



Dear Member,

### **Notice of MAS 2019 Annual General Meeting**

We invite MAS Members to join us at the 2019 Annual General Meeting (AGM) to be held at the Distinction Christchurch Hotel, 14 Cathedral Square, Christchurch on Wednesday 28 August 2019 at 6:30pm for refreshments followed by the AGM at 7:00pm.

To RSVP, please email [MASAGM@mas.co.nz](mailto:MASAGM@mas.co.nz) or call **0800 800 627**.

### **AGM AGENDA**

- 1. Apologies**
- 2. Chairman's report**
- 3. Resolution one: Approval of Annual Report by ordinary resolution**

To consider, and if thought fit, approve the 2019 Annual Report and Financial Statements.

- 4. Resolution two: Remuneration of Directors by ordinary resolution**

To consider, and if thought fit, approve the Trustees, in their capacity as Shareholders in MAS, voting in favour of the resolution to increase the remuneration to be divided among all the Directors of MAS from \$670,000 per annum to \$690,000 per annum.

See the Explanatory Notes for more details.

- 5. Resolution three: Appointment of Commercial Trustees by ordinary resolution**

To consider, and if thought fit, approve that Alastair Hercus and Brett Sutton are re-appointed as Commercial Trustees.

There are two Commercial Trustee vacancies and two incumbents standing for re-appointment. The incumbents are Alastair Hercus and Brett Sutton.

Practitioner Trustees have determined that Mr Hercus and Mr Sutton are eligible for re-appointment and on considering the skills, diversity and needs of the Board, have endorsed their re-appointment.

See the Explanatory Notes for more details.

## **6. Election of Practitioner Trustees**

There are two Practitioner Trustee vacancies and three Eligible Candidates standing for election. Two of the three Eligible Candidates are incumbents standing for re-election.

The Trustees have considered the skills, diversity and needs of the Board and endorse the re-election of incumbent candidates Dr Kate Baddock and Dr Frank Frizelle.

See the Explanatory Notes for more details.

## **7. General business**

### **EXPLANATORY NOTES TO RESOLUTION TWO: REMUNERATION OF DIRECTORS**

Under the MAS Members' Trust Deed, changes to the annual amount of remuneration paid to Trustees must be approved by an Ordinary Resolution.

The approved fee pool is divided among all nine Directors of MAS, as remuneration for the following appointments:

- Trustees of the Members' Trust.
- Directors of Medical Assurance Society New Zealand Limited.
- Directors of Medical Insurance Society Limited.
- Directors of Medical Life Assurance Society Limited.
- Directors of Medical Funds Management Limited.
- Directors of Medical Securities Limited.
- Trustees of Medical Assurance Society KiwiSaver Plan.
- Trustees of Medical Assurance Society Retirement Savings Plan.
- Members of the Audit and Risk Committee.
- Members of the Investment Committee.

- Members of the MAS Charitable Trust Committee.
- Members of the Nominations Committee.
- Members of the Remuneration Committee.

In setting the proposed level of remuneration, consideration has been given to external benchmarking to comparable financial services organisations, the increasing demands on directors generally, and the desire to continue to attract suitable candidates for the Board.

### **EXPLANATORY NOTES TO RESOLUTION THREE: APPOINTMENT OF COMMERCIAL TRUSTEES**

The MAS Members' Trust Deed, subject to certain conditions, requires that Commercial Trustees retire by rotation.

The Commercial Trustees due to retire this year are Alastair Hercus and Brett Sutton.

Both Mr Hercus and Mr Sutton are standing for re-appointment.

Candidates for re-appointment as Commercial Trustees must meet the requirements of MAS' Trustee and Director Appointment and Re-Appointment Policy ('the Policy'). The Policy requires Trustees to first consider what skills and experience the MAS Board requires, and to conduct a performance appraisal of the Commercial Trustees standing for re-appointment.

Following this process, the Trustees selected both Mr Hercus and Mr Sutton for re-appointment.

### **EXPLANATORY NOTES: ELECTION OF PRACTITIONER TRUSTEES**

The MAS Members' Trust Deed, subject to certain conditions, requires that Practitioner Trustees will retire by rotation.

The Practitioner Trustees due to retire this year are Dr Frank Frizelle and Dr Kate Baddock. Both are standing for re-election.

Dr Frank Frizelle is two terms (six years) into a maximum tenure of four terms (12 years). Dr Kate Baddock is one term (three years) into a maximum tenure of four terms (12 years).

Under MAS' Trustee and Director Appointment and Re-Appointment Policy ('the Policy') all incumbent Practitioner Trustee candidates standing for re-election are subject to a performance appraisal. The performance appraisal is conducted by the Nominations Committee on behalf of the Board.

Separately, a call for nominations was sent to all Full Members in May 2019. Five candidates were validly nominated. Those five candidates were interviewed in July by an independent governance advisor. On the recommendation of the adviser, three of those five candidates were then interviewed by the Board Nominations Committee. The interviews assessed whether the candidates were eligible for election as Practitioner Trustees, including by assessing the candidates' skills and experience, to form a view on whether the candidates were suitable for the role. Following interviews, four out of the five validly nominated candidates withdrew, including all three candidates that were interviewed by the Nominations Committee.

Under the Policy, all validly nominated candidates must be assessed by the Board to determine their eligibility to stand. The eligibility criteria are:

1. The candidate must meet the requirements of MAS' Fit and Proper Policy. Compliance with the Fit and Proper Policy is an essential ongoing requirement for all Trustees and Directors, and particularly for Directors of MAS' general and life insurance subsidiaries, which are licensed under the Insurance (Prudential Supervision) Act 2010 by the Reserve Bank of New Zealand.
2. An understanding of and support for the principles of mutual organisations.
3. Commercial acumen and strategic focus.
4. The ability to work in a team.
5. Connectedness to professional groups or occupations including the medical, dental or veterinary professions sector.

The following candidates have been assessed by the Board as being eligible for election:

- Dr Aakash Chhibber
- Dr Frank Frizelle (incumbent, standing for re-election)
- Dr Kate Baddock (incumbent, standing for re-election)

The Trustees welcome the strong interest and participation in MAS governance and nominations process. In considering the criteria and the candidates for the Practitioner Trustee role, the Trustees noted the ever-increasing demands on directors of financial services businesses like MAS, which operate in an environment with significant regulatory and marketplace complexity and risk. These demands underscore the particular importance of commercial acumen and strategic focus required to perform the role, and the benefits of experience in a comparable role.

Under the Policy, Trustees may choose to endorse one or more candidates on the basis that, in the Trustees' view, they better meet the criteria for the role of Practitioner Trustee than other candidates standing for election.

Based on the foregoing assessment and evaluation process, the Board endorses the re-election of incumbent's Dr Frank Frizelle and Dr Kate Baddock. The Board considers that Dr Frank Frizelle and Dr Kate Baddock better meet the criteria for the role.

The following profiles have been provided by the candidates:



**Aakash Chhibber, BSc (Otago), MBChB (Otago)**

BMedSc(Hons) First Class (The Gambia)

Recipient of OUGA Contribution to the Arts and Culture Award.

Honesty and transparency are needed from the top tiers of our everyday institutions. The News headlines are a stark reminder of this; from the Commerce Commission taking Westpac to court (shortly after the incriminating findings of the Australian Royal Commission), to Facebook being fined \$5 billion for breach of privacy.

The MAS nominations committee has given me an opportunity to represent you and stand as an unendorsed 'fit and proper' candidate. I have experience sitting on numerous executive committees across a decade of being an active citizen, culminating in leading charitable community groups to award winning success. I look forward to working with technical experts in the field to steer MAS to a bright future; negotiating a balance of ethical investments and handsome returns, for us and future generations.

I am a young doctor looking to make a positive impact on a large scale and have received personal awards for dedication and innovation in my previous governance roles. I care about our future and bring energy to assimilate large volumes of information and create solutions to problems we don't even know we have yet!

MAS was created by members for members and our base has successfully grown over the last decade to include a broad range of professionals. Over a third of the MAS members are less than 40 years of age. Diversity is our strength and I want MAS leadership to reflect this. Being a young professional in this day and age is different from before. Financial independence is no longer guaranteed and we need to make smarter decisions.

If you want a fresh, innovative and digitally adept mind representing you- the smart choice is clear.



**Francis Antony Frizelle MBChB, MMedSci, FRACS, FACS, FASCRS, FNZMA, FRCSI(hon).**

Frank is a Professor of surgery at the University of Otago, and a general and colorectal surgeon working in the public and private sector in Christchurch. Frank graduated MBChB, and MMedSc from Otago University and subsequently FRACS. Following a period at the Mayo Clinic(USA) and Scotland he took up a position in 1996 as senior lecturer in surgery in Christchurch (University of Otago). Frank was awarded a personal Chair in Colorectal Surgery in 2000, and became head of the University Department of Surgery in 2006-2019.

Frank has fellowships from the American College of Surgeons, The American Society of Colon and Rectal Surgeons(FASCRS), the New Zealand Medical Association (FNZMA), Royal College of Surgeons of Ireland, and is an honorary member of the Association of Coloproctology of Great Britain and Ireland. Frank is a member of the Institute of Directors.

Frank has been involved in many professional committees including the National Cancer Control Committee (2007-11), and has the Chairman of Section on Colon and Rectal Surgery of the Post fellowship training board in colorectal surgery (member 2000-2014 chairman 2011-13), Chair of the NZ Colorectal Cancer Management Guidelines (2008-11). Chair of the NZ National Bowel Cancer Standards (2012-14).

He is Editor in Chief of the New Zealand Medical Journal (NZMJ) since 2002, and is also on the board of The Canterbury Charity Hospital , The Cotter Medical History Trust , is Chairman of the NZ Prostate Cancer Register, Medical advisor to Bowel Cancer New Zealand, and Patron Of the Canterbury Ostomy Society.



**Dr Kate Baddock MBChB, Dip Obs, MRCGP, FRNZCGP, MHSc  
Chair New Zealand Medical Association, Chair General Practice  
Leaders Forum**

I am a rural GP working 6/10ths, and have practised in Warkworth, and its surrounds, for over 30 years. I am proud to have been on the MAS Board for the past three years, during which time we have developed a socially responsible investment strategy, and are in the process of applying for charitable status. It is an increasingly challenging (and regulated) environment for the insurance industry, and I feel I have developed the knowledge and expertise over the past three years to be a valuable member of the Board. I have very much enjoyed my time on the Board and would love to be able to continue to contribute as a board member.

I am an experienced director having held numerous directorships over the past twenty years, and I'm currently actively involved in a number of industry bodies. I am Chair of the New Zealand Medical Association and a previous member of the Medical Council of New Zealand. I am also Chair of the General Practice Leaders Forum and a negotiating agent at PSAAP. I am a director of the Medical Assurance Society group of companies and a member of the Institute of Directors.



## VOTING AT THE AGM

All Full Members (as defined in the Members' Trust Deed) are entitled to vote on any resolutions put to the membership at the AGM.

For those not attending the AGM, you can provide an electronic vote at [www.mas.co.nz/mas-agm](http://www.mas.co.nz/mas-agm) until 48 hours before the AGM – that is, by 7pm Monday 26 August 2019.

By Order of the Trustees

Matthew Judge

Company Secretary

Wellington

13 August 2019