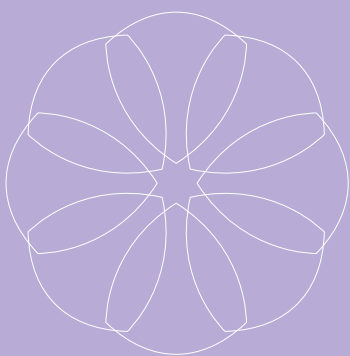




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Notice of 2024 Annual General Meeting



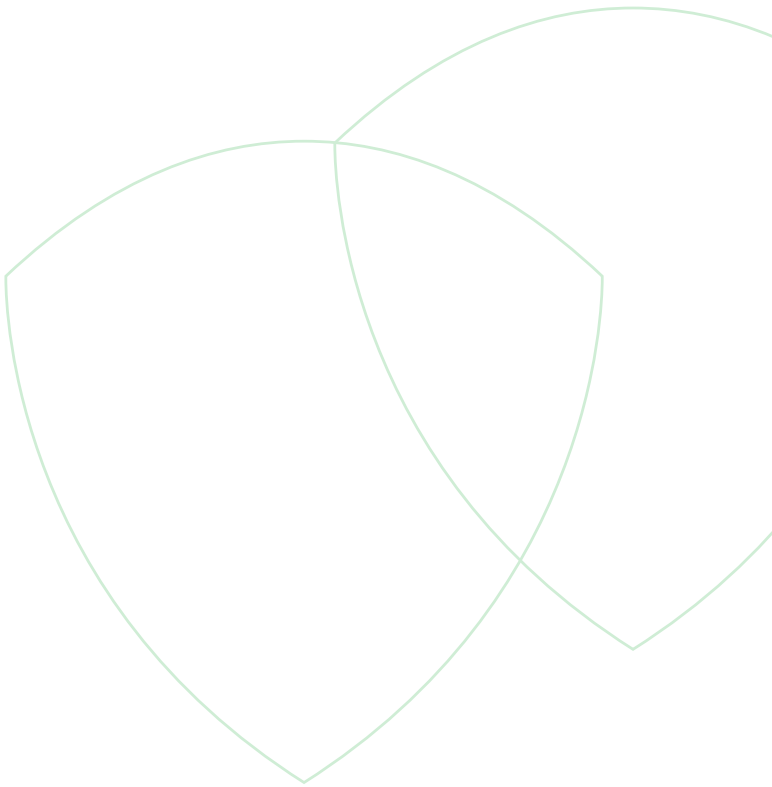
Medical Assurance Society

mas.co.nz

Dear Member

We invite MAS Members to join us at the 2024 Annual General Meeting (AGM) to be held in-person at the Crystal Ballroom, Cordis Hotel, 83 Symonds Street, Auckland, and online, on Wednesday 21 August 2024 at 7:00pm.

To RSVP, please [register online](#) or email agm@mas.co.nz.



AGM Agenda

1. Resolution 1: Approval of minutes of 2023 AGM by ordinary resolution

“To consider, and if thought fit, approve that the minutes of the 30 August 2023 MAS Annual General Meeting be taken as read and approved as a true and accurate record of that meeting.”

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

2. Resolution 2: Approval of annual report by ordinary resolution

“To consider, and if thought fit, approve the 2024 Annual Report and Financial Statements.”

A copy of the Annual Report and Financial Statements is [available on our website](#).

3. Resolution 3: Remuneration of directors by ordinary resolution

“To consider, and if thought fit, approve the Trustees, in their capacity as Shareholders of MAS, voting in favour of the resolution to increase the remuneration to be divided among all the Directors of MAS from \$780,000 per annum to \$803,400 per annum.”

See the Explanatory Notes for more details.

4. Resolution 4: Appointment of Commercial Trustee

“To consider, and if thought fit, appoint Brendan O’Donovan as Commercial Trustee.”

See the Explanatory Notes for more details.

5. Resolution 5: Appointment of Commercial Trustee

“To consider, and if thought fit, appoint Lindsay Knowles as Commercial Trustee.”

See the Explanatory Notes for more details.

6. Election of Practitioner Trustee

There is one Practitioner Trustee vacancy and two Eligible Candidates standing for election.

One of the two Eligible Candidates is an incumbent standing for re-election.

See the Explanatory Notes for more details.

7. Resolution 6: Special resolution to approve amendments to MAS Members’ Trust Deed

“To consider, and if thought fit, resolve, by way of a single Special Resolution of Members:

1. to approve, authorise and ratify the amendments to the Trust Deed of the Medical Assurance Society Member’s Trust set out below, and authorise the Trustees to do all such things necessary to give effect to the amendments, which include:
 - i. deleting clause 4.7(b) and amending clause 4.9(a) to remove the requirement that the number of Commercial Trustees be less than the number of Practitioner Trustees
 - ii. introducing clause 4.2(b) to impose a requirement for there to be a minimum of three Practitioner Trustees
 - iii. introducing clause 4.9(c) to impose a requirement for Practitioner Trustees to be appointed to fill casual vacancies if the number of Practitioner Trustees would otherwise fall below the minimum required; and
 - iv. making consequential changes, including to definitions, as a result of the above amendments, legislative amendments, or the passage of time; and
2. that the Trustees of the Medical Assurance Society Members’ Trust be authorised and directed to consent to the steps set out in this resolution and to sign any documentation, take all action and do all other acts, matters and things that the Trustees agree may be incidental to, or necessary or desirable to give effect to, those steps.”

See the Explanatory Notes for more details.

8. General business

Explanatory Notes to Resolution 3: 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 7 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.
- Members of the Audit and Risk Committee.
- Members of the Information and Digital Technology Committee
- Members of the Investment Committee
- Members of the Nominations Committee
- Members of the People and Remuneration Committee
- Non-independent Trustee of MAS Foundation.

In proposing the level of remuneration in this resolution, consideration has also been given to:

1. The need to create headroom in the approved fee pool to, for example, allow for additional appointments
2. External benchmarking to comparable financial services organisations. The Board notes that an external review of MAS director fees was undertaken in 2024, and the proposed director fees in this resolution are consistent with that review.
3. The increasing demands on directors generally; and
4. The desire to continue to attract suitable candidates for the Board.

The purpose of the proposed fee increase at the 2024 AGM is to create headroom in the approved fee pool to allow the Board to fund any additional appointments, and/or provide for suitable transition arrangements between outgoing and incoming Board members. The Board notes that the proposed fee increase is not intended to increase the amount currently paid to individual directors.

Explanatory Notes to Resolution 4: Appointment of Commercial Trustee by Ordinary Resolution

The MAS Members' Trust Deed requires that Commercial Trustees retire by rotation.

The Commercial Trustee due to retire this year is Brendan O'Donovan.

Mr O'Donovan is standing for re-appointment. He is one term (3 years) into a maximum tenure of four terms (12 years).

Under the terms of the Trust Deed, a Commercial Trustee's appointment is made by MAS Board and must be confirmed by ordinary resolution of Members at the AGM following that appointment. The Trust Deed therefore, requires that Mr O'Donovan retire and stand to have his appointment confirmed by Members at the 2024 AGM.

All candidates for appointment as Commercial Trustee must meet the requirements of MAS's Trustee and Director Appointment and Re-Appointment Policy (the Policy). The Policy requires Trustees to consider what skills and experience the MAS Board requires, before considering whether the candidate is eligible for appointment. The eligibility criteria for Commercial Trustees are:

1. The candidate must meet the requirements of MAS's Fit and Proper Policy. Compliance with the Fit and Proper Policy is an essential ongoing requirement for all Trustees and Directors.
2. An understanding of and support for the principles of mutual organisations.
3. Commercial acumen and strategic focus.
4. Significant governance experience.
5. Experience or expertise in a profession or industry that will enhance the skills, experience, and diversity of thought required to effectively govern MAS and oversee the operations of its Subsidiaries.

Following this process, the Trustees confirm that Mr O'Donovan is eligible for re-appointment.

Explanatory Notes to Resolution 5: Appointment of Commercial Trustee by Ordinary Resolution

On 25 March 2024, Suzanne Wolton resigned as a Commercial Trustee of MAS Members Trust and as a director of various MAS group trading companies and was appointed by the Board as MAS's Chief Executive Officer.

Ms Wolton's resignation created a casual vacancy for a Commercial Trustee on the MAS Board.

On 28 March 2024, after conducting relevant regulatory fit and proper and eligibility checks, the Board appointed a former director, Lindsay Knowles, as a Commercial Trustee and director of the Boards of the various MAS Group trading companies.

Mr Knowles had previously completed three terms (9 years) of a maximum tenure of four terms (12 years) on the MAS Board.

Under the terms of the Trust Deed, a Commercial Trustee's appointment is made by MAS Board and must be confirmed by ordinary resolution of Members at the AGM following that appointment. The Trust Deed therefore requires that Mr Knowles retire and stand to have his appointment confirmed by Members at the 2024 AGM.

All candidates for appointment as Commercial Trustee must meet the requirements of MAS's Trustee and Director Appointment and Re-Appointment Policy (the Policy). The Policy requires Trustees to consider what skills and experience the MAS Board requires, before considering whether the candidate is eligible for appointment. The eligibility criteria for Commercial Trustees are:

1. The candidate must meet the requirements of MAS's Fit and Proper Policy. Compliance with the Fit and Proper Policy is an essential ongoing requirement for all trustees and directors.
2. An understanding of and support for the principles of mutual organisations.
3. Commercial acumen and strategic focus.
4. Significant governance experience.
5. Experience or expertise in a profession or industry that will enhance the skills, experience, and diversity of thought required to effectively govern MAS and oversee the operations of its Subsidiaries.

Following this process, the Trustees confirm that Mr Knowles is eligible for appointment.

Explanatory Notes to Election of Practitioner Trustee

The MAS Members' Trust Deed requires that Practitioner Trustees retire by rotation.

The Practitioner Trustee due to retire this year is the Deputy Chair, Dr Doug Hill.

Dr Hill is standing for re-appointment. He is two terms (six years) into a maximum tenure of four terms (12 years).

A call for nominations was sent to Full Members in June 2024. In addition to the incumbent Dr Hill, one candidate, Dr Stephanie Taylor, was validly nominated.

Under MAS's Trustee and Director Appointment and Re-Appointment 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's Fit and Proper Policy. Compliance with the Fit and Proper Policy is an essential ongoing requirement for all Trustees and Directors.
2. An understanding of and support for the principles of mutual organisations.
3. Commercial acumen and strategic focus.
4. Significant governance experience.
5. The ability to enhance the Board's diversity of thought.
6. Connectedness to professional groups in the medical, dental or veterinary professions.

In addition to meeting the eligibility criteria, the incumbent Dr Hill was subject to a comprehensive performance appraisal conducted by the MAS Board Nominations Committee with the support of an independent governance adviser to the Board, Propero.

The other validly nominated candidate, Dr Taylor, was interviewed and assessed in July 2024 by Propero. Dr Taylor was then interviewed and assessed by the Board Nominations Committee. Propero and the Board Nominations Committee assessed whether Dr Taylor was eligible for appointment as Practitioner Trustee, including by assessing her skills and experience, to form a view on whether she would be suitable for the role.

After considering recommendations from Propero and the Nominations Committee, the Board determined that Dr Doug Hill and Dr Stephanie Taylor were both eligible to stand for appointment as a Practitioner Trustee.

The candidates have each provided a profile, which is copied below.



Dr Doug Hill

MBChB, DipObst., DCH, FRNZCGP, CFIInstD

I have been on the MAS board for 6 years, and am currently the Deputy Chair. I have extensive governance experience in Insurance and Financial Services (MAS), Health (Chair, Wellsouth Primary Health Network), Education and Property (Chair, Columba College Board of Governors). I am a Chartered Fellow of the Institute of Directors and previously won the IoD Aspiring Director award.

I am a full time Specialist General Practitioner and practice owner of Broadway Medical Centre in Dunedin-a large central city practice. In my medical practice, I have special interests in Orthopaedics and Skin Cancer surgery. At Broadway, we have developed a reputation for supporting young GPs in training, as well as creating innovative career pathways for more senior GPs. I am married to Jennifer, previously a GP, who is retraining in Psychiatry. We have 4 children, with our third child soon to leave home for university.

My parents (Dad was a surgeon) introduced me to MAS as a child, and ever since then, MAS has been a constant support in my personal and professional life. From purchasing and insuring my first car, managing our life and income protection needs, to advice regarding practice ownership, ongoing business support, and managing our retirement funds. At all times, MAS has been a trusted partner. It is a privilege to now serve on the MAS Board as a Practitioner Trustee.

In recent years, MAS has undergone significant change and faced several challenges. In my time on the Board, MAS has successfully changed to charitable status and established MAS Foundation. We have navigated events such as the Covid pandemic, the 2023 North Island floods, and an increasingly complex regulatory environment, while still introducing new products and services to Members.

As Deputy Chair of MAS, I am committed to ensuring that we continue the MAS legacy of providing outstanding support and service to our Members.

The MAS Practitioner Trustee role is challenging and exciting. I bring significant experience to the MAS Board, and a shared understanding of the current issues we all face in our daily clinical work. I encourage you to vote for me in this election, to ensure continuity and momentum going forward in the complex world we now live.



Dr Stephanie Taylor

MBChb, FRNZCGP, BPhED (Hons)

I am a GP, Practice Owner and mother of 3, with over a decade of executive and governance roles in the medical sector. I am currently the Deputy Chair of GenPro (General Practice Owners Association of Aotearoa) and a trustee for the mental health charity Voices of Hope, I joined these boards to help advocate for my colleagues and support those needing a voice.

My prior governance roles as director of ProCare Networks (New Zealand's largest PHO) and as an elected member of NZMA General Practice Council enabled me to support members and this is where I found my purpose. Across all board roles I have been involved in developing strategy, overseeing implementation and most importantly advocating for members.

I have a Bachelor of Medicine and Surgery and a Bachelor of Physical Education (First Class Honours) from Otago University. I am a Fellow of the Royal New Zealand College of General Practitioners and am an examiner for the Royal NZ College of General Practitioners. I am also the Clinical Director for the medical division of Green Cross Health. I use logic, experience and clinical intuition to solve problems and develop strategy, I enjoy collaborative meeting environments where different views are welcomed and understood.

I am committed to MAS with its strong focus on its Members. I have always enjoyed the ease of working with MAS when I have needed their support for my practice and my family over the years.

If elected, I would focus on ensuring that individual Members voices are heard, as we need to ensure that MAS continues to provide a sustainable service that minimises the impact of significant life and practice challenges on its Members and continues to be the preferred choice for all practitioners.

Explanatory notes to Resolution 6: Special resolution to approve amendments to the MAS Members' Trust Deed

Resolution 6 in the Notice of Meeting supports changes to the required and relative numbers of Practitioner Trustees and Commercial Trustees of the Medical Assurance Society Members' Trust (the **Members' Trust**). The resolution proposes that there be imposed a minimum number of three Practitioner Trustees and the requirement for Practitioner Trustees to outnumber Commercial Trustees be removed (the **Proposed Amendments**).

This explanatory note provides important information about the Proposed Amendments, the steps required to achieve them, and what it means for Members if the Proposed Amendments are approved. All Members (including non-voting Associate Members) are encouraged to read it.

You can inspect a copy of the tracked changes proposed to the MAS Members' Trust Deed by clicking [here](#).

The governance structure of the MAS Group

Under the terms of the MAS Members' Trust Deed (the **Members' Trust Deed**), Members have ultimate control over the way in which MAS operates as a mutual through voting rights attached to the shares in MAS. Those shares are held on trust for the benefit of all Members by the trustees of the Members' Trust (the **Trustees**).

The Trustees of the Members' Trust consist of Practitioner Trustees and Commercial Trustees. Practitioner Trustees are Full Members of MAS who have been elected as Trustees by Members at an annual meeting, or otherwise appointed on an interim basis by the other Practitioner Trustees. Commercial Trustees are individuals appointed as Trustees by the Practitioner Trustees and, if not appointed solely on an interim basis, must be approved by Members at the next annual meeting after their appointment.

The Members' Trust Deed requires that there be between 5 and 9 Trustees. It also requires that no Commercial Trustee may be appointed if that would result in the number of Commercial Trustees being equal to or exceeding the number of Practitioner Trustees. In effect, this ensures that the majority of Trustees are Practitioner Trustees.

The constitution of MAS requires that the Trustees of the Members' Trust are also the directors of MAS. Accordingly, the appointment and election of Trustees of the Members' Trust is effectively an appointment and election of the directors of MAS (the **MAS Board**). Conversely, changing the directors of MAS requires changing the Trustees. Similarly, MAS's trading subsidiaries customarily have the same directors as MAS. MAS's non-trading subsidiaries have fewer directors, but these directors are also chosen from the Trustees. This means that the Trustees need to have the balance of skills and experience that is required for the MAS Board and the boards of MAS' subsidiaries.

Requirements and expectations of directors

MAS operates a group of complex and highly regulated financial services businesses, which carry on business in the areas of insurance, investments and financial advice. This requires directors to have certain skills and experience necessary to govern businesses of these types.

MAS carries on business in a complex, competitive, and increasingly heavily regulated financial services sector in New Zealand. Accordingly, it is critical for the MAS Board to ensure it has the right balance of skills and experience to ensure it can appropriately discharge its duties. In particular, in recent years, MAS's regulators, the Financial Markets Authority and the Reserve Bank of New Zealand, have set robust expectations for the governance of the boards of financial services businesses, including the boards of mutuals like MAS.

Further, MAS recently commissioned an independent evaluation of the MAS Board. The evaluation concluded that the MAS Board requires more commercial experience, particularly in the areas of insurance and investments.

MAS directors are responsible for overseeing all of MAS's business affairs, helping to ensure MAS achieves its strategic goals, achieves strong financial performance, and both meets and exceeds legal and regulatory requirements, and Member and community expectations. Accordingly, it is important that the MAS Board and each subsidiary has directors that possess commercial acumen and strategic focus. Further, Commercial Trustees bring essential governance experience relating to significant change in an organisation, such as overseeing delivery of a growth strategy and the implementation of major change projects.

The Practitioner Trustees recognise that for the above reasons it is increasingly difficult to recruit Practitioner Trustees with the necessary experience to govern a complex and highly regulated group of financial services businesses from MAS's population of 'Full Members' (doctors, dentists and veterinarians). For this reason, the Practitioner Trustees have unanimously led the proposal to implement the Proposed Amendments.

The Proposed Amendments

The Proposed Amendments would remove the requirement for Practitioner Trustees to form a majority of the Trustees. As a result, Commercial Trustees would be allowed to outnumber Practitioner Trustees. This would be reflected in the makeup of the MAS Board and the boards of its subsidiaries. In the MAS Board's view, this would provide the MAS Board with greater flexibility and enhance its ability to identify candidates that would provide the necessary mix of skills and experience to ensure the MAS Board can appropriately discharge its duties.

The Proposed Amendments also propose that the Trustees must have a minimum number of Practitioner Trustees. This is because the MAS Board believes that Practitioner Trustees are integral to the good

governance of MAS and have a special status that must be protected. MAS's DNA is in the health professions, and the MAS Board is keen to continue a special role and seats reserved around the MAS Board table to protect that special status of doctors, dentists and veterinarians.

The Proposed Amendments also propose a number of other changes to the Members' Trust Deed. These include:

- a. a requirement for Practitioner Trustees to be appointed to fill casual vacancies if the number of Practitioner Trustees would otherwise fall below the minimum required; and
- b. other consequential changes, including to definitions, as a result of the above amendments, legislative amendments, or the passage of time.

The requirement set out in paragraph (a) above reflects a similar requirement in respect of Trustees generally and is necessary to ensure the number of Practitioner Trustees does not fall below the specific minimum.

Key steps to implement the Proposed Amendments

Members are asked to approve the Proposed Amendments by passing the special resolution set out in the Notice of Meeting accompanying this Explanatory Note. The purpose and effect of that resolution is that MAS has the approval of Members to proceed with the Proposed Amendments, which includes approval for the Trustees of the MAS Members' trust to:

- a. amend the Members' Trust Deed to the extent and in the respects necessary or desirable to reflect the Proposed Amendments, as described in this Explanatory Note; and
- b. sign any documentation, take all action and do all other acts, matters and things that the Trustees agree may be incidental to, or necessary or desirable to give effect to, those steps.

If Members pass the special resolution, the Trustees of the Members' Trust will take the following key steps to implement the Proposed Amendments:

- a. The Trustees will pass resolutions to approve the Proposed Amendments and each of the steps required to implement it.
- b. The Trustees will amend the Members' Trust Deed to give effect to the Proposed Amendments.
- c. The Trustees will amend the Trustee and Director Appointment and Re-Appointment Policy as necessary, which requires the Trustees to consider what skills and experience the MAS Board requires, and to assess a candidate against those requirements, before considering whether a candidate is eligible for appointment.
- d. In due course and in accordance with the processes set out in the Members' Trust Deed, certain Practitioner Trustees will retire and new Commercial Trustees will be appointed.

What does the Proposed Amendments mean for Members' rights?

As explained earlier in this Explanatory Note, Members will retain their powers under the MAS Members' Trust and, through those powers, retain control of MAS. The makeup of the Trustees of the Members' Trust, and therefore the makeup of the directors of the MAS Group Boards, may change, but the Members retain their rights to approve or direct the actions of the Trustees.

Members will continue to have control over the MAS Members' Trust through the matters which are reserved under the Members' Trust Deed for the approval of Full Members by way of ordinary resolutions or special resolutions. This includes appointments of Practitioner Trustees and approvals of Commercial Trustees. Accordingly, Members will continue to have control over MAS through the voting rights given to Full Members under the Members' Trust Deed to direct the way in which the Trustees vote on matters put before the shareholders, in the same manner as they currently do.

The Trustees will also retain a minimum number of three Practitioner Trustees, which ensures the continued presence of MAS Members as Trustees and, consequently, as directors on the Boards of MAS Group companies. The Practitioner Trustees also retain the power under the Members' Trust Deed to appoint Commercial Trustees. As under the current arrangements, each Commercial Trustee must also subsequently be approved by an ordinary resolution of the MAS Members at the annual meeting following their appointment.

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.

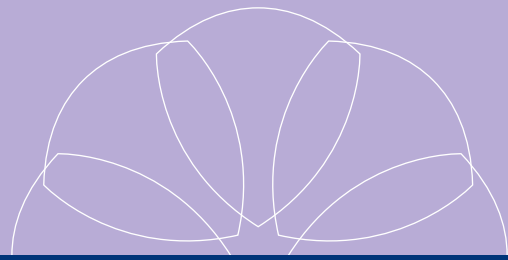
For those not attending the AGM, you can provide an electronic vote up until 48 hours before the AGM – that is, by **7pm Monday 19 August 2024**.

By Order of the Trustees

Matthew Judge
Company Secretary

Wellington
31 July 2024

mas'



Connect with us today

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mas.co.nz