Board Charter

May 2026

UNION MEDICAL BENEFITS SOCIETY LIMITED

UniMed

Contents

Date of Issue	Review Cadence	Version No.	Responsible Executive	Operational Owner	Approver
May 2026	2 years	2	Chief Risk Officer	Governance Administrator	Board

1. Purpose of the Charter

This Board Charter sets out the purpose, responsibilities and procedures of the Board of Directors (Board) of Union Medical Benefits Society Limited (UniMed).

2. Purpose of the Board

The Board's purpose is to govern UniMed on behalf of its Members. In doing so, the Board provides strategic direction, oversees management, and ensures UniMed operates prudently, lawfully, and sustainably. The Board's purpose and powers are derived from, and exercised in accordance with, the Rules of UniMed and all applicable New Zealand legislation and regulatory requirements.

3. Responsibilities of the Board

The role of the Board is articulated in the Rules of UniMed. It will direct the administration, management and control of UniMed through exercising the following responsibilities:

- Effectively representing and promoting the interests of Members with a view to adding long-term value to UniMed's products and services.
- Ensuring an effective governance framework and policies are in place to strengthen the performance of UniMed and to promote and protect the interests of UniMed, its Members and policyholders.
- Ensuring that UniMed has a clear strategy and appropriate objectives in place considering relevant internal and external developments and emerging trends and risks.
- Monitoring the performance of management.
- Monitoring the ongoing business performance of UniMed.
- Ensuring risk is managed effectively and setting UniMed's risk appetite.
- Ensuring relevant laws, regulations and internal policies, processes and controls are complied with.
- Protecting the financial position of UniMed and ensuring that financial statements are true, fair and comply with the law.
- Ensuring UniMed adheres to high standards of conduct and ethics.
- Determine and ensure that the values by which the organisation will align are well understood and embedded at a governance and operational level
- Appoint the Chief Executive Officer (CEO), setting the terms of the CEO's employment and, where necessary terminating the CEO's employment with UniMed.

In addition, the Board is to effectively represent and promote the interests of UniMed with a view to adding long-term value to its Members.

The Board's relationship with stakeholders

The Board will use its best endeavours to familiarise itself with issues of concern to UniMed's key stakeholders. The Board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of UniMed or the interests of Members and key stakeholders and, if thought appropriate, will take outside expert advice on these matters.

4. Board Composition and Size

UniMed will be governed by a Board of between 5 and 8 qualified Directors which will be subject to the composition, term, election and resignation / disqualification requirements outlined in the Rules of UniMed.

The number of Directors required will be determined by the Board annually taking into account the skills, experience, competencies and capabilities required to govern.

5. Chair and Deputy Chair

Each year after the AGM the Board will elect a Chair and Deputy Chair.

The Chair will lead Board meetings and General Meetings as defined in the Rules of UniMed. If the Chair is absent, the Deputy Chair will take their place.

The Chair will be an independent, non-executive director.

The Chair is responsible for:

- Representing the Board to UniMed's Members.
- Ensuring the integrity and effectiveness of the governance process of the Board.
- Acting as facilitator at Board meetings to ensure that appropriate and balanced discussion takes place and relevant opinion among Directors is forthcoming.
- Chairing General Meetings as required.
- Maintaining regular dialogue with the CEO over all operational matters and consulting with the remainder of the Board promptly over any matter that gives them cause for major concern.
- Leading the review of individual and overall Board performance.

6. Board Procedures

Secretary

The CEO must appoint a Secretary and determine the Secretary's remuneration, duties and terms and conditions of employment.

The Secretary's responsibility is to support the Board with administrative matters and ensure there are governance policies, procedures and processes in place that enable the Board to execute its responsibilities and comply with relevant legislation.

All Directors, particularly the Chair, have access to the advice and services of the Secretary within the context of the Secretary's role description.

Board Meetings

Board meetings require a quorum, which is a majority of Directors, including at least one Elected Director, who are not conflicted on any matter. Attendance may be in person or through audio/video link or other virtual meeting technology facilitated by UniMed.

A Director may appoint another Director as their proxy for a specific meeting. Notice of the proxy appointment must be given to the Chair before the meeting. At the start of the meeting, the Chair must announce any proxy notices received. A Director can act as proxy for only one other Director at any meeting. A Director holding a proxy vote counts as two Directors for the purpose of achieving a quorum.

In arranging meetings, the Secretary will endeavour to ensure the full Board can attend. Directors unable to attend will advise the Chair and the Secretary at the earliest possible date and confirm in writing to the Secretary.

The Chair of the Board has the primary authority to call a board meeting. This includes scheduled meetings and additional meetings if urgent matters arise.

Meetings may also be called if requested by no less than two directors providing no less than 2 working days notice.

Each Director present at a Board meeting has one vote. Decisions are made by a majority of votes, including the vote of at least one Elected Director. If the votes are tied, the Chair does not have a casting vote.

Subject to applicable law, everything done at a Board meeting, or by someone acting as a Director, is valid even if it is later discovered that there was a defect in their appointment, election, or qualification, or that they were disqualified or had vacated office.

Operation

The Board will adopt and comply with policies and procedures that help govern the operation of the Board and UniMed and will comply with relevant legislation (including but not limited to a Fit and Proper Policy, Conflict of Interest Policy and Director Remuneration and Expense Policy). Any UniMed policies that introduce additional responsibilities for the Board must be approved by the Board.

The Board will maintain a workplan that will be drafted in consultation with management via the Secretary on an annual basis and will determine any standing agenda items. The Board has sole authority to set the agenda and exercises this through the Chair. Any Director may, through the Chair, request additional items to be added to the agenda. The agenda will be set by the Chair in consultation with the CEO and the Secretary in advance of the relevant meeting. The standing agenda will include Director only time in the event this is required.

Management Interaction

The Board acts collectively and has authority only when acting as a Board. Directors are entitled to have access, at all reasonable times, to all relevant UniMed information and to management. No individual Director has authority to direct management, commit the organisation, or make decisions on behalf of the Board unless specifically authorised by a Board resolution.

UniMed's employees have the ability to contact Directors as outlined in UniMed's Protected Disclosures Policy.

7. Board Committees and Working Groups

The Board may set up one or more committee(s) or working group(s) at any time to help govern UniMed effectively. The Board decides who will be on each committee or working group and what authority and responsibilities each committee will have.

In the case of a working group these duties will be outlined in a Board approved terms of reference.

Powers and responsibilities of any Board Committees will be determined by their respective Charters, which are required to be approved by the Board. The powers or authority conferred will not derogate from either the Rules of UniMed or the authority delegated to the CEO.

In addition to the full Board, UniMed will have 3 standing Board Committees, namely the Audit and Risk Committee (ARC), Investment Committee (IC) and People and Culture Committee (PCC).

Chair and Deputy Ex-officio

The Chair and Deputy Chair are ex-officio members of all Board Committees. As such should the Chair and Deputy attend Board Committee meetings, of which they are not already appointed, they will attend as a full participant with voting rights and be counted as part of the quorum. The attendance is to be recorded in the minutes and be noted in the Annual Report.

8. Board Conduct and Operation, Tenure, Capability & Vacancies

Conduct and Operation of the Board

The conduct of Directors will be consistent with their duties and responsibilities to UniMed and aligned with the values of the organisation.

The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy. Directors will always act within any limitations imposed by the Board on its activities and use their best endeavours to attend Board meetings and to prepare thoroughly.

All Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board.

Board discussions will be open and constructive, recognising that genuinely held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chair will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote.

All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements the Board will decide the manner and timing of the publication of its decisions.

Executive members attend Board meetings as required to enable Directors to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all executive responsibilities.

Tenure

Director terms and maximum tenure is stipulated in the Rules of UniMed.

Board and Director Evaluation

The Board will complete an annual evaluation of its and each Director's performance. The form of these annual reviews will be determined by the Chair and agreed by the Board and will be a standing agenda item on the workplan.

The Board's overall performance will be independently assessed, at a minimum, every 2 years.

Board Capability

The Board is primarily responsible for ensuring that it comprises an appropriate balance of skills, experience, independence, and diversity to enable it to discharge its duties effectively and in the best interests of the organisation. The Board will:

- Maintain a Board Skills Matrix that identifies the skills, experience, and attributes required to support the organisation's strategy, risk profile, and regulatory obligations.
- On an annual basis, assess the collective capabilities of the Board against current and future needs.
- Use the outcomes of Board and Director performance evaluations to inform skills development, recruitment priorities, and succession planning.

Where skills gaps are identified, the Board will address them through:

- Filling any Director Vacancies
- Ongoing Professional Development and Training
- Use of external advisors where appropriate

Professional Development and Training

- All new Directors will be given a formal induction to the business after appointment. Policies and Procedures will be maintained in a way which will provide an overview of UniMed's key governance frameworks and processes.
- The Chair, as part of ongoing Director performance review will ensure Directors are given adequate opportunities for development and training on an ongoing basis to ensure they remain up to date with emerging trends, legislation and to address any individual development required.

Director Succession Planning

The Chair will be responsible for developing a succession plan which will consider:

- UniMed's strategic objectives and long-term sustainability
- Orderly Board renewal, continuity of knowledge and avoidance of undue reliance on any individual Director.
- Diversity of background, skills, experience and perspectives across the Board.
- Anticipated retirements, tenure and expiry of terms.

The Chair will also ensure potential successors are identified in a timely manner and plan transitions to support effective handover and continuity of governance.

Director Vacancies

When filling any Director vacancies (subject to the Rules of UniMed) the Board will follow the Board Nominations procedure and must specifically consider the following:

- Whether the Director is Qualified under the Rules of UniMed.
- That there is diversity of skills, experience and thought across the Board to ensure a broad enough challenge and perspective.
- Any skills and/or experience gaps that have been identified as part of Succession Planning and how aligned the skills and/or experience of any prospective Director is aligned to these.
- Whether the Director is Fit and Proper for the role as defined by relevant legislation and governed by UniMed's Fit and Proper Policy.
- The independence of any Director. Independence has the meaning given in the Reserve Bank of New Zealand Governance Guidelines for licensed insurers which includes consideration of:
  - any financial or other obligation the director may have to UniMed or its Directors;
  - whether the director is, or has been, employed in an executive capacity by UniMed or any associated person, within the last 3 years;
  - whether the director is, or has been, a provider of material professional services to UniMed or any associated person, within the last 3 years;
  - whether the director has a material contractual relationship with UniMed or any associated person;
  - any remuneration received in addition to the director's fee, related directorships or shareholdings in UniMed; and
  - whether the director is a 'related party' of UniMed as defined in relevant legislation, which includes but is not limited to consideration of whether the Director has the power to control 10% or more of the voting rights of UniMed.
- A Director will not fail to be classified as independent simply because they are a Member of the Society. Whether any actual, potential, or perceived conflicts of interest may affect a director's ability to discharge their duties.

Letter of Appointment as a Director

Each Director will be expected to adhere to the terms and conditions of appointment as outlined in a formal letter of appointment. This outlines the roles and responsibilities of Directors including expected standards of behaviour and attendance. On reappointment of a Director for an additional term, this letter will be reviewed and, if necessary, updated.

Conflicts of Interest

Directors should adhere to the UniMed Conflict of Interest Policy and in particular:

- Directors should remain independent from real or perceived conflicts of interest when carrying out their duties. Directors are responsible for disclosing conflicts that may arise during a meeting and if the meeting requires, they will be excluded from discussions related to the conflict.
- Directors should not provide business or professional services to UniMed generally due to the conflicts this creates.

9. Board Remuneration and Expenses

The Board will establish and maintain a Director Remuneration and Expense Policy which will govern how Directors are remunerated. The policy must align with requirements stipulated in the Rules of UniMed and include provision for Directors Professional Development and Training.

10. Board and CEO Relationship

All Board authority conferred on management will be delegated through the CEO so that the authority and accountability of management is considered to be the authority and accountability of the CEO as far as the Board is concerned. The Board will formally review and approve the CEO delegations on an annual basis.

The Chair of the Board will maintain an informal link between the Board and the CEO and expects to be kept informed by the CEO on all important matters. The Chair is available to provide counsel and advice to the CEO where appropriate. Only the decisions made by the Board as a whole are binding on the CEO.

11. Indemnities and Insurance

UniMed will enter into a Deed of Indemnification with all Directors which will indemnify Directors for any reasonable costs incurred in relation to the conduct of the business of UniMed or any related entity.

As part of this deed UniMed is to use all endeavours to provide Directors with and will pay premiums for Directors and Officers insurance cover, which will be reviewed by the Board on an annual basis.

12. Review of the Charter

The Board will review this Charter every two years or more frequently where required.

13. Associated Documents

Other documents relevant to this Charter are listed below:

UniMed Documents	NZ Legislation
• Rules of UniMed • Governance Statement • Delegated Authority Board to CEO • Fit & Proper Policy • Conflicts of Interest Policy • Director Code of Conduct • Audit and Risk Committee Charter • People & Culture Committee Charter • Investment Committee Charter • Protected Disclosures (Whistleblower) Policy • Director Appointment and Election Procedure • Board Skills Matrix • Director Remuneration and Expenses Policy	• Industrial and Provident Societies Act • Financial Markets Conduct Act 2013 • Insurance (Prudential Supervision) Act • Health and Safety at Work Act