

Medical Assurance Society

Notice of 2020 Annual General Meeting



Dear Member,

Notice of MAS 2020 Annual General Meeting

We invite MAS Members to join us at the 2020 Annual General Meeting (AGM) to be held online on Wednesday 26 August 2020 at 7:00pm.

To RSVP, please register by clicking [this link](#) or email agm@mas.co.nz

AGM AGENDA

1. Minutes of 2019 AGM

Resolution one: approval of minutes of 2019 AGM by ordinary resolution

“To consider, and if thought fit, approve that the minutes of the 28 August 2019 MAS Annual Meeting be taken as read and approved as a true and accurate record of that meeting.”

A copy of the minutes are available on request to agm@mas.co.nz.

2. Annual report

Resolution two: approval of annual report by ordinary resolution

“To consider, and if thought fit, approve the 2020 Annual Report and Financial Statements.”

A copy of the Annual Report and Financial Statements [is available by clicking this link](#).

3. Remuneration of directors

Resolution three: 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 \$690,000 per annum to \$710,000 per annum.”

See the Explanatory Notes for more details.

4. Appointment of Commercial Trustees

Two Commercial Trustees have been appointed and are endorsed by the Board, and are standing to have their appointment approved by Members.

Resolution four: appointment of Commercial Trustee by ordinary resolution

“To consider, and if thought fit, approve the appointment of Lindsay Knowles as Commercial Trustee.”

Resolution five: appointment of Commercial Trustee by ordinary resolution

“To consider, and if thought fit, approve the appointment of Suzanne Wolton as Commercial Trustee.”

See the Explanatory Notes for more details.

5. Appointment of Practitioner Trustees

There are two Practitioner Trustee vacancies and two eligible candidates standing. One eligible candidate, Dr Harley Aish, is an incumbent. The Trustees endorse both Dr Harley Aish and Steve Merchant.

Resolution six: appointment of Practitioner Trustee by ordinary resolution

“To consider, and if thought fit, appoint Dr Harley Aish as Practitioner Trustee.”

Resolution seven: appointment of Practitioner Trustee by ordinary resolution

“To consider, and if thought fit, appoint Steve Merchant as Practitioner Trustee.”

See the Explanatory Notes for more details.

6. General business

EXPLANATORY NOTES TO RESOLUTION THREE: 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 Nominations Committee.
- Members of the Remuneration Committee.
- Non-independent Trustee of MAS Foundation.

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 RESOLUTIONS FOUR AND FIVE: APPOINTMENT OF COMMERCIAL TRUSTEES BY ORDINARY RESOLUTION

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

Three Commercial Trustees are due to retire at the 2020 AGM. However, no more than two Commercial Trustee vacancies can be tabled for consideration at an AGM. The Trust Deed sets out the order of priority for retirement where there are more than two Commercial Trustees due to retire.

The Commercial Trustees due to retire at the 2020 AGM are Danelle Dinsdale, Lindsay Knowles, and Suzanne Wolton.

Trustees appointed Ms Wolton in April 2020 to fill a casual vacancy following a comprehensive recruitment process to find a Commercial Trustee with insurance expertise. A Commercial Trustee's appointment must be confirmed by ordinary resolution of Members at the AGM following that Commercial Trustee's appointment. The Trust Deed therefore requires that Ms Wolton retire and stand to have her appointment confirmed by Members at the 2020 AGM, in priority to Ms Dinsdale and Mr Knowles.

The Trust Deed then allows Trustees to either determine, either by drawing lots or by agreement among themselves, whether it is Ms Dinsdale or Mr Knowles who must retire and stand for re-appointment.

Trustees have agreed that Mr Knowles will stand for re-appointment at the 2020 AGM, and that Ms Dinsdale's appointment will be carried over to the 2021 AGM.

All candidates for 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 consider what skills and experience the MAS Board requires, and conduct a performance appraisal of the Commercial Trustees standing for re-appointment.

Following this process, the Trustees have confirmed both Ms Wolton and Mr Knowles are eligible for appointment, and endorse their appointment.

EXPLANATORY NOTES TO RESOLUTIONS SIX AND SEVEN: APPOINTMENT OF PRACTITIONER TRUSTEES BY ORDINARY RESOLUTION

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

The Practitioner Trustees due to retire this year are Dr Alexandra Muthu and Dr Harley Aish.

Dr Aish, the current Chairperson, is standing for re-appointment. Dr Aish is seven years into a maximum tenure of 12 years.

Under MAS' Trustee and Director Appointment and Re-Appointment Policy ('the Policy'), all candidates for appointment and re-appointment 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.
6. Relevant governance experience.

In addition to meeting the eligibility criteria, candidates for re-appointment are subject to a performance appraisal.

A call for nominations was sent to Full Members in May 2020. Four candidates were validly nominated.

The four validly nominated candidates were interviewed and assessed in July by an independent governance advisor to the Board, Propero. Three of those four candidates were then interviewed and assessed by the Board Nominations Committee. Both Propero and the Board Nominations Committee 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.

After considering recommendations from Propero and the Nominations Committee, the Board determined that:

- Dr Harley Aish is eligible for re-appointment, and
- Steve Merchant, one of the four validly nominated candidates, is eligible to be appointed.

The Board endorses both the re-appointment of Dr Harley Aish and the appointment of Steve Merchant, on the basis of the particular skills and experience that each can contribute to the Board.

The following profiles have been provided by the candidates:



Dr Harley Aish

BHB, MBChB, Dip Obst Gyn, Fellow RNZCGP, MInstD

I am a General Practitioner, and have worked in Otara for the last 23 years. I have been involved in several projects with Counties Manukau District Health Board to research and improve health in the local community.

I am an experienced director, having a variety of governance roles in the last 21 years. My other governance role is Chairman of ProCare Health Limited.

I have been a Practitioner Trustee on MAS Board since 2013, and Chairperson since 2017. If re-appointed, I look forward to leading MAS to providing better services and products to our members. I am also keen to support our organisation, and the MAS Foundation, to take more bold actions in social responsibility.



Steve Merchant

B.V.Sc. Dist, MInstD

Most recently, I was Director and CEO of Pet Doctors Group, New Zealand's largest group of companion animal veterinary clinics. As a co-founder, I led the business through to the Group's sale to an ASX-listed company in 2018.

I believe I would bring both governance and commercial experience to this role.

I am an experienced Director, having held numerous directorships. In particular, I was active in numerous roles within the NZ Veterinary Association; including Board member from 2005-2016; and Chair/President from 2013-2015. Upon leaving in 2016, I was recognised with the NZVA Outstanding Service Award.

Currently, I am a Director of the NZ SPCA, New Zealand's national animal welfare advocacy group, with annual revenues of approx. \$45m. Current commercial interests include developing a leading-edge conversational AI platform for the veterinary sector; as well as various investments in medical technology, digital innovation, and e-commerce.

One of my key strengths lies in identifying opportunities from sector challenges, and developing and executing strategies in response. For example, the Pet Doctors Group emerged from foreseeing the changing demographics of practice ownership. I was also instrumental in leading the NZVA's world-leading Antimicrobial Resistance Strategy. I particularly enjoy cross-sector collaboration, and helping to develop strong teams that are aligned with a common culture.

I joined MAS as an undergraduate. To me and many others, MAS represents a best-practice, progressive and highly-respected organisation. Importantly, it has the interests of the community at its heart; and the recent introduction of the MAS Foundation is further evidence of this.

I would welcome the opportunity to work with the MAS team, and strive to make a positive difference to the Society and its members.

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/agm2020 until 48 hours before the AGM – that is, by 7pm Monday 24 August 2020.

By Order of the Trustees

Matthew Judge

Company Secretary

Wellington

12 August 2020