



HBF HEALTH LIMITED

TRANSFORMATION COMMITTEE CHARTER

In this Charter:

“Business Transformation Programme” means the projects and overall programme of work associated with the transformation of HBF’s PHI business in WA, the launch of a digital challenger PHI business in East Coast markets, and the building and replacement of a major part of HBF’s IT systems environment to support both initiatives as part of the Growth & Digital Acceleration (GADA) strategy;

“HBF” means HBF Health Limited;

“Group Board” means the Board of HBF;

“Subsidiary” means each of HBF’s subsidiaries, including the operating entity of HBF Pharmacy Pty Ltd; and

“Committee” means the Board Transformation Committee.

“Transformation Steering Committee” means the committee established by HBF Management to oversee and govern the day-day implementation of the HBF Transformation Programme.

1. Objective

- 1.1 The primary objective of the Committee is to assist the Group Board in fulfilling its responsibilities relating to governance of the HBF Business Transformation Programme.
- 1.2 The Committee will provide advice and recommendations to the Group Board on matters referred to it and on any matters of significance which may be referred to it by the Group Board.

2. Responsibilities

The primary responsibilities of the Committee are to:

- 2.1 Oversight the adequacy and effectiveness of the Business Transformation Programme, including key initiatives within it, and provide guidance and advice to the Board;
- 2.2 Liaise with the Risk Committee and any other relevant Board sub-committees on an ongoing basis;
- 2.3 Liaise with the Transformation Steering Committee on an on-going basis;
- 2.4 Provide regular progress updates to the Group Board and advice or recommendations regarding decisions required of the Group Board in respect of the Business Transformation Programme;

- 2.5 Pass resolutions or make decisions regarding matters referred to the Committee by the Transformation Steering Committee when these are within the decision-making authority assigned to the Committee by the Board;
- 2.6 Ensure that the key risks associated with the Transformation Programme have been identified, and monitor changes in risk positions and controls over time;
- 2.7 Monitor the progress and success of the overall Business Transformation Programme, including:
 - oversight of the reporting of cost and benefit tracking and forecasting;
 - achievement of key milestones by due dates; and
 - progress generally.

3. Powers

- 3.1 The Committee has the authority to consider any matters relating to the Business Transformation Programme, as it considers necessary.
- 3.2 The Committee has no executive powers in relation to its findings and recommendations, except as delegated by the Group Board.

4. Membership

- 4.1 All members of the Committee shall be non-executive Board members and a majority must be independent.
- 4.2 The number of Committee members shall be at least 3. Any vacancy on the Committee shall be filled by the Group Board.
- 4.3 Composition of the Committee shall be reviewed by the Group Board on an annual basis.
- 4.4 Composition of the Committee shall include at least one member of the Group Risk Committee.
- 4.5 The Chair of the Committee will be selected by the Group Board and will be an independent director.
- 4.6 Should the Chair of the Committee be absent from a meeting and no acting Chair has been appointed, the members of the Committee present at the meeting have authority to choose one of their number to be Chair for that particular meeting.
- 4.7 The Company Secretary of the Group Board of HBF shall be the Secretary of the Committee.
- 4.8 The Committee may engage persons to advise them on aspects of the Transformation Programme and the advisors may be asked by the Committee Chair to attend meetings.

5. Meetings

- 5.1 Meetings shall be held as often as it determines necessary to carry out its duties and responsibilities and in line with critical dates within the Business Transformation Programme.
- 5.2 The Chair will call a meeting of the Committee if requested by:
 - a Group Board member;
 - the Chief Executive Officer of HBF;
 - the Chief Risk Officer;

- the Chief Transformation Officer; or
 - the Internal Auditor.
- 5.3 The designated Secretary of the Committee shall attend each meeting.
- 5.4 The Committee may request any officer or employee of the Company, the Company's consultants or advisors for the Business Transformation Programme, or others to attend a meeting of the Committee (or a portion thereof) or to meet with any members of the Committee.
- 5.5 A quorum shall be two (2) members of the Committee and only members of the Committee are entitled to vote at meetings.
- 5.6 A Committee member may participate in the meeting by video or teleconference.
- 5.7 The Committee shall, through its appropriate representative, report the findings and recommendations of the Committee to the Group Board or other Board Sub-Committees to which those findings and recommendations are relevant. The minutes of the Committee shall be presented to the first meeting of those Boards following any meeting of the Committee.
- 5.8 Minutes of the meeting will separately record discussions or decisions and will be circulated promptly to the Chair for timely approval and distribution to Committee members.
- 5.9 Copies of the minutes, or extracts from the minutes, may be circulated to invited attendees at Committee meetings at the discretion of the Chair or the Committee Secretary.
- 5.10 Minutes of the meetings of the Committee will be approved by the Committee at its next meeting.

6. Conflict of Interest

- 6.1 A Committee member who has a material personal interest in a matter that relates to the affairs of the Committee must give the other Committee members notice of his or her interest.
- 6.2 Committee members shall not participate in discussions and shall not vote on any issues in respect of which there is an actual or perceived conflict of interest.

7. Performance review

- 7.1 The Committee will assess its own performance on an annual basis and shall provide the Group Board, through copies of minutes and other reports if required, details on the performance of its duties.

8. Review of Charter

- 8.1 The Committee will review this Charter a minimum of once every 12 months to ensure it is consistent with the Committees objectives, responsibilities powers and regulatory requirements, unless circumstances require an earlier review be undertaken.
- 8.2 The Committee will recommend any amendments to the Group Board for approval.

<i>Approved by</i>	<i>Date approved</i>	<i>Next Review Date</i>	<i>Comments</i>
HBF Health Board	10 / 12 / 2018	21 / 11 / 2019	