Minutes of the 46th Annual General Meeting of Union Medical Benefits Society Limited

20th November 2025 at 6pm

Held at UniMed, 165 Gloucester Street, Christchurch and virtually on Teams

Private and Confidential

Board Members Present Peter Tynan *(Chair)* Angela Dixon Justine Gilliland Chris Flatt Erin Polaczuk **Guests** Anagha Pasche *(Appointed Actuary)* David Borrie *(EY Auditor)* Hugh Lindo *(Simpson Grierson Lawyers)* Beth Reed *(Simpson Grierson Lawyers)* Krista Kelland *(Strategic Pay)* Michelle Read *(Strategic Pay)* Joanie Sims *(Associate Director)* **Apologies** Ben Kepes *(Deputy Chair),* Tracey Burgess, Ann Marie Clare	**Executive Leadership Present** Lance Walker *(CEO)* James Brownell *(Chief Risk Officer)* Hamish O'Brien *(Chief Corporate Services Officer)* Kirsty Phillips *(Chief Marketing & Product Officer)* Sonya Whitney *(Chief Operating Officer)* Jay Harrison *(Chief Wellness Officer)* **Members Present** Andrew Lil, Chris Munro, Craig Beecroft, Daniel Needham, Dean Riley, Dermot Martin, Ellie Hurst-Long, Emma Hay, Gail Presland-Tack, Haylee Harding, Jake Hird, Jing Deng, John Seed, Kayo Sakey, Kelly-Ann Harvey, Madison Monk, Mark Apiata-Wade, Mark Dignan, Mark Holmes, Michael Burrowes, Michel Nieuwoudt, Moana Rarere, Natasha Govender, Neil McKenzie, Nick Timlin, Sam Darling, Simon Mitra, Stephen Belkin, Stephen Crawley, Rosalie Thornley, Vishal Bhadra, Willie Noirtje.

1.0 WELCOME & APOLOGIES

The Chair, Peter Tynan welcomed everyone to the 2025 UniMed Annual General Meeting and declared the meeting open, followed by a Karakia by Chris Flatt.

The Chair acknowledged Directors, members, guests and staff both in the room and online. A brief overview of meeting etiquette and voting procedures was given, which included Members voting in-person in the room, online through the Teams polls and Proxy votes held by Members.

The Chair moved the apologies for Annual General Meeting be accepted; these were seconded by Chris Flatt. No questions were raised, and the motion was put to the vote and supported unanimously.

Motion 1: The apologies were accepted.

2.0 PREVIOUS AGM MEETING MINUTES TO BE CONFIRMED

The minutes from the last AGM were provided on the UniMed website in advance of the meeting.

The Chair moved the minutes of the last Annual General Meeting, be confirmed as a true and accurate record; these were seconded by Chris Flatt. No questions were raised, and the motion was put to the vote and supported unanimously.

Motion 2: The minutes of the previous Annual General Meeting held on 20th November 2024 were confirmed as a true and accurate record and to be signed by the Board Chair.

3.0 CHAIR & CEO PRESENTATIONS

The Chair spoke to his report noting that 2025 had been another challenging year for the health insurance sector, with UniMed experiencing record claims levels. Claims paid increased 55%, with average daily claims rising from $394k to over $600k. This reflects increasing pressure on the public health system and a shift toward private care, amplified by greater private sector capacity. Higher utilisation combined with rising medical procedure costs has significantly escalated claims expenses.

Despite overall revenue increasing from $108m to $175m (including the Accuro transfer), insurance service expenses rose from $120m to $199m, resulting in a $24m net insurance service loss. UniMed has used its capital reserves over the past two years to soften the impact of claims inflation, but this is not a sustainable position long term. As a result, the Board has made difficult decisions to implement higher-than-usual premium increases to ensure long-term financial sustainability.

The sector's cost and utilisation pressures are expected to continue. UniMed will continue to manage affordability through product reviews, tighter oversight of claims costs, operational efficiencies, and prudent capital and investment management. The exit from the +IMPAC investment was referenced as an important step that allowed capital to be redirected into solvency and member support.

UniMed remains in a strong financial position, demonstrated by its strong AM Best rating, strong solvency levels, and member funds of $131m. Membership now sits at 142,000 members.

The Chair closed by thanking the Board, executives, staff, and members for their commitment and support over a challenging year, reaffirming UniMed's purpose of helping working New Zealanders and their whānau stay in lifelong good health.

The Chair then invited UniMed's new CEO, Lance Walker, to say a few words.

The CEO acknowledged the UniMed and team and the Board for their welcome and support, and that he was honoured to be joining an organisation with such a strong sense of history and purpose. He reemphasised the points made by the Chair on the challenges facing the sector and the Society is very focused on managing claims inflation and ensuring options exist for members to manage affordability. A focus on continuing to offer the best service and member experience also remains a key priority.

The Chair moved the reports be received and adopted; this was seconded by Dermot Martin. No questions were raised, and the motion was put to the vote and supported unanimously.

Motion 3: The Chair and Chief Executive's report be received and adopted.

4.0 ANNUAL REPORT & FINANCIAL STATEMENTS

The Chair thanked the external Auditors for their work on the Annual Report and Financial Statements. These were provided via a link on the website to all members in October.

The Chair moved the Annual Report & Financial Statements be received; these were seconded by Dermot Martin. No questions were raised, and the motion was put to the vote and supported unanimously.

Motion 4: ***The Annual Financial Statements and Auditors Report for the year ended 30th June 2025 were tabled and received.***

5.0 APPOINTMENT OF AUDITORS

The Chair noted that the Board reviewed the performance and independence of the current auditors, EY, and was satisfied that their work during the past financial year has been carried out professionally, efficiently, and in accordance with applicable auditing standards.

Accordingly, the Board recommended that EY be reappointed as auditors of the Society to hold office until the conclusion of the next Annual General Meeting.

The Chair moved the appointment of the Auditors; this was seconded by Mark Holmes. No questions were raised, and the motion was put to the vote and supported unanimously.

Motion 5: EY (Ernst & Young) were appointed as Auditors for the Society and that Directors are authorised to set the Auditors remuneration.

6.0 BOARD REMUNERATION

Given that the Chair was conflicted as a Director of the Society, the CEO was asked to speak to the Director remuneration resolution. The background information was made available to all Members in advance of the AGM.

The CEO noted that the UniMed Board had reviewed Director remuneration as part of their annual cycle. Director fees have not increased since July 2022 despite significant organisational growth, increasing regulatory complexity, and heightened governance responsibilities. To ensure transparency, the Board commissioned an independent review by Strategic Pay, which confirmed that UniMed's Director fees are materially below market levels for organisations of similar size, scale, and regulatory intensity. The review also highlighted the impact of the 2024 Accuro portfolio transfer, which elevated UniMed to the third-largest health insurer in New Zealand without a corresponding adjustment in governance resourcing or remuneration.

Strategic Pay advised that a substantial uplift would be required to reach the lower end of market benchmarks, reflecting UniMed's increased turnover, membership, staffing, and compliance obligations. Taking into account the current economic environment and recent premium pressures on members, the Board proposed a phased approach to addressing the remuneration gap. The recommended fees increase the base director, Chair, Deputy Chair, and committee chair rates to partially realign with market, ensuring UniMed can continue to attract and retain Directors with the expertise required to govern in a highly regulated and increasingly complex health insurance landscape.

Recognising the importance of keeping remuneration in line with market, the Board intended to conduct formal remuneration reviews at least every two years, consistent with Strategic Pay's advice, to maintain alignment with market movements and avoid large corrective increases in future.

The CEO proposed increasing the Board Remuneration pool to $465,000, with Craig Beecroft seconding the motion, and then invited any further questions.

Member, John Seed, submitted feedback acknowledging the inherent conflict for any board when addressing Director remuneration but emphasised that delaying adjustments has a measurable financial impact and makes it increasingly difficult to remain aligned with fair market rates. While members are experiencing significant premium increases driven by medical inflation, these cost pressures are sector-wide and largely outside the control of UniMed or its Board.

The Member expressed concern that a slow, stepped approach to fee increases will not enable UniMed to reach an appropriate and fair remuneration level, noting that paying Directors below market is inconsistent with the organisation's roots in the union movement. Ensuring fair and competitive payment is seen as essential for retaining and attracting capable Directors who can provide strong governance during a period of substantial sector and organisational challenge.

The Member recommended that the Board bring a proposal to a future General Meeting to address the remuneration discrepancy more quickly. He also proposed the adoption of a Board Remuneration Policy that outlines an independent methodology for determining fees and provides for annual or biennial adjustments aligned to market trends, ensuring future governance compensation remains equitable and sustainable.

The Chair thanked the Member for their feedback and that it will be provided to the Board People & Culture Committee to help inform policy going forward. In the meantime however, the Board supports a more conservative approach for this year.

The Board remuneration resolution was put to the vote and supported unanimously.

Motion 6: ***In accordance with the Rules of the Society, the remuneration payable to the members of the Board of Directors for the financial year ending June 2026 was approved and fixed at an aggregate amount of $465,000 per annum, such remuneration to be apportioned amongst Directors in such a manner as the Board may determine.***

7.0 DIRECTOR ELECTION

The Chair spoke to the Director Election and noted that under the current Society Rules, the Board may comprise up to five elected Directors. During the year Director Chris Flatt reached the end of his term. Nominations were sought in accordance with the Rules, and only one nomination was received – this being for Chris Flatt, whose nomination met all requirements.

The Board has assessed Chris as fit and proper under its policy, and as no other nominations were submitted, the Rules specify that no election or ballot is required at the AGM. The Board supported Chris Flatt's re-election and recommended the resolution to members.

The Chair moved the re-election of Chris Flatt as Director this was seconded by Mark Holmes. No questions were raised, and the motion was put to the vote and supported unanimously.

Motion 7: ***Chris Flatt was re-elected as a Director of the Society to hold office in accordance with the Rules of the Society.***

8.0 OTHER BUSINESS – RULES REVIEW

The Chair noted that UniMed is in the process of reviewing the Rules of the Society and took the opportunity to provide an update on the process.

The Rules of the Society are an important document and guide how the Society operates and is governed. The last major review was in 2012, since then the environment for those operating in the health insurance sector has changed significantly, including major changes in the regulatory environment, including a thematic review of Insurance governance by the Reserve Bank of New Zealand (RBNZ) and the Financial Markets Authority (FMA) in 2022, which included several recommendations requiring UniMed to review and update the Rules.

As a result, the Board alongside our Solicitors, Simpson Grierson, have completed a comprehensive review of the Rules to ensure that they:

1) Are compliant with all relevant legal and regulatory obligations – both existing and coming in the near term.
2) Are reflective of best practice governance guidance and practice outlined in the RBNZ's and FMA's Governance Thematic Review.
3) Balance the historic Kaupapa of UniMed as a membership organisation with the need to implement UniMed's current and long-term strategy, and act in accordance with all its financial services licensing requirements
4) Are fit for purpose, and suitable in the context of the present-day operating and regulatory environment.
5) Are easily understandable and use plain English

A Board working group was established and a first draft of the proposed Rules now completed. In accordance with Society Rules, the adoption of these proposed changes requires a 67% majority vote. Members will be communicated to in January 2026 as part of a consultation process. A Special General Meeting (SGM) is then planned for March 2026, where a vote will take place on these changes.

The Chair invited Members to raise any questions or other general business matters.

Member, Mark Holmes proposed a vote of thanks to the UniMed Chair, Board and hardworking team at UniMed for the ongoing commitment to the working people of our country, which is seen every day as a dairy worker. Mark acknowledged that UniMed have come through a couple of hard years, but it is very much appreciated.

The Chair thanked Mark for his kind words.

7.0 CLOSE

The Chair thanked everyone for their attendance and invited the members and guests who attended in person, to stay for refreshments.

The Meeting closed at 6.50pm.

Chair's Signature: _____

Date Confirmed: _____