Ltd (HCF or Company) is an Australian registered public Company (under the *Corporations Act 2001 (Cth) (Act)*) limited by guarantee. We're also registered under the *Private Health Insurance Act 2007* and are Australia's largest not-for-profit private health insurer.

The Company has no share capital and as a result, no shareholders. The members¹ of the Company, known as the Councillors, are entitled to vote under the Act at Company meetings. Up to 16 Elected Councillors are elected by the Voting Policyholders² (or appointed by the Directors where there is a casual vacancy) and up to eight Board Councillors are appointed by the Board.

Figure 1 below sets out the structure of the operating companies within the HCF Group.

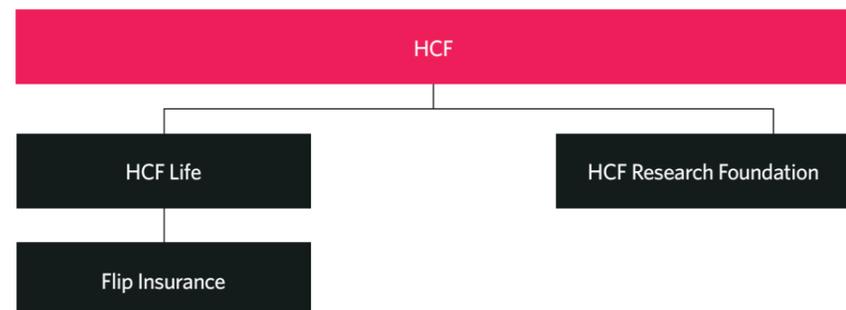


Figure 1: Structure of operating companies within HCF Group.

PROFILE

HCF Life is a wholly owned subsidiary of HCF which provides an innovative range of life, income protection, critical illness and accident products. Flip Insurance forms part of HCF Life's insurance group, with the core product designed to enable customers to obtain insurance cover for certain accidents and injuries for short periods of time. The HCF Research Foundation focuses on funding health services research that can benefit HCF members and all Australians.

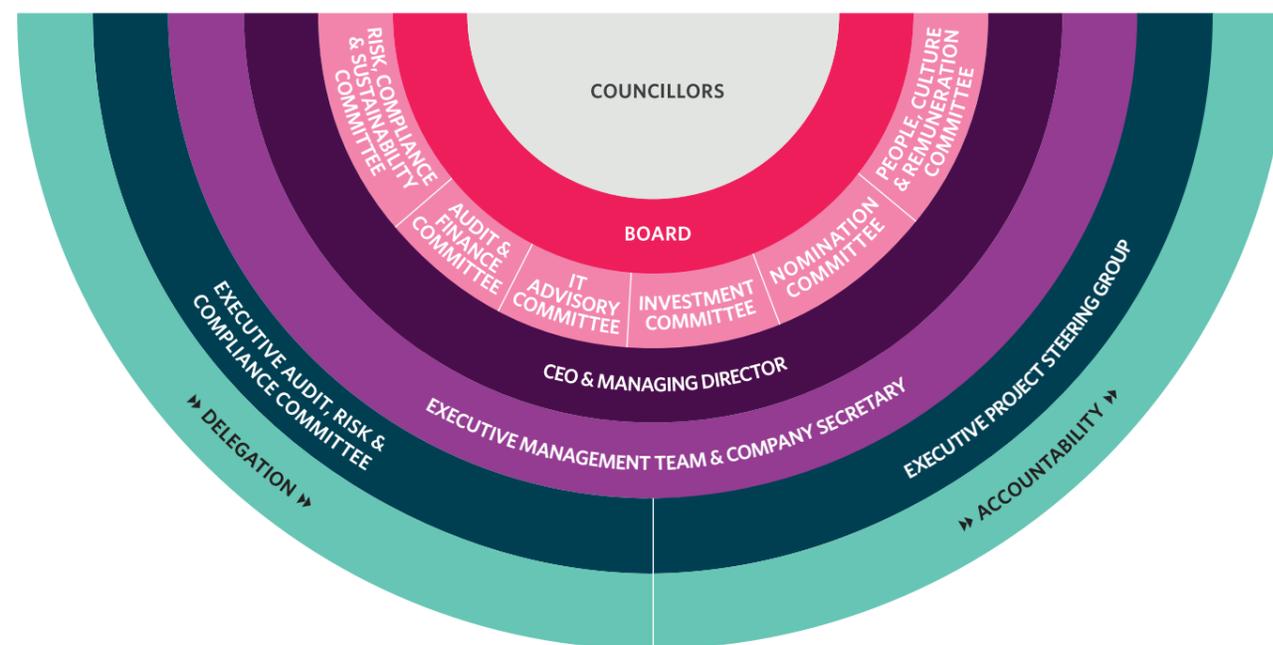
We're committed to maintaining a high standard in our governance practices and seek to:

- lead industry reforms through active engagement with the government and regulators
- integrate best practice governance standards into our operations.

The governance practices across the HCF Group also comply with prudential standards applicable to HCF Group's Australian Prudential Regulation Authority (APRA) regulated entities.

The information in this statement is current as at 30 June 2025, unless where indicated, and has been approved by the Board.

The diagram below summarises our governance framework.



COUNCILLORS

The Councillors take an active interest in the governance of HCF and as the members of the Company. The Councillors are governed by a Charter, which serves as a guiding document for the roles, responsibilities and functions of Councillors. A biennial review of the performance of the Council and of the Charter itself is required by the Elected Councillors. The most recent review was completed in August 2025, with the next review scheduled for 2027.

Councillors exercise powers that either the Act or the HCF Constitution require to be reserved for a general meeting.

These include:

- electing and/or removing directors
- appointing and/or removing the external auditors
- approving alterations to the HCF Constitution
- changing the company type of HCF
- calling meetings and/or proposing resolutions (in limited circumstances)
- setting director remuneration and approving certain financial transactions (such as related party transactions).

As HCF is a Company limited by guarantee, in the event it's wound up, each Councillor is required to contribute up to \$2 towards the property of the Company. The HCF Constitution doesn't allow for the distribution of any property or profit of the Company to Councillors and requires that, upon winding up, any surplus must be given or transferred to a person or entity with similar objectives to those of HCF.

HCF Group relates to all companies within the HCF Group. The operating companies within the HCF Group are currently HCF, HCF Life and its subsidiary Flip Insurance and HCF Research Foundation Ltd (as trustee for the HCF Research Foundation). The Board and Board Committees is a reference to the Board and Board Committees of HCF.

1. A reference to a member of the Company is to the meaning as defined in the *Corporations Act (Cth)*. It does not mean a member of the health fund, a policyholder or a contributor. Policyholders are not members and have different rights under the HCF Constitution including to vote on a scheme of arrangement. Policyholders are customers of HCF, with rights and obligations under the HCF Fund Rules.

2. A voting Policyholder includes the Directors, HCF customers who were, on or around 24 November 2011, a 'voting contributor', and HCF customers that have been a hospital cover Policyholder for a continuous period of at least five years. A voting Policyholder can participate in an election of Elected Councillors.

2. BOARD ROLE & RESPONSIBILITIES

BOARD ROLE & RESPONSIBILITIES

The Board is responsible for the Company's governance, business continuity and long-term viability. Its role and responsibilities are described in the Board Charter, which is available on our website at [hcf.com.au](https://www.hcf.com.au)

The Board formally delegates certain functions and authority to Board committees (documented in committee charters) and management (documented in the HCF Group Delegation of Authority Policy). It retains authority for:

- **strategy** — setting, monitoring and revising strategic direction and performance objectives
- **oversight of management** — appointing and removing the Chief Executive Officer & Managing Director (CEO & MD), Group Company Secretary, Group Chief Financial Officer and Chief Risk Officer; approving succession plans; and monitoring senior management performance against agreed criteria
- **remuneration** — and performance incentives and succession plans for the CEO & MD
- **oversight of financial and capital matters** — approving and monitoring performance

against financial budgets; approving financial statements, and considering the Financial Condition Report and the Internal Capital Adequacy Assessment Process Report; appointing the external auditor (subject to confirmation by Councillors); appointing and removing investment advisers and the Head of Internal Audit; and reviewing, approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures and investment management

- **risk management and compliance** — approving the risk appetite statement and risk management and compliance frameworks; and monitoring the effectiveness of and compliance with policies governing HCF's operations (including ensuring regulatory reporting and notification requirements are met).

CEO & MANAGING DIRECTOR

The Board has delegated authority to the CEO & MD to achieve corporate objectives. This authority extends to all areas except those reserved to the Board or Councillors. The CEO & MD remains accountable to the Board for all authority delegated including where authorities have been further delegated to management and/or management committees.

EXECUTIVE MANAGEMENT TEAM

The primary role of the Executive Management Team is to assist the CEO & MD to pursue the corporate objectives by:

- providing leadership
- debating and resolving matters of importance to the HCF Group
- implementing strategic objectives, determining priorities and agreeing the manner in which these will be achieved (in collaboration with the CEO & MD) within the risk appetite set by the Board
- overseeing and reviewing business operations against agreed metrics.

It also provides the Board with accurate, timely and clear information to enable the Board to perform its responsibilities and decision-making duties.

GROUP COMPANY SECRETARY

The Group Company Secretary is accountable to the Board, through the Chair and CEO & MD, on matters pertaining to the proper functioning of the Board and Committees.

The HCF Constitution requires directors to meet certain eligibility criteria (Elected Director Eligibility Criteria) to satisfy skills, expertise, experience and behavioural attributes, as well as meet independence criteria.

On appointment, each Director is required to provide information to the Board to assess their independence as part of their consent to act as a Director. The Board regularly assesses the independence of each Director.

The Board has determined that all current Non-Executive Directors, including the Chairman, are independent and free of any relationship which may conflict with the interests of HCF and the HCF Group in accordance with the approved criteria for assessing independence.

The HCF Board and Committee composition and Director tenure are set out in the table below.

BOARD COMPOSITION & INDEPENDENCE

Pursuant to APRA Prudential Standard CPS 510, the Board must have a minimum of five Directors, the majority of whom are independent. In accordance with the HCF Constitution, the Board has determined that there won't be more than 10 Directors.

As at 30 June 2025, there were nine Directors on HCF's Board: eight Non-Executive Directors, who are independent, and one Executive Director, being the CEO & MD.

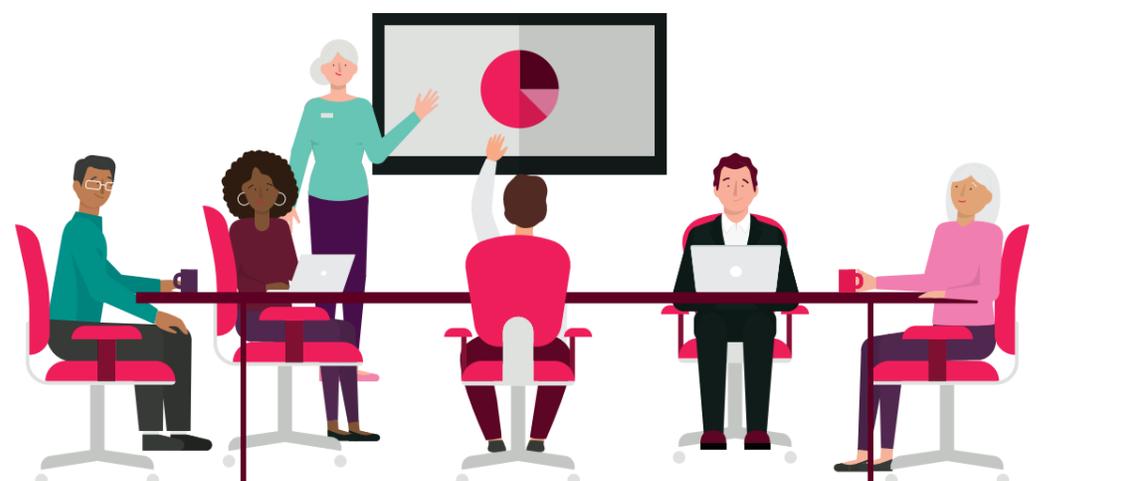
DIRECTOR	TENURE (YEARS) ¹	BOARD	AUDIT & FINANCE COMMITTEE	INVESTMENT COMMITTEE ²	RISK, COMPLIANCE & SUSTAINABILITY COMMITTEE	NOMINATION COMMITTEE	PEOPLE, CULTURE & REMUNERATION COMMITTEE
	YEARS ¹	ATTENDED (HELD)					
INDEPENDENT NON-EXECUTIVE DIRECTOR							
M. Johnson	11	✓*	-	-	-	✓ [^]	-
T. Agnew	5	✓	-	-	-	✓	✓ [^]
J. Barrington	10	✓	✓	✓	✓ [^]	✓	-
M. Bassingthwaite	5	✓	-	✓ [^]	-	✓	✓
M. Compton	1	✓	-	-	✓	✓	-
C. Hallinan	6	✓	✓	✓	✓	✓	-
A. King	2	✓	✓ [^]	-	✓	✓	-
K. Price	1	✓	-	-	-	✓	✓
EXECUTIVE DIRECTOR							
S. Jack	7	✓	-	-	-	✓	-

1. Completed years of service as a Director at the date of this statement.

2. In addition to the three HCF Directors, this Committee is also comprised of a fourth external Committee member.

* Chair of Board.

[^] Chair of Committee.



Details of the Directors' skills, experience and special expertise are set out in the Directors' report, contained in HCF's Financial Report Financial Year 2024-25 available at [hcf.com.au](https://www.hcf.com.au)

BOARD COMMITTEES

Five committees assist the Board in carrying out its duties. Each committee has its own charter which sets out its role and responsibilities, conduct and member composition. Additional executive committees, including the Executive Audit, Risk & Compliance Committee and Executive Project Steering Group,

are convened to assist the CEO & MD to monitor projects and risk and compliance.

The Board has an Information Technology (IT) Advisory Committee to provide a forum for insights, challenges and information sharing relevant to the IT strategy and key IT operations of HCF. This Committee is advisory only and not a decision-making forum.

The Board reviews committee membership annually to maintain both continuity and fresh perspectives. All Directors have access to committee papers and non-committee members can attend committee meetings as invitees, subject to there being no conflict of interest. Directors attending as invitees may ask questions and share their views.

BOARD COMMITTEE	HOW EACH COMMITTEE ASSISTS THE BOARD	THE COMMITTEE'S MEMBERSHIP
Audit & Finance	<p>The Audit & Finance Committee provides an objective, non-executive review of the effectiveness of the Company's financial reporting, internal control and risk management framework in accordance with legislative and regulatory requirements.</p> <p>The principal role of the Committee is to assist the Board in its oversight and responsibilities around financial reporting, external audit, internal audit, internal control and appointed actuary.</p>	<p>The Committee will be comprised of at least three Non-Executive Directors with a majority to be independent.</p> <p>All Committee members will be financially literate. At least one Committee member will have accounting and/or related financial management expertise.</p>
Investment	<p>The Investment Committee assists in setting the investment strategy, investment policy and to provide oversight of the investments of the HCF Group and to advise and make recommendations to the HCF Group in relation to investment strategy and policy.</p>	<p>The Committee will be comprised of at least three Directors of HCF with a majority to be independent.</p> <p>Collectively the Committee will have experience in financial markets, property and accounting/financial management and an understanding of the industry in which the Company operates.</p>
Risk, Compliance & Sustainability	<p>The Risk, Compliance & Sustainability Committee provides an objective, non-executive oversight of the implementation and operation of the Company's risk management framework and compliance management in accordance with legislative and regulatory requirements.</p> <p>The principal role of the Committee is to assist the Board in assessing the effectiveness of the Company's risk, compliance and sustainability framework, including monitoring that an appropriate framework of policies, procedures, internal controls and reporting are established and maintained.</p>	<p>The Committee will be comprised of at least three Non-Executive Directors with a majority to be independent.</p> <p>Collectively the Committee will have experience in risk and compliance management.</p>
Nomination	<p>The Nomination Committee oversees, reviews and makes recommendations to the Board regarding the HCF Group and Board Committee composition, competencies and diversity, and HCF Group Board succession planning. The Committee is responsible for evaluating the performance of the Group Boards, Committees and Directors, and recommendations around Councillor appointments, elections and terminations and assessments of Director independence.</p>	<p>The Committee will be comprised of at least three Non-Executive Directors with a majority to be independent.</p>
People, Culture & Remuneration	<p>The People, Culture & Remuneration Committee oversees the development and implementation of key people, culture and remuneration practices of the HCF Group. The Committee exercises oversight of the design, operation and monitoring of the HCF Group remuneration framework and associated policies and practices.</p>	<p>The Committee will be comprised of at least three Non-Executive Directors with a majority to be independent.</p>

BOARD & COMMITTEE MEETINGS

Last financial year, the Board held nine scheduled meetings and 14 additional out-of-cycle meetings. An annual Board Strategy Session was also held.

The members of each committee and their attendance at Board and committee meetings is set out in the Directors' Report, contained in HCF's Financial Report Financial Year 2024-25 found at [hcf.com.au](https://www.hcf.com.au)

BOARD SKILLS MATRIX

To ensure the Board has the optimal mix of skills, knowledge and experience, a Board Skills Matrix is reviewed by the Nomination Committee and updated annually (or more frequently if required).

A summary of eight critical and 10 general skills, knowledge and experience categories are set out below and represent the areas that the Directors are regularly assessed against.

All Directors (including the CEO & MD) have been assessed against the Skills Matrix, with all skills well represented on the Board.

CRITICAL BUSINESS SKILLS

Member experience, brand and customer

- Australian consumer understanding and stratification
- Marketing, brand management and digital marketing technology
- Experience in corporate and group customers and mutuals and member organisations

Medical and health practitioner

- Mental and allied health clinicians and clinic care delivery
- Australian hospitals (public and private) and patient advocacy

Insurance

- Private health and life insurance
- Strategic underwriting and product pricing models
- Claims and risk management

Strategy

- Broad portfolio-based capital allocation and business planning and budgeting
- Strategic process and strategy in a highly regulated environment

Risk management

- Risk management systems and risk reporting
- Crisis management
- Human resources, people risks and cybersecurity risks

Talent, culture and leadership

- Leadership development and succession and talent management

Major projects, change and transformation

- Substantial projects and transformation
- Major technology and change projects including strategy, implementation and vendor management
- Project-based governance and risk governance

Regulatory engagement

- Proactive regulatory engagement and regulatory negotiation
- Regulatory process, including APRA regulated experience

GENERAL SKILLS

- **Accounting, financial and investment oversight** including experience with external and internal audit functions and the process and preparation of financial statements.
- **Corporate governance oversight** including experience and understanding of board processes and procedures.
- **Innovation and disruption oversight** including experience with substantial and relevant disruption and industry transformation.
- **CEO experience** with significant leadership, industry level influence and a proven track record of long-term value creation.

- **Remuneration oversight** including experience with setting balanced remuneration frameworks.
- **Technology, digital and data oversight** including experience with understanding the relevant industry technology, privacy and data regulation and cybersecurity risks and responses.
- **Financing and funding oversight** including experience with equity and debt structures and financing or funding alternatives.
- **Government engagement oversight** including experience with government relations and the political, policy and regulatory process.

- **Communication and corporate affairs oversight** including experience with reputation management, external communication, and crisis management.
- **ESG oversight** including experience with sustainability governance including strategy, risk and oversight mechanisms and environmental management and minimisation.

3. DIRECTOR APPOINTMENT, PERFORMANCE & REMUNERATION



NOMINATION & ELECTION PROCESS

The Nomination Committee reviews the Board's skills matrix and recommends selection criteria to the Board. An Elected Director Eligibility Criteria is also used as a guide for the assessment of candidates, who are evaluated by the Nomination Committee. External consultants may be engaged to provide input when needed.

Shortlisted candidates are evaluated by the Board and include consideration of background, experience, professional skills and compatibility with the existing Board. Councillors receive relevant information about the candidates for election.

Final probity checks are undertaken on the successful candidate(s). Each new Director is issued a Letter of Appointment, detailing their responsibilities, terms and conditions, role expectations and remuneration. A Deed of Access, Indemnity and Insurance is also executed.

INDUCTION & TRAINING

New Directors complete a comprehensive induction program tailored to their experience, covering our business, strategy and current Board issues. The program

includes meetings with the Chair, the CEO & MD, Board committee chairs, senior management and the Group Company Secretary.

Directors maintain ongoing education through relevant programs and site visits, while the Group Company Secretary provides Directors with ongoing guidance on corporate governance, the HCF Constitution, and regulatory and legal matters.

INTERIM APPOINTMENTS

If the Board appoints a new director during the year to fill a casual vacancy in the position of an Elected Director, that person must stand for election by Councillors at the next election.

TENURE OF DIRECTORS

The HCF Constitution requires that at each Annual General Meeting (AGM), 25% of the Elected Directors (excluding the CEO & MD) must retire from office. No Elected Director may retain office for more than four consecutive years without retiring.

Retiring Directors can nominate for re-election (without Board approval) provided their cumulative tenure does not exceed 12 years.

PERFORMANCE EVALUATION

The Board conducts annual internal self-assessments of its performance, including reviews of the Board, Board committees and individual Directors. This process ensures the Board and Board committees are functioning effectively. Reviews are also facilitated by an independent external consultant at least every three years.

These reviews cover each Director's contributions, strengths and improvement areas, with results discussed by the Board.

The Chair of the Board meets individually with Directors to discuss performance and development opportunities.

REMUNERATION

Independent remuneration consultants advise the People, Culture & Remuneration Committee to align remuneration with market standards.

Non-Executive Directors receive directors' fees and superannuation contributions. Any proposed increases to their remuneration pool must be approved by Councillors at the AGM.

4. AN INCLUSIVE & COLLABORATIVE WORKPLACE

OUR PROGRESS & FOCUS

HCF is committed to encouraging a workplace that is welcoming, inclusive and collaborative. Our goal is to ensure that all employees experience safety and belonging, irrespective of their age, ethnicity, cultural or religious background, gender identity, disability, education or income.

Our Diversity and Inclusion policies, partnerships and initiatives are designed to acknowledge and celebrate diversity and provide employees with the opportunity to use their unique skills and experiences to reach their potential in support of our members.

HCF offers equal opportunities to all employees across various areas including hiring, promotion, development, recognition and reward.

Our People, Culture & Remuneration Committee oversees our Diversity and Inclusion Policy and related strategies and actions. For FY25, we've achieved:

Gender balance in leadership — HCF aims for gender balance in leadership roles, from frontline managers through to our Executive level and our Board. We have recently appointed Ms Lorraine Thomas to succeed Ms Sheena Jack as CEO & MD.

Diversity and inclusivity — we monitor our progress in these areas annually through our Employee Engagement survey. Our 2025 engagement survey has shown the importance of diversity and inclusion as key factors for driving high levels of employee engagement at HCF.

This year, we celebrated the Inclusion at Work Week with activities led by each of our five Employee Resource Groups (ERGs), demonstrating how we live our values of Staying Human and Walking in Their Shoes, which champion empathy and maintaining human connections.

Getting there together — our Diversity and Inclusion strategy gives employees the opportunity to participate and share their views on diversity and inclusion matters through our employee surveys and focus groups, and programs led by our People & Culture team and ERGs.

Our programs are sponsored by our Executive Management Team and supported by our ERGs. Together, they have achieved significant progress in creating an inclusive and collaborative work culture.

Respect at Work — our Inclusive Workplace, Respect and Equity Policy affirms our commitment to fostering an environment where discrimination, bullying and harassment are not tolerated under any circumstances.

Individuals who experience racial marginalisation are most susceptible to racism. In Australia, this particularly affects Aboriginal and Torres Strait Islander peoples, as well as individuals from culturally diverse backgrounds.

We are steadfast in our commitment to fostering a safe, inclusive and respectful environment where every individual's cultural identity and heritage are honoured and valued.

In line with our Reconciliation Action Plan (RAP), we address any actions or attitudes that perpetuate racism proactively and decisively, in alignment with our core values and dedication to inclusion, diversity and reconciliation.

We provide ongoing training to leaders and employees regarding the responsibility to maintain respect in the workplace and the obligation to prevent sexual harassment or harassment based on sex.

Gender Equality Strategy — our strategy outlines our vision for gender equality, sets out clear objectives and actions and, importantly, builds on the progress we've made in recent years.

The strategy has eight key focus areas that aim to address the gender pay gap and deliver outcomes in relation to gender representation, flexible work practices, respectful workplace culture, support for carers and access to leadership development opportunities. Our strategy helps us to achieve best practice in gender equality.

Family Friendly Workplace Action Plan — we continue to focus on actions in our plan to ensure we remain a leading family-friendly organisation. We continue to be recognised for our parental leave and flexible work approach via employee surveys and feedback from external agencies and prospective employees.

We understand families come in all shapes and sizes and develop our policies and practices to meet the needs of our diverse workforce.

We've experienced a very positive response to our changes to our Parental Leave Policy. The number of men accessing parental leave across all levels of the organisation has increased by 65% from last year and equates to 23% of our overall parental leave applications.

We understand the need for flexibility and recognise it is a key enabler of equality for all genders. We promote flexibility in relation to the hours, pattern and location of work. We have recently introduced greater flexibility for our frontline teams in terms of additional leave to create a better work-life balance: 87% of employees agree they can manage work and other commitments.

We remain committed to supporting employees affected by Family and Domestic Violence (F&DV) and have strengthened our assistance in accordance with our F&DV Policy.



* Where a vacancy exists.

^ Election not held for appointments to HCF Life, Flip Insurance and HCF Research Foundation Boards.

Our comprehensive approach to F&DV ensures our people feel supported if they are impacted. Our trained First Responders identify, assist and refer colleagues to suitable support. We also provide ongoing training for leaders and employees on this issue.

Inclusive Leadership program — this recently launched program presented by our partner Parents at Work equips our leaders to effectively lead diverse, multi-generational teams. It covers inclusive workplace culture, diversity, equity and belonging, offering tools and strategies for our dynamic workplace.

These interactive and engaging webinars are curated with topics designed to uplift leadership capability and create a more inclusive and positive workplace, impacting the mental health, safety and wellbeing of our employees.

Chief Executive Women's Leaders Program — each year we provide several senior leaders an opportunity to participate in this program, as well as offer an internally delivered Women in Leadership series which is open to all women as a learning and networking opportunity with a range of influential women as guest speakers.

Realise. Inspire. Support. Energise (RISE) program — we're one of only five organisations selected to take part in Phase One of this groundbreaking project that aims to break down systemic barriers and provide direct pathways for culturally and racially marginalised (CARM) women to reach senior leadership positions within organisations.

RISE is a partnership between the Diversity Council Australia, Settlement Services International and Chief Executive Women and is funded by the Office for Women through the Women's Leadership and Development Program 2022-2026. The CARM women (refer to the next section) on this project have had access to a wide range of development and networking opportunities.

Culturally & Racially Marginalised Women (CARM) ERG — a new ERG was established in 2025 based on the work being undertaken in the RISE project and also in response to our employee engagement survey, in which approximately 10% of our workforce identified as CARM women. This led to the creation of our CARM ERG. We aim to make a measurable positive difference to the careers of culturally and racially marginalised women in our organisation. We will also focus on exploring how the intersections of culture, race and gender affect women in attaining Senior Leadership roles.

Women in Technology — a Women in Technology network has been established to enhance employment opportunities, development and career progression in technology teams at HCF. A mentoring program is being developed to provide career support for interested individuals. A podcast is being developed to provide an opportunity for women in tech to share their career stories to attract and retain women at HCF.

Hearts & Hands Group — this group brings together employees from different cultural backgrounds, including Aboriginal and Torres Strait Islander and non-Indigenous people. We made excellent progress in our RAP which helped us to acknowledge and celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples with our employees, our members and the broader community.

We have progressed to our Innovate RAP to develop, test and establish the best approach for advancing reconciliation in our workplace. The RAP is separated into four sections: Respect, Relationships, Opportunities and Governance.

We've also learned from the wisdom and guidance of traditional owners, including our own Aboriginal and Torres Strait Islander employees, as well as community leaders and our Indigenous-owned suppliers and partners.

We've invited First Nations community leaders to take part in activities during key dates such as National Reconciliation and NAIDOC weeks to help build our organisational cultural competence in conjunction with our Arilla online cultural competence training program.

Thrive — this group comprises our Lesbian, Gay, Bi-Sexual, Transsexual, Intersex and Queer (LGBTQI+) employees and their allies.

We continue to support The Pinnacle Foundation. This foundation was established as a national charity that provides educational scholarships, mentoring and opportunities for young LGBTQI+ Australians to reclaim their path and overcome challenges arising from their identity. We currently provide a scholarship to a trans scholar studying Medicine at Charles Sturt University in Orange, NSW.

We have an ongoing partnership with Pride in Diversity, who provide employers with support for LGBTQI+ inclusion.

In the past 12 months, we've achieved Australian Workplace Equality Index (AWEI) Silver Tier Status. The AWEI serves as a comprehensive and rigorous benchmark,

driving best practices across all sectors in Australia. We're currently working towards Gold Tier Status.

This year we became a partner with InsurePride Australia. This partnership is a major milestone in advancing LGBTQI+ inclusion within the Australian insurance industry. The Thrive team has delivered LGBTQI+ awareness and inclusion training and seminars throughout the year, marking events such as Mardi Gras, Pride Month, International Day Against Homophobia, Biphobia, Interphobia & Transphobia and Wear it Purple.

By raising awareness, we aim to prevent discrimination and reduce the mental health issues faced disproportionately by the LGBTQI+ community.

RAISE Disability Group — this group has partnered with the Australian Disability Network to continue to improve our ability to attract, support and retain employees who live and work with a disability, as well as those who care for others with a disability.

We held an impactful awareness session on neurodiversity with guest speaker Kristen Hansen. We've been informed by the Access and Inclusion Index when developing our Access and Inclusion Plan. At the heart of our Access and Inclusion Plan lies our core value of 'Make it Better' — which refers to our commitment to continuous improvement and proactive enhancement of accessibility features.

Career Seekers — we're also proud to partner with Career Seekers Australia, a not-for-profit organisation that provides paid internships to university graduates and post-graduates who have sought asylum within Australia. Our Talent Acquisition team regularly volunteers to coach people who have sought asylum via our partnership with Career Seekers with job applications, interview skills and helping facilitate their transition into the Australian workforce.

WORKPLACE GENDER DIVERSITY

The Board is committed to gender diversity and equity.



Source: Data is based on HCF Group's 2024 Workplace Gender Equality Agency Report. 1, 2 and 3. Includes the HCF CEO & MD.

5. PROMOTING ETHICAL & RESPONSIBLE BEHAVIOUR

The Board is strongly committed to ethical and responsible business practices. The following codes of conduct and policies help ensure the HCF Group is run with integrity and that it remains focused on the goal of delivering value to its customers and members.

PRIVATE HEALTH INSURANCE CODE OF CONDUCT

As a signatory to the industry's voluntary Private Health Insurance Code of Conduct, we're committed to following industry best practices.

This self-regulated code sets standards for dispute resolution, employee training, intermediary responsibilities, policy documentation, notification processes for detrimental product or hospital contracting changes, guidelines for pre-existing conditions, cooling-off periods and privacy protections.

HCF GROUP CODE OF CONDUCT

The HCF Group Code of Conduct (Code) sets out the principles which govern the behaviour and conduct of our employees and is aligned to our core values.

The Code broadly expects employees to:

- treat each other with respect and maintain professionalism
- act with honesty, integrity and do the right thing
- comply with the Code and applicable laws
- have the courage to speak up on behaviours or conduct inconsistent with HCF values
- keep ourselves and our workplaces safe
- protect our business, reputation and members.

OTHER INTERNAL POLICIES & PROCEDURES

We have several key policies to manage our compliance and people and culture requirements. There is a range of guidelines, communications and training processes and tools to support these policies.

IDENTIFYING & MANAGING CONFLICTS OF INTEREST

The Board is conscious of its obligations to ensure directors appropriately manage any conflicts of interest (actual, potential or apparent) between their duty to the Company and their own interests. The Board has adopted a procedure to ensure any actual, potential or apparent conflicts of interest of Directors are disclosed to the Board.

Any Director with a material personal interest in a matter being considered by the Board must declare their interest and, unless the Board resolves otherwise, they may not participate in boardroom discussions or vote on such matters. In addition, Directors are required to disclose any actual, potential or apparent conflict of interest on appointment as a Director and are required to keep these disclosures up to date.

IDENTIFYING & REPORTING INAPPROPRIATE CONDUCT

Our values-led culture encourages our people to raise any issues or concerns with their leaders, managers and, where appropriate, directly with the relevant party.

We also provide multiple mechanisms to raise and escalate issues, including:

- behaviours or activities that aren't in accordance with the Code and other HCF policies
- raising issues directly with our People & Culture or Risk, Legal & Compliance teams
- through our independent external whistle-blower service, Your Call.

We have a whistle-blower policy to protect employees who make reports about suspected breaches of our regulatory obligations or internal policies through these channels. The reporting system complies with the whistle-blower provisions of all relevant legislative requirements. Concerns about breaches of our regulatory obligations or internal policies or procedures can also be raised anonymously in accordance with our whistle-blower policy and process.



6. SUSTAINABILITY

A SUSTAINABLE FUTURE FOR HEALTHY COMMUNITIES

As Australia's largest not-for-profit health fund, we're focused on positively impacting the health of our members, our people, the community and the environment, while delivering great value for members.

Our overall approach to sustainability is an extension of our organisational purpose — to bring a human touch to healthcare, now and for generations to come. We're making solid progress delivering our 2025 Sustainability Strategy, having established strong foundations for robust governance, as we deliver on our important sustainability agenda.

FOCUSING ON IMPORTANT SOCIAL ISSUES IMPACTING HEALTH OUTCOMES

We recognise the crucial role we play in driving societal change to help make a positive health impact across communities. We have an important social mission: to build healthier communities by helping to address important social issues impacting health outcomes.

In a time of growing affordability challenges and uncertainty, many Australians are struggling to live healthy lives where they have an affordable place to live, enough money to pay the bills, healthy food, meaningful social connections and easy access to care and education. That's why we're focusing our efforts on improving social issues impacting health outcomes, starting with improving access to healthcare and education.

ROYAL FLYING DOCTOR SERVICE PARTNERSHIP

To help deliver on our social mission to build healthier communities, our major national partnership with the Royal Flying Doctor Service (RFDS) is a union of two trusted, long-established Australian health organisations. The partnership assists in delivering better healthcare access and outcomes for those living in rural and remote communities. Ensuring access to affordable, quality healthcare for our members and all Australians is central to our vision.

We're committed to working collaboratively with the RFDS, as well as government, providers and our partners, to address the disparity in health outcomes for families and communities living in the bush. Our funding commitment supports the purchase and upkeep of RFDS aircraft and the life-saving equipment needed to deliver essential healthcare and services to every corner of Australia.

THE SMITH FAMILY PARTNERSHIP

Our major national partnership with The Smith Family helps young Australians overcome educational inequality caused by poverty, so they can thrive now and into their future. We know that higher levels of education have inextricable links to socio-economic status and improved health outcomes, which is why we've partnered with The Smith Family, with a long-term view to build healthier communities by improving attendance, advancement and engagement around education.

Our commitment enables 1,500 young students to be part of The Smith Family's core *Learning for Life* program. This program helps children overcome their circumstances by providing long-term support for their education. The program provides financial support for school essentials, personal support for the child and their family, and practical support through access to learning and mentoring programs. Through HCF's partnership with The Smith Family, there are several volunteer opportunities HCF employees can participate in including holiday season card writing, our *Work Inspiration* program and student profile checking.

HCF'S RECONCILIATION ACTION PLAN (RAP)

In 2025 HCF proudly completed its inaugural Reconciliation Action Plan (RAP), the beginning of what is a long-term commitment to work in partnership with Aboriginal and Torres Strait Islander peoples towards a reconciled Australia. Our vision for reconciliation articulates that we believe Australia is a better place when we acknowledge and accept all parts of our history and are united around a shared national identity. Our RAP is aligned to HCF's purpose and values, and Social Sustainability Framework, with an important mission to build healthier communities in Australia.

When considering how we can support Aboriginal and Torres Strait Islander peoples and communities to thrive, we're focusing on exploring how we can play a role in improving health outcomes; supporting employment, professional development and procurement opportunities at HCF; and looking at how we can create respectful, culturally safe and supportive spaces for communities. We're now preparing to embark on our Innovate RAP, which will outline actions for achieving HCF's vision for reconciliation.

MODERN SLAVERY

HCF Group is committed to the fair and proper treatment of people in our operations and supply chains and we've taken steps to develop policy and processes to ensure we can identify and address risks associated with modern slavery. In FY24 we published a set of HCF Supplier Principles to set standards of behaviour across our supplier base which look to drive an overall uplift in responsible behaviour. We've continued our collaboration with an industry-wide Modern Slavery working group, keeping our fingers on the pulse of the evolving risks of Modern Slavery and ensuring we're adaptive in the way we assess and manage suppliers and the associated risks.

HEALTHY PLANET, HEALTHY PEOPLE

At HCF, we understand that a healthy planet is crucial to our own health and wellbeing, which is why we're looking to reduce our environmental impact and encouraging others to do the same.

Climate change is a health threat facing humanity and we recognise the growing toll climate change is likely to have on people's health and lives, through warmer temperatures and the increase in frequency and intensity of extreme weather events. That's why we completed a qualitative climate change scenario analysis, identifying risks and opportunities arising from defined changes that may occur due to physical climate changes and/or a transition to a low-carbon economy. The insights gained from this process will be taken into consideration in forming future strategy.

HCF is committed to playing our part in supporting global efforts to transition to a low-carbon economy. We achieved net zero across scopes 1 and 2 (greenhouse gas emissions more within our direct control) by 30 June 2025 (from an FY22 baseline) mainly through moving to greenpower, with offsets purchased for residual emissions and aim to achieve net zero for scope 3 (excluding hospital, medical, ancillary and other health services related to claims payments, and investments including strategic partnerships) by 2040. In addition, HCF House, our head office in Sydney, received a 4.5-star Green Star accreditation and we're working towards a 5-star National Australian Built Environment Rating System energy rating. Our Corporate office in Parramatta has achieved WELL Platinum Certification, reflecting our commitment to the highest standards in promoting health, wellbeing and performance of our people.

7. STAKEHOLDER ENGAGEMENT

INFORMATION SESSIONS FOR COUNCILLORS

We engage with our Councillors both formally and informally throughout the year.

Outside of our AGM, the Company holds information sessions with Councillors (supported by appropriate reports and materials) to present and discuss the strategic and operational performance of the Company and adequacy of governance control and oversight. In between these information sessions Councillors are updated, as required, on key developments and governance matters within the Company. The Councillor Charter is regularly reviewed by the Councillors.

The Council has a Councillor Convenor who facilitates meetings of Council, without the Board Councillors present, and works with the Board Chair to facilitate discussions and raise any matters, as required. Councillors are encouraged to engage with the Board and the Company through the Councillor Convenor, Board Chair and the Group Company Secretary.

GOVERNMENT RELATIONS

We strive to take a leadership role in reforms that impact entities within the HCF Group.

We regularly engage with government at all levels to provide input into policy debates and help shape reform.

ATTENDANCE OF EXTERNAL AUDITOR AT THE AGM

Our External Auditor attends the AGM and is available to answer questions from Councillors on the:

- conduct of the audit
- preparation and content of the audit report
- accounting policies adopted by HCF in relation to the preparation of the financial statements
- independence of the auditor in relation to the conduct of the audit.

REGULATOR RELATIONS

We actively engage with our key regulators and maintain open and cooperative relationships. We bring a proactive approach to engaging and working with regulators on material matters.

Our Group Risk, Legal & Compliance function develops appropriate strategies and processes to mitigate regulatory non-compliance risk. We regularly review our governance practices to ensure we meet regulatory requirements and evolving regulatory obligations.

Go to [hcf.com.au/governance](https://www.hcf.com.au/governance) for further information including the Elected Councillor Charter and a list of our current Elected Councillors.



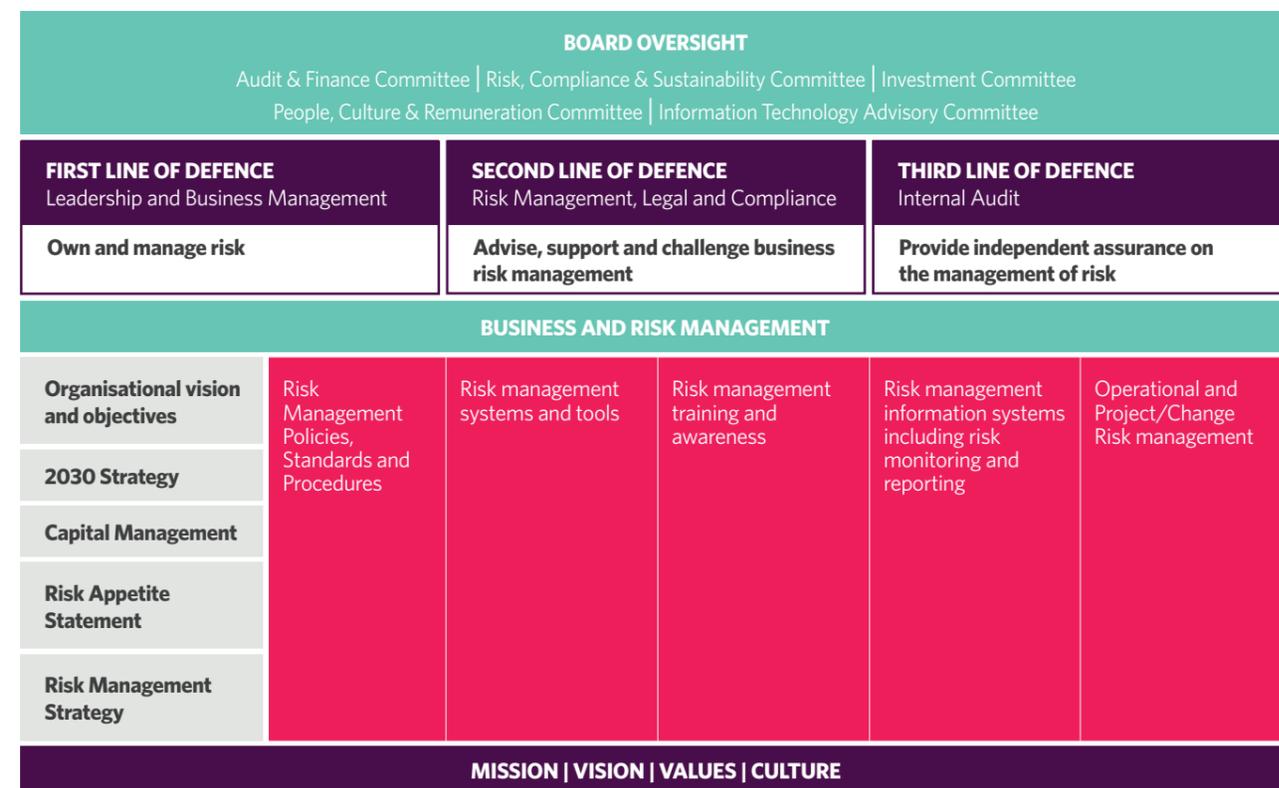
8. RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

Key elements to delivering HCF's vision include effective risk management and a sound risk culture. At HCF, we have a risk management framework designed to align with our vision, mission and values.

This framework supports the management of risks that may affect our ability to meet obligations to members and policyholders, ensuring consistency with our strategic objectives and business plan. We're committed to maintaining an organisational philosophy and culture which promotes

effective risk management as an integral part of business operations. Led by the Board and Executive Management Team, we promote a 'tone from the top' approach in conducting day-to-day business in a risk-aware manner. The Risk Management Framework is represented below.



GOVERNANCE

The Board is ultimately responsible for our Risk Management Framework (RMF) and is responsible for the oversight of the RMF's implementation and operation by management. The Board directs and oversees the RMF through the Board Committees, in particular, the Risk, Compliance & Sustainability Committee.

The Board has overall responsibility for ensuring that the RMF governs the way we identify, measure, evaluate, monitor, manage and report risks associated with our decision making. The Board regularly

reviews and approves policies that guide appropriate risk management across the organisation, in particular the HCF Risk Management Strategy and the HCF Risk Appetite statement, and sets the risk limits within which it expects the Company to operate, as well as ensuring compliance with applicable laws and regulations.

The Board endorses a 'Three Lines of Defence' risk accountability model as set out in the diagram above and on the following page.

In recognition of the importance of effective risk management, our Risk, Compliance &

Sustainability Committee assists the Board in fulfilling its corporate governance and risk oversight responsibilities.

The Committee reviews the RMF at least annually. By seeking input from the Executive Management Team and Management, the Committee monitors the management of the material risks that have the potential, if realised, to have a material impact on our business operations, member interests or our ability to achieve our strategic objectives. These include strategic, financial, insurance, operational, technology, information security and compliance risks.

The Committee also ensures that the RMF remains 'fit for purpose' and meets the requirements of APRA's Prudential Standard CPS220 — Risk Management.

The Executive Audit, Risk & Compliance Committee comprises the Executive Management Team members and meets at least quarterly ahead of the quarterly

Risk, Compliance & Sustainability Committee meetings. It's responsible for the oversight and management of risk and compliance across the business. It's also responsible for providing the CEO & MD and the Executive Management Team with group-wide visibility of risk, compliance and internal audit matters.

HOW WE MANAGE RISK

HCF adopts a 'Three Lines of Defence' model for risk management accountabilities, as summarised in the diagram below.



RISK MANAGEMENT

HCF's RMF sets out the principles for the management of risk within HCF. It supports the Company to manage risks that may affect its ability to meet obligations to members and Policyholders and to make risk-based decisions which are consistent with its strategic objectives.

Key policy documents include the Risk Management Strategy, Risk Appetite Statement and HCF's Internal Capital Adequacy Assessment Process.

A suite of Board and Management strategies, policies, standards and procedures are in place to articulate specific requirements and give guidance for organisational risk management.

FINANCIAL REPORTING

The Board receives regular reporting on the financial condition and operational results of the HCF Group. Management annually provides sign-off to the Board that the Company's financial records for the financial year comply with applicable accounting standards and Company policies and have, in all material respects, been properly maintained in that they correctly record and

explain its transactions, financial position and performance. The Board receives and considers the annual confirmation within the reporting period.

MATERIAL RISKS

Achievement of our strategic and financial performance objectives can be adversely affected by risks that are inherent to the Company, given its business operations. These risks are continually monitored by the Board and Management to ensure exposures are adequately identified, managed and maintained within the Board-approved risk appetite. These material risks include:

- External risk**, which includes risks such as government policy or agenda change that impacts HCF or the sectors within which HCF operates, economic environment risk and health insurance industry risks e.g. competitor activity.
- Strategic risks**, such as reputation risk events, strategic decisioning and execution risks.
- Insurance risk**, which includes the risk of loss due to actual experience (claims) being different to that expected (e.g. at the time of pricing). It can arise as a result of inadequate or inappropriate product

design, pricing, underwriting and/or claims management that may expose HCF to financial loss and/or an inability to meet its liabilities.

- Finance risk**, refers to the potential for financial losses arising from factors such as market and investment fluctuations, credit and liquidity exposure as well as the consequences of breaching enterprise or regulatory capital requirements.
- Operational risk**, which is the risk that may result from inadequate or failed internal processes or systems, the actions or inactions of people or external drivers and events. Operational risk also includes conduct risk, system (technology) risk, cyber risk, and information security risk where the confidentiality, integrity and availability of information assets could be compromised.
- Compliance risk**, which is the risk of failure to act in accordance with laws, regulations, industry standards and codes, internal policies and procedures.

9. INTERNAL AUDIT

INTERNAL AUDIT STRUCTURE



The Internal Audit function independently evaluates the adequacy and effectiveness of controls for the HCF Group.

To maintain objectivity, Internal Audit doesn't manage business activities, day-to-day risk management or control processes, but regularly consults with management to identify issues and risks. Findings and recommendations (including management's response) are reported to the Audit & Finance Committee.

PwC has been HCF's Internal Auditor since 2020, reporting to the Group Chief Financial Officer and the Chair of the Audit

& Finance Committee. Meetings are held at least annually with the Audit & Finance Committee without management present.

Governed by an Internal Audit Charter, audit activities are agreed upon annually with management and the Board (via the Audit & Finance Committee) and documented in an Internal Audit Plan. The progress of the Internal Audit Plan is reviewed quarterly to address emerging risks or material changes, with adjustments recommended and agreed as needed.

Internal Audit also provides audit services to HCF Life under a Services Agreement

between HCF and HCF Life, with HCF Life's audit plan approved annually by the Board. The Internal Audit Plan includes independent assessment of material risks for HCF Life to ensure adequate audit coverage.

APPENDIX A HCF LIFE

HCF LIFE GOVERNANCE APPROACH & FRAMEWORK

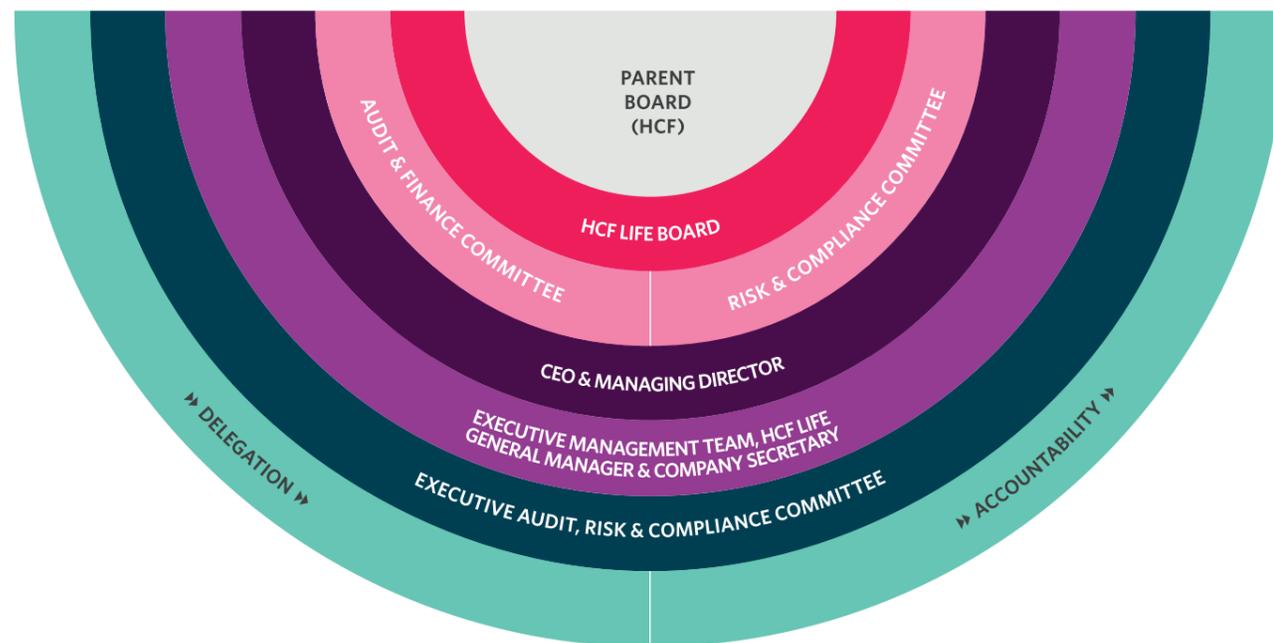
HCF Life is a wholly owned subsidiary of HCF. It has a Board of five Directors, being the CEO & MD and four Non-Executive Directors.

HCF Life's Directors have specialised management, financial and investment management skills and experience appropriate to life insurance to meet the regulatory obligations imposed on directors of companies in the industry.

The diagram below summarises HCF Life's governance framework.

The HCF Life Board has delegated relevant matters to the parent board's Investment Committee, People, Culture & Remuneration Committee and Nomination Committee.

HCF LIFE GOVERNANCE FRAMEWORK & STRUCTURE



HCF LIFE BOARD ROLE & RESPONSIBILITIES

The HCF Life Board is responsible for HCF Life's governance, business continuity and long-term viability. Its role and responsibilities are reflected in its Board Charter, which is available on our website at hcf.com.au

The HCF Life Board formally delegates certain functions and authority to HCF Life Board committees (documented in the Board and Board committee charters) and management (documented in the HCF Group Delegation of Authority Policy). It retains authority for:

- **strategy** — setting, monitoring and revising strategic direction and performance objectives
- **oversight of management** — appointing and removing the General Manager, Group Company Secretary and Group Chief Financial Officer; approving succession plans and monitoring senior management performance against agreed criteria
- **oversight of financial and capital matters** — approving and monitoring performance against financial budgets; approving financial statements, and considering the Financial Condition Report and the Internal Capital Adequacy Assessment Process Report; appointing the external auditor; appointing and removing investment advisers and internal auditors and reviewing, approving and monitoring the progress of major capital expenditure, capital management, acquisitions and

divestitures, investment management and material commitments

- **risk management and compliance** — approving the risk appetite statement and risk management and compliance frameworks and monitoring the effectiveness of and compliance with policies governing HCF Life's operations, including monitoring regulatory reporting and notification requirements are met.

HCF LIFE GENERAL MANAGER

The HCF Life Board has delegated authority to the General Manager to achieve corporate objectives. This authority extends to all areas except those reserved to the HCF Life Board.

The General Manager remains accountable to the HCF Life Board for all authority delegated including where authorities have been further delegated to management and/or management committees.

EXECUTIVE MANAGEMENT TEAM

The primary role of the Executive Management Team is to assist the General Manager to pursue the corporate objectives by:

- providing leadership
- debating and resolving matters of importance to HCF Life
- implementing strategic objectives, determining priorities and agreeing the manner in which these will be achieved

(in collaboration with the General Manager) within the risk appetite set by the HCF Life Board

- overseeing and reviewing business operations against agreed metrics.

GROUP COMPANY SECRETARY

The Group Company Secretary is accountable to the HCF Life Board, through the HCF Life Chair, on matters pertaining to the proper functioning of the HCF Life Board and committees.

BOARD COMPOSITION & INDEPENDENCE

Pursuant to APRA Prudential Standard CPS 510, the HCF Life Board must have a minimum of five directors, the majority of whom are independent directors. In accordance with the HCF Life Constitution, the HCF Life Board has determined there will not be more than eight directors.

As at 30 June 2025, there were five directors on HCF Life's Board: four Non-Executive Directors, who are independent, and one Executive Director, who is the HCF CEO & MD. The HCF Life Board Renewal Policy sets out requirements on tenure and re-appointment for HCF Life Directors.

The HCF Life Board and Committee composition are set out in the table below.

DIRECTOR	BOARD	AUDIT & FINANCE COMMITTEE	RISK & COMPLIANCE COMMITTEE
INDEPENDENT NON-EXECUTIVE DIRECTOR			
C. Hallinan	✓*	✓	✓
T. Agnew	✓	-	✓
J. Barrington	✓	✓	✓^
M. Johnson	✓	✓^	-
EXECUTIVE DIRECTOR			
S. Jack	✓	-	-

* Chair of Board.

^ Chair of Committee.

Details of the Directors' skills, experience and special expertise are set out in the Directors' Report, contained in HCF's Financial Report Financial Year 2024-25 available at hcf.com.au

HCF LIFE BOARD COMMITTEES

Two committees assist the HCF Life Board in carrying out its duties. Each committee has its own charter which sets out its role and responsibilities, conduct and member composition. Additional executive committees, including the Executive Audit,

Risk & Compliance Committee, are convened to assist the HCF Life Board with particular matters or to exercise the HCF Life Board's delegated authority.

The HCF Life Board reviews committee membership annually to maintain both continuity and fresh perspectives.

All Directors have access to committee papers and non-committee members can attend committee meetings as invitees, subject to there being no conflict of interest. Directors attending as invitees may ask questions and share their views.

BOARD COMMITTEE	HOW EACH COMMITTEE ASSISTS THE BOARD	THE COMMITTEE'S MEMBERSHIP
Audit & Finance	<p>The Audit & Finance Committee provides an objective, non-executive review of the effectiveness of the Company's financial reporting, internal control and risk management framework in accordance with legislative and regulatory requirements.</p> <p>The principal role of the Committee is to assist the Board in its oversight and responsibilities around financial reporting, external audit, internal control and appointed actuary.</p>	<p>The Committee will be comprised of at least three Non-Executive Directors, with a majority to be independent.</p> <p>All Committee members must be financially literate. At least one Committee member will have accounting and/or related financial management expertise.</p>
Risk & Compliance	<p>The Risk & Compliance Committee provides an objective, non-executive oversight of the implementation and operation of the Company's risk management framework and compliance management in accordance with legislative and regulatory requirements.</p> <p>The principal role of the Committee is to assist the Board in assessing the effectiveness of the Company's risk and compliance framework, including that an appropriate framework of policies, procedures, internal controls and reporting are established and maintained.</p>	<p>The Committee will be comprised of at least three Non-Executive Directors, with a majority to be independent.</p>



ACKNOWLEDGEMENT OF COUNTRY

HCF acknowledges the traditional custodians of the lands and water upon which we work and live.

We acknowledge Aboriginal and Torres Strait Islander peoples' rich history as traditional healers and scientists, who have taken care of the health of the land and its people for thousands of years.

We give thanks to elders past and present, who we have much to learn from on our reconciliation journey.

 [hcf.com.au](https://www.hcf.com.au)

