Director Remuneration & Expenses Policy

March 2026

UNION MEDICAL BENEFITS SOCIETY LIMITED

UniMed

Contents

Date of Issue	Review Cadence	Version No.	Responsible Executive	Operational Owner	Approver
March 2026	2 years	1	Chief Risk Officer	Governance Administrator	Board

1. Purpose

Directors are entitled to be remunerated for the performance of their governance duties to the Society in accordance with the Society's Rules, from a total pool of remuneration approved annually by members.

Remuneration of Directors is intended to ensure that the directors of UniMed are adequately compensated for their time, skills and experience, as well as to attract fit and proper and suitably skilled candidates for appointment as directors of the Society.

This policy sets out the principles, approach, and process for Director remuneration.

2. Principles

Director remuneration will be:

Transparent: based on a clearly defined and disclosed fee pool approved by members.

Independent: structured so as not to compromise Directors' independence or create incentives inconsistent with the Society's purpose.

Market-aligned: informed by external benchmarking.

Equitable: reflective of role responsibilities, time commitment and the Society's status as a regulated entity.

Director remuneration is not linked to the operational or financial performance of the Society.

3. Remuneration Framework

Determination and Allocation of Director Remuneration

Directors' remuneration is paid in the form of Directors' fees. Increased fees (as a multiple of the Director Base Fee) are paid to the Chair of the Board, the Deputy Chair and to Chairs of the subcommittees to reflect the additional responsibilities of these positions (refer to table below).

The People and Culture Committee will review Director remuneration annually, considering:

- the size, complexity, and risk profile of the Society
- the expected time commitment and responsibilities of Directors
- the skills, experience, and capability required at Board level
- relevant market comparators.

The total Director remuneration pool must be approved by members at the Annual General Meeting in accordance with the Society's Rules.

The Committee will recommend to the Board the proposed amount and allocation of the remuneration pool. The Board will then make a recommendation for Member approval at the AGM.

Independent specialist consultants may be engaged annually to provide external benchmarking and market advice to ensure Director remuneration remains fair, reasonable, and comparable to similar New Zealand organisations.

Where external benchmarking advice has been obtained, a summary of that advice may be provided to members to support transparency.

Fee Calculation Framework

In line with market practice and recognising differing governance responsibilities, the Board has adopted the following fee allocation:

Director role	Fee calculation
Board members with no additional responsibilities	Base Director's fee
Chair of the Board	2.0 × base Director's fee
Deputy Chair who is also a committee chair	1.5 × base Director's fee
Deputy Chair	1.33 × base Director's fee
Chair of a Board subcommittee	1.21 × base Director's fee

Director fees are inclusive of all ordinary Board and Committee duties.

Service on Subsidiary Boards

Where a Director of the Society is appointed to the board of a subsidiary company in which the Society holds shares, that appointment is a separate governance role.

Director fees in respect of service on a subsidiary board are determined by the Society and may be paid by the Society or the subsidiary, depending on the financial capacity and governance arrangements of the subsidiary at the relevant time.

Any fees paid for service on a subsidiary board are not included in, and are paid separately from, the Director remuneration pool approved by members of the Society at the Annual General Meeting.

A Director appointed to a subsidiary board is expected to meet all governance, fiduciary, and performance requirements applicable to that role, in addition to their responsibilities as a Director of the Society.

Reasonable expenses incurred by a Director in connection with service on a subsidiary board will be met by the Society, as the holding company, in accordance with this policy and the Society's Travel and Expenses Policy, unless otherwise agreed by the Board.

Payment of Fees

Director remuneration is paid monthly by the Society, either:

- on presentation of a valid invoice; or
- through the UniMed payroll system.

Directors are not employees of the Society and are responsible for their own tax obligations, except where deductions are required by law.

4. Director Travel

Director travel is governed by UniMed's Travel and Expenses Policy.

Expenses incurred by Directors in representing UniMed at approved functions or events are also reimbursable provided these are in line with UniMed's standard expense policies.

All Directors' expenses are subject to the approval of the Chair of the Board. Expenses incurred by the Chair are subject to the approval of the Chair of the Audit and Risk Committee.

Reimbursement will be made upon presentation of appropriate supporting documentation.

5. Policy Maintenance

The Policy will be reviewed every two years or more frequently as required.

6. Associated Documents

Other documents relevant to this Policy are listed below:

UniMed Documents	NZ Legislation
• Rules of UniMed • Board Charter • Audit & Risk Committee Charter • People & Culture Committee Charter • Investment Committee Charter • Travel & Expenses Policy	