

# CORPORATE GOVERNANCE STATEMENT

The MAS Board and management are committed to maintaining high standards of corporate governance. The following corporate governance statement discloses the extent to which MAS has followed the Financial Market Authority's (FMA) principles of corporate governance.

Whilst reporting against the FMA's governance principles is voluntary, MAS believes good governance is essential to achieving superior outcomes for its Members, the MAS Foundation, employees and other stakeholders. This statement was approved by the MAS Board on 30 September 2026.

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## PRINCIPLE 1: ETHICAL STANDARDS

**DIRECTORS SHOULD SET HIGH STANDARDS OF ETHICAL BEHAVIOUR, MODEL THIS BEHAVIOUR AND HOLD MANAGEMENT ACCOUNTABLE FOR DELIVERING THESE STANDARDS THROUGHOUT THE ORGANISATION.**

MAS is committed to high standards of ethical conduct. The MAS Code of Conduct applies to all employees and representatives of MAS, including contractors and consultants.

The behavioural expectations set out in the Code of Conduct are:

1. acting with integrity, honesty, and transparency
2. treating others fairly and with respect
3. caring for our Members, our people and our community
4. protecting our property, and information
5. doing our work safely and responsibly
6. acting lawfully and meet our Conduct of Financial Institutions (COFI) obligations
7. acting with the Member in mind.

In addition to its Code of Conduct, MAS has a number of other policies which are available on its intranet, and which support the expected standard of ethical behaviour. In particular, MAS has a Board approved Whistleblower Policy, which provides protection to all persons who speak up in accordance with the Protected Disclosures (Protection of Whistleblowers) Act 2022 and outlines the processes for doing so.

The MAS Code of Conduct is available on the staff intranet and is provided to all employees and contractors as part of their induction programme and, employees receive annual training relating to conduct.

The Board has set a risk appetite regarding conduct towards Members. MAS has no appetite for behaviours, practices, products, services or decisions that result in material, avoidable or systemic harm to Members, misleading or unfair practices, or significant failures to meet legal and regulatory obligations, market standards or community expectations. This is monitored by the Audit and Risk Committee and reported to the Board. The Board also receives updates on Conduct to support the MAS Board to discharge its responsibilities under the MAS Fair Conduct Programme.

The MAS Code of Conduct is reviewed by the Board every two years.

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## PRINCIPLE 2: BOARD COMPOSITION AND PERFORMANCE

**TO ENSURE AN EFFECTIVE BOARD, THERE SHOULD BE A BALANCE OF SKILLS, KNOWLEDGE, EXPERIENCE INDEPENDENCE AND PERSPECTIVES.**

As a mutual the Members ultimately appoint Trustees who are also directors of the MAS Board. Procedures for the nomination and appointment/reappointment of directors to the Board are set out in the Trustee and Director Appointment & Reappointment Policy and supported by the Nominations Committee, which has a formal charter.

The Nominations Committee assesses candidates against overarching criteria, which are minimum standards for all appointments, and then specific criteria informed by the Board's skills matrix and requirements.

In 2026, The Board engaged the services of an independent consultant to assist with an updated Board skills matrix ahead of the recruitment and evaluation of candidates presented for appointment and approval at its Annual Members' Meeting in August 2026.

There are no executive directors.

The constitutions of MAS and each of its subsidiaries require Directors to act in the best interests of the entity in respect of which they are acting at any time.

The Board Charter sets out, in detail, the roles and responsibilities of the Board. The Board approves MAS's strategic objectives, annual budgets and the overall framework within which business is conducted. It oversees the management of MAS to ensure that MAS's activities are carried out in accordance with its charitable purpose and otherwise in the best interests of Members. It also monitors the achievement of goals and plans, but delegates day-to-day management to the Chief Executive Officer.

The Board's delegations to the Chief Executive Officer are maintained in a Delegated Financial Authority Policy, which also specifies those responsibilities retained by the Board. The Chief Executive Officer (**CEO**) sub-delegates spending authorities to relevant MAS executives and staff.

The Delegated Financial Delegated Authority is subject to periodic Board review and approval. The CEO is accountable to the Board for the exercise of, and compliance with, all Board approved delegations and policies.

A clear separation is maintained between the roles of Chair and Chief Executive Officer.

The Board Chair is responsible for leading the Board and ensuring the integrity and effectiveness of its governance processes. This includes maintaining regular communication with the CEO on operational matters, consulting the Board on significant issues of concern, facilitating balanced and constructive Board discussions, and ensuring meetings lead to clear, logical, and well-understood decisions.

The Board Chair is subject to re-election each year. The Nominations Committee, through its Chair, first consults with the incumbent Board Chair, and then with the other directors, before making a recommendation to the Board.

On appointment, each new director signs a written agreement that outlines the terms of their appointment. The agreement covers: expected time commitments, the role of the Board, remuneration, disclosure requirements, confidentiality obligations, indemnity and insurance provisions and cessation of appointment.

All new directors undertake a tailored induction programme aimed at broadening their understanding of MAS, its businesses, and the environment and markets in which it operates. As part of the induction, new directors meet the CEO and other key team members and receive access to Diligent where key induction material is provided along with access to current and historical Board and Committee papers.

All directors are expected to remain current on how to best discharge their responsibilities as directors of the MAS, including keeping abreast of changes and trends in economic, political, social, financial and legal climates and governance practices and of other developments likely to be relevant to MAS. The MAS Board also builds education sessions into its meeting agendas from time to time.

The MAS Board undertakes a “deep dive” evaluation of its performance every three years with the last being undertaken in 2024 by an independent, external provider. On alternate years the Board undertakes an internal process led by the Board Chair.

A profile of each director, including their appointment date is detailed in the MAS Annual Report 2026.

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## PRINCIPLE 3: BOARD COMMITTEES

**THE BOARD SHOULD USE COMMITTEES WHERE THIS WILL ENHANCE ITS EFFECTIVENESS IN KEY AREAS, WHILE STILL RETAINING BOARD RESPONSIBILITY.**

MAS has established the following five Board Committees:

- Audit and Risk
- Investment
- People & Remuneration
- Nomination
- Information and Digital Technology

These Committees focus on specific responsibilities in greater detail than is possible for the Board as a whole. All committee proceedings are reported back to the Board.

Each Committee operates under a Board-approved written charter that sets out its responsibilities and any delegations. Committee charters and details of committee members are available on our website.

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## PRINCIPLE 4: REPORTING & DISCLOSURE

**THE BOARD SHOULD DEMAND INTEGRITY IN FINANCIAL AND NON-FINANCIAL REPORTING, AND IN THE TIMELINESS AND BALANCE OF CORPORATE DISCLOSURES.**

The Audit and Risk Committee oversees the financial reporting process before recommending approval of the financial statements to the Board. Management provides certifications regarding the compliance with relevant laws and accounting standards and effectiveness of internal controls and the accuracy of reported information.

The MAS's Annual Report 2026 provides an overview of organisational performance and Member outcomes, MAS Foundation activities (which is tackling health inequities in Aotearoa), and audited financial statements. This Report is Board approved.

All of MAS's investments and Member investments managed by MAS are subject to a responsible investment policy which is available on our website. The three key principles are:

1. we limit our exposure to fossil fuels, weapons and tobacco industries
2. environmental, social and governance factors are incorporated into our investment decisions
3. as a shareholder, we believe in active ownership through engagement and voting at company meetings.

MAS's Annual Report, Board and Committee Charters, Corporate Governance Statement, Audit Independence Policy and Whistleblower Policy are made available on the MAS website.

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## **PRINCIPLE 5: REMUNERATION**

**THE REMUNERATION OF DIRECTORS AND EXECUTIVES SHOULD BE TRANSPARENT, FAIR AND REASONABLE.**

The Board's approach is to set director fees at a level that is comparable to market and considers the complexity of running three diverse business operations. Fees are reviewed annually, and any increase considers market movements and those of comparable organisations. There were no changes to the fee pool in 2026.

Following a recommendation from the People & Remuneration Committee, the Board review and approve the organisations Remuneration Policy which is designed to align and support:

- Our business strategies and goals
- Our mission, visions, values, and principles of mutuality
- Our people strategies
- Fair treatment of Members, and
- Our management processes.

Executive remuneration is set to ensure it attracts and retains suitable candidates and is comparable to relevant market positions. Remuneration includes a base salary element and a short-term incentive. The criteria for full, or partial, payment of the CEO's short-term incentive plan is set by the Board.

No directors of MAS nor any employees receive long-term incentives.

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## **PRINCIPLE 6: RISK MANAGEMENT**

**DIRECTORS SHOULD HAVE A SOUND UNDERSTANDING OF KEY RISKS FACED BY THE BUSINESS AND SHOULD REGULARLY VERIFY THERE ARE APPROPRIATE PROCESSES TO IDENTIFY AND MANAGE THESE.**

The MAS Board, supported by the MAS Audit and Risk Committee, has overall responsibility for ensuring that the enterprise risk management framework, including policies and procedures, is appropriate and that risks are identified, considered and managed appropriately.

Effective risk management is key to achieving MAS's strategic goals. The Board approves a Risk Appetite Statement, which sets out its tolerances for risk. Other key documents within the risk management framework include:

- risk management programmes for the core operating subsidiaries
- business continuity and disaster recovery plans
- capital management plans for MAS and core operating subsidiaries
- reinsurance management policies for the insurance subsidiaries; and
- statements of investment policy and objectives and treasury policies for MAS and core operating subsidiaries.

MAS operates a 'Three Lines' model as a risk management approach.

MAS maintains a key risk register. The register includes the likelihood and impact of each risk, and mitigants. Risks are reviewed and considered by the relevant business unit on an at least six-monthly basis. Formal review of key risks is undertaken by the Audit and Risk Committee every six months. Risk management and key risk categories are disclosed in the MAS Annual Report 2026 as a part of the notes to the Financial Statements.

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## **PRINCIPLE 7: AUDITORS**

### **BOARDS SHOULD ENSURE THE QUALITY AND INDEPENDENCE OF THE EXTERNAL AUDIT PROCESS.**

Directors have a good working knowledge of the responsibilities of external auditors. However, MAS also ensures that at least one director (who is usually the Chair of the Audit and Risk Committee) has in-depth knowledge.

The External Audit Independence Policy is available on the MAS website. Ernst & Young (EY) were the external auditors of MAS for 2026. The external audit partner typically attends all Audit and Risk Committee meetings. At least twice a year, EY meets with the Committee without management being present. The Committee regularly reviews the auditor's performance and considers the merits of conducting an audit tender.

MAS's policy is to ensure the lead audit partner is rotated after a maximum of five years. The current audit partner has rotated off following the 2026 audit.

The policy outlines what services the audit firm can and cannot provide to MAS and prohibits the auditor from undertaking any work that could reasonably be regarded by an informed third party as compromising independence. All non-audit services are required to be pre-approved by the Audit and Risk Committee. Details, including costs, of non-audit work performed by EY are contained in the MAS Annual Report 2026.

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## **PRINCIPLE 8: SHAREHOLDER RELATIONS AND STAKEHOLDER INTERESTS**

### **THE BOARD SHOULD RESPECT THE RIGHTS OF SHAREHOLDERS AND FOSTER CONSTRUCTIVE RELATIONSHIPS WITH SHAREHOLDERS AND STAKEHOLDERS. SHAREHOLDERS SHOULD BE ENCOURAGED TO ENGAGE WITH THE ENTITY.**

MAS has two shareholders: the Trustees of MAS Members' Trust and the Trustees of the MAS Foundation.

The Trustees of MAS Members' Trust hold 100% of the voting shares in MAS. Trustees hold these shares on trust on behalf of Members and are required to act in Members' interests. Members are customers of MAS who hold MAS products. All Trustees are appointed by resolution of Members at the AGM. The majority of Trustees must be "Practitioner Trustees", who are also Full Members of MAS. The balance of Trustees are "Commercial Trustees" who can be, but are not necessarily, Members. All Trustees are automatically appointed to the MAS Board.

Each year, the Trustees report to Members on MAS performance at an Annual Members' Meeting. This is a formally convened meeting and, in 2026, was conducted via an online meeting platform hosted by Computershare.

MAS Foundation is MAS Group's philanthropic funding arm and holds 100% of the distribution shares in MAS. The MAS Board appoints MAS Foundation Trustees. Five out of the six MAS Foundation Trustees are independent of MAS Group companies and MAS's Board. MAS Foundation maintains a governance manual which sets out a number of matters including policies and processes for the Foundation's relationship with MAS's Board and management. The MAS Board maintains a MAS Foundation Trustee Appointment Policy governing the appointment of MAS Foundation Trustees. MAS Foundation's Chair presents as part of the MAS Annual Report and Annual Members Meeting and attends MAS Audit and Risk Committee or Board meetings when MAS Foundation business is being considered.