

Overview of the Health Society

Southern Cross Medical Care Society (Health Society) is a not-for-profit Friendly Society constituted under the Friendly Societies and Credit Unions Act 1982 (Friendly Societies Act). Our core business is providing health insurance for our members, and through subsidiary entities, providing life insurance, travel insurance and pet insurance to New Zealanders.

The Health Society is also part of the Southern Cross Group, which is a group of independent health and insurance-related businesses that share a common brand, a not-for-profit ethos, and a goal of achieving better value healthcare for New Zealanders.

The Board of Directors (Board) of the Health Society has established a framework of policies, practices, and processes as part of its governance framework that are intended to ensure that the Health Society implements appropriate standards of corporate governance. The Board sets the strategic direction and objectives for the Health Society,

identifies and manages risks, and strives to continuously improve performance, always seeking to operate in the best interests of members.

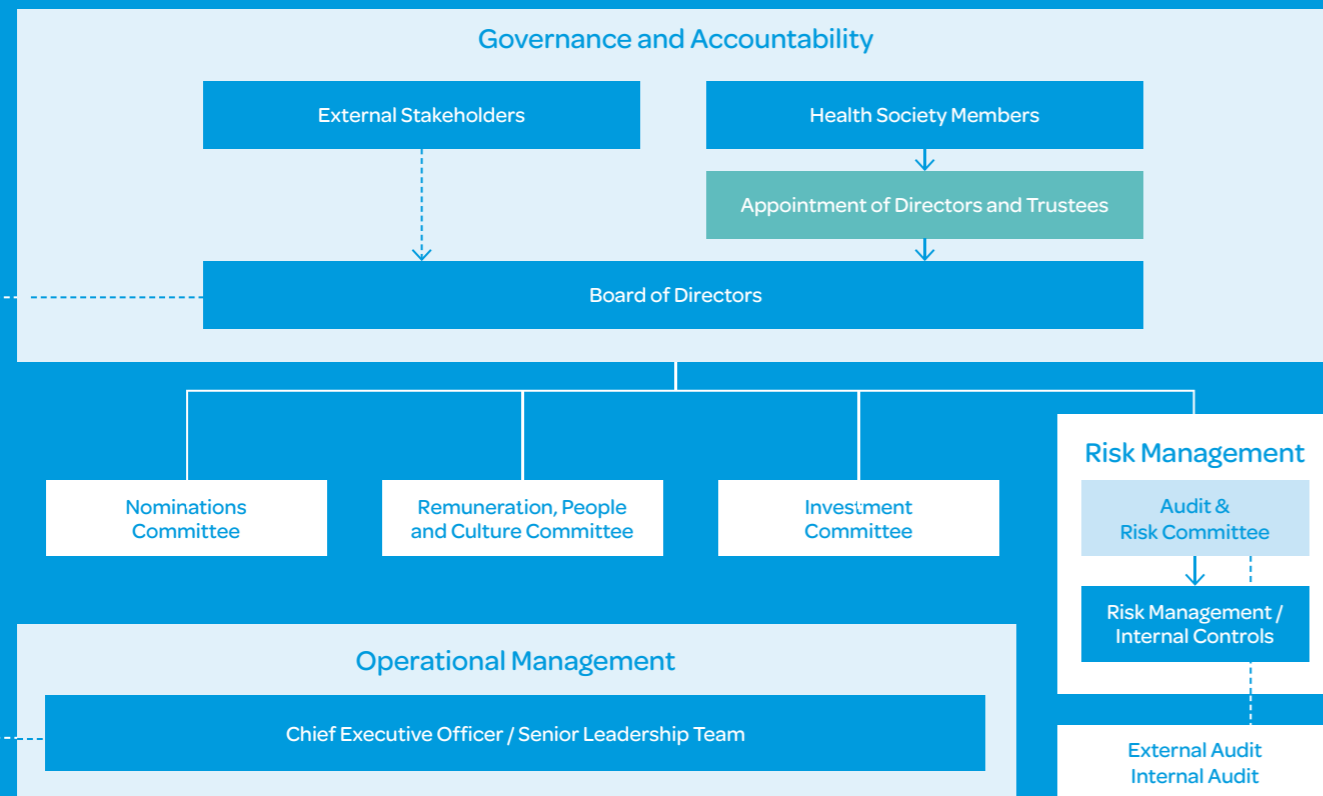
Corporate Governance

The Board has adopted a corporate governance framework that is appropriate for the size and nature of the Health Society's operations. The Board reviews and assesses governance structures and processes to ensure they remain appropriate and effective.

The Board endorses the corporate governance principles embodied in the Financial Markets Authority – Corporate Governance in New Zealand Principles and Guidelines 2018 (FMA Guidelines) (as well as the Reserve Bank of New Zealand's 2011 Governance Guidelines for Licensed Insurers) and believes its corporate governance principles, policies and practices are consistent with the FMA Guidelines.¹

The purpose of this document is to provide an overview of the corporate governance framework of the Health Society, using the eight principles of the FMA Guidelines. This summary is valid as at 15 September 2022.

Diagram 1 – Governance Framework



1. <https://www.fma.govt.nz/assets/Guidance/180228-Corporate-Governance-Handbook-2018.pdf>

FMA 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”.

The Health Society's reputation as one of New Zealand's long-standing, most trusted and respected member organisations and more broadly its brand, is seen as one of its most valuable assets.

Accordingly, the Board of the Health Society expects its Directors, officers, employees and contractors to maintain high standards of ethical conduct and to act legally, ethically and with integrity and in a manner that is consistent with its values and policies.

CODE OF CONDUCT

The Board sets a standard of ethical behaviour for the conduct of the Health Society's business and adopts an ethics-based and care approach to its operations and decision-making. This approach is underpinned by a number of policies, including the Board adopted Code of Conduct (Code).

Key principles of the Code are as follows:

- Comply with all relevant laws, policies and regulations – in spirit and letter
- Be familiar and act consistently with relevant organisational values
- Deal fairly, honestly and transparently with customers, suppliers, contractors, joint venture partners and each other, having due regard to each of their respective interests
- Use due care, diligence and skill and exercise professional judgement, including when exercising the controls, monitoring and approvals associated with their roles
- Understand and adhere to ethical principles and relevant standards of competence, knowledge and skill laid out in industry or profession-specific codes of conduct that may apply to them
- Recognise that every individual deserves to be treated with equal respect and that we're a welcoming, safe and inclusive workplace

- Support initiatives and make choices that are environmentally responsible and consistent with employee health and wellbeing.

WE HAVE A VALUES DRIVEN CULTURE OF CARE

<p>standing strong</p> 	<p>Take responsibility now</p> <p>Do what we say we'll do</p> <p>Be brave</p> <p>Always be authentic</p>
<p>all together</p> 	<p>Support, encourage and respect each other</p> <p>Embrace diversity and foster belonging</p> <p>Communicate openly and honestly to the right person at the right time</p> <p>Connect in a positive and inclusive way</p>
<p>with heart</p> 	<p>See the person without bias</p> <p>Take time to really understand</p> <p>Be fair and balanced</p> <p>Share our knowledge and experiences</p>
<p>vitality</p> 	<p>Give it a go</p> <p>Help each other to shine</p> <p>Bring a buzz and spark to what we do</p> <p>Have fun and celebrate success</p>
<p>be the best</p> 	<p>Strive to be our healthiest selves</p> <p>Pursue innovative ways to be the best</p> <p>Own it</p> <p>Expect high performance from ourselves</p>

The Code draws together and summarises other key Health Society policies and expectations and within the organisation, there is an ongoing programme to maintain employee awareness and understanding of these policies and standards. This includes procedures for the reporting of breaches of the Code or other policies or laws, and a commitment from the Health Society that it will support any person who reports any legal or policy breach in good faith.

CONFLICT OF INTEREST

The Health Society Board is cognisant of the risk posed by conflicts of interest, particularly given the relationship with provider entities across the Southern Cross Group (Group). Therefore, the management of perceived and actual conflicts of interest is an important part of the Health Society’s day-to-day governance practices.

The principles that govern the management of conflicts of interest are addressed in a number of the Health Society’s governance documents, including the Board Charter, Code of Ethics, and a range of internal policies. The Board has also adopted a Conflict of Duties Policy which has also been approved by the Southern Cross Health Trust, and which guides the respective governance bodies and businesses across the Group in identifying and managing conflicts of interest.

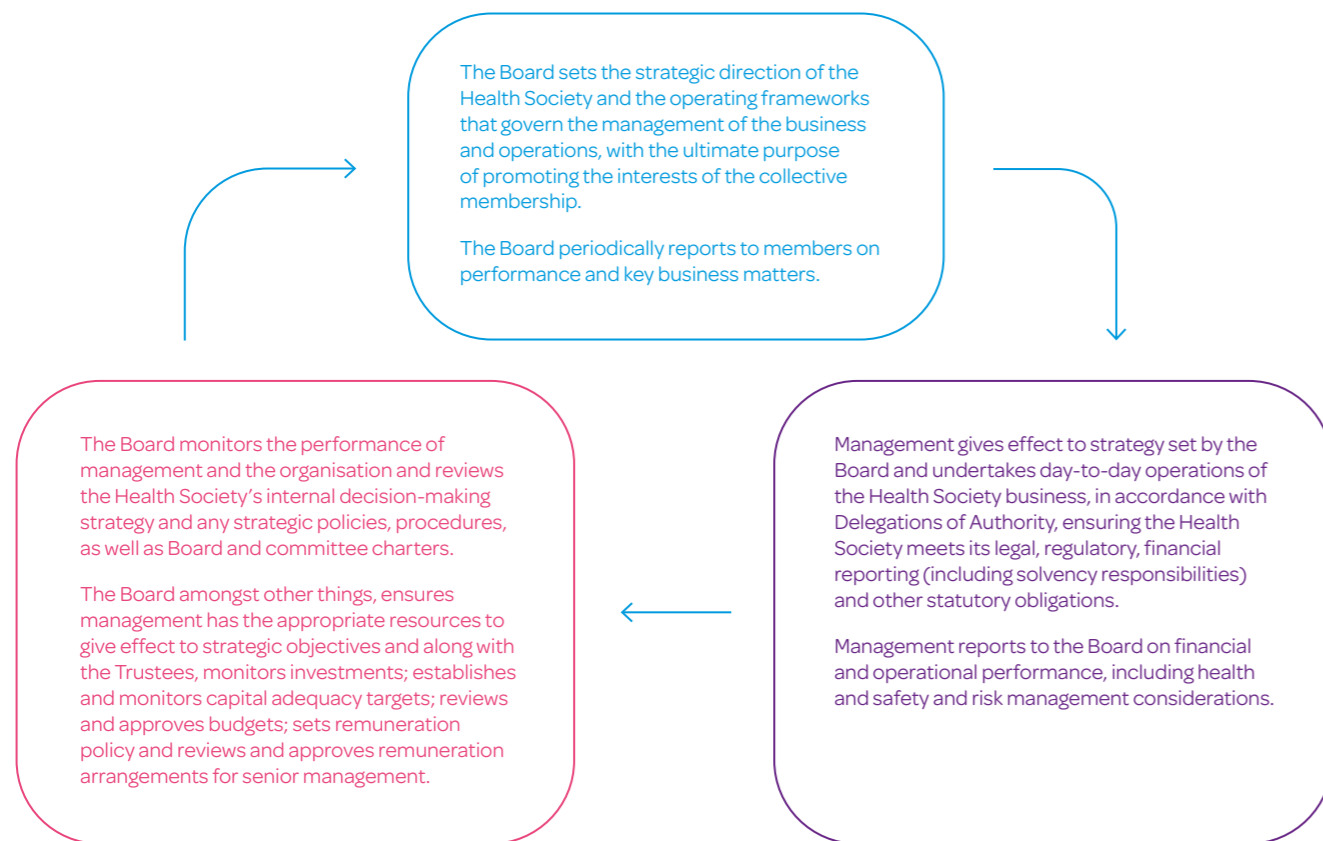
FMA PRINCIPLE 2:

Board Composition & Performance

“To ensure an effective board, there should be a balance of skills, knowledge, experience, independence and perspectives.”

The Board is responsible for overseeing the effective management and operations of the Health Society. The Board’s role is to represent the interests of members and ensure that the operations of the Health Society are managed in a way that is consistent with the achievement of the Health Society’s strategy and business objectives, within a framework of regulatory and ethical compliance.

Diagram 2 – Board and Management Roles and Responsibilities



The Board’s roles and responsibilities are formalised in a Board Charter, which is available on the Health Society website. The Board Charter outlines the functions that are reserved for the Board and those that are formally delegated to the Chief Executive Officer and the senior leadership team. Directors review the Board Charter, to ensure it remains consistent with the Board’s objectives and responsibilities and sets an appropriate balance between the governance matters for which the Board retains responsibility and those operational matters which have been delegated to management.

The relationship between the Board and management is a closely aligned one, with regular communication and interaction. A summary of the principal responsibilities of the Board and management and how they interact is set out in Diagram 2.

COMPOSITION OF THE BOARD – DIRECTORS

The Health Society Rules (Rules) require the Board to have no less than six Directors and that the majority of the Directors must be persons who are:

- Not registered medical practitioners; and
- Ordinarily resident in New Zealand.

To be eligible to be appointed or hold office as a Director of the Health Society, a person must meet and continue to meet the requirements of the Fit and Proper Standard (i.e., the standard issued by the Reserve Bank of New Zealand under section 36 of the Insurance (Prudential Supervision) Act 2010), the Rules and any other applicable law, and must not otherwise be disqualified.

TRUSTEES

The Rules require the Board to have three Trustees.

Each Trustee must also hold office as a Director of the Health Society.

The Trustees have certain statutory obligations under the Friendly Societies Act, which includes the requirement that all property belonging to the Health Society vests in the Trustees for the use and benefit of the Health Society. The Trustees can exercise powers of investment but must in doing so observe certain obligations around investment, as set out in the Friendly Societies Act and the Rules.

APPOINTMENT OF DIRECTORS AND TRUSTEES

At each Annual General Meeting, one Trustee and two Directors will retire, and these will be the Trustee and Directors who have been longest in office since their last appointment. A retiring Trustee and/or Director is eligible for reappointment, provided they continue to meet the eligibility requirements.

The Board may appoint Directors to fill a casual vacancy, but where a Director is appointed to fill a casual vacancy, that Director is required to retire and stand for election at the first Annual General Meeting after their appointment.

Potential candidates for appointment as a Director are nominated by the Board or a member, with the support of two qualified members of the Health Society and are subsequently voted on by the members of the Health Society.

To be eligible for election to the Board, candidates must demonstrate the appropriate qualities and experience for the role of Director and will be assessed on a range of factors, including business acumen, financial products and governance experience. Other relevant factors may include background, qualifications, and professional expertise, and these will be considered against the Board’s assessment of its needs at the time and having regard to the strategy of the Health Society.

Before nominating a new Director, the Board undertakes appropriate pre-appointment checks, including background checks on education, employment experience, criminal history, and bankruptcy and also assesses whether the individual meets the requirements of the Fit and Proper Standard and/or the Health Society’s Fit and Proper Policy, approved by the Board from time to time.

DIRECTOR INDUCTION

All new Directors are appointed by way of a formal letter of appointment setting out the key terms and conditions of their appointment, including expected time commitment, remuneration entitlements and indemnity and insurance arrangements. New Directors are provided with an induction pack containing key governance information, policies, and relevant information necessary to prepare new Directors for their role. New Directors also meet each of the key members of the senior leadership team as part of an induction programme, designed to provide new Directors with an overview of the Health Society, its strategy and operations, and the sector in which it operates.

INDEMNITY AND INSURANCE

In accordance with the Rules, and to the extent permitted by law, the Health Society indemnifies and arranges insurance for all current and former Directors and Trustees and key members of management. To the extent permitted by law, the indemnity and insurance protects the Directors Trustees and executive officers against costs and liabilities incurred as they undertake their required roles and obligations.

DIRECTOR INDEPENDENCE

At any one time, at least a majority of the Board is considered 'independent' under the FMA Guidelines. In summary this means that they are not recent former executives of the Health Society and are free of any direct or indirect interests or relationships that could reasonably interfere, or reasonably be seen to interfere in a material way, with the independent exercise of their judgement on issues before the Board and to act in the best interests of the Health Society and represent the interests of members generally.

In considering whether a Director is independent, the Board has regard to the factors that may impact Director independence (if applicable) and considers all the circumstances, including the history of the relationship between the Director and the Health Society, and tenure. Directors must immediately disclose to the Board and Company Secretary a change in the status of a Director's independence.

The roles of Chairperson and Chief Executive Officer are exercised by different individuals. The Chairperson is appointed by the Board from amongst the independent Directors.

DIRECTORS' SKILLS AND EXPERIENCE

The Board regularly reviews its skills and experience against the Board's requirements, having regard to the Health Society's business and its current strategic requirements. The Board is conscious to ensure that it collectively has an appropriate mix of skills, knowledge, experience, and diversity to enable the Board to meet its responsibilities and to bring different perspectives to Board discussions. A balance is sought between Directors with experience and knowledge of the insurance and health sector, the history and operations of the Health Society, and new Directors who bring fresh thinking, perspectives, skills and experience. The current mix of skills and experience is considered appropriate for the responsibilities and requirements of governing the Health Society. Refer to individual Director profiles on the Health Society website.

PROFESSIONAL DEVELOPMENT

The Board conducts continuing professional development for Directors, which includes briefings from the senior leadership team, related sector experts and other third parties. This is intended to enable Directors to maintain the knowledge and skill set required for the office of a Director of the Health Society, particularly focused on knowledge specific to the health and insurance industry, macroeconomic factors, and new regulatory and governance practices, all of which may impact on the Health Society's operations. All Directors undertake appropriate training to remain current on how to best perform their duties as Directors.

BOARD REVIEW

Directors carry out regular performance reviews, which can be either an internal review or engaging an independent third-party external reviewer, to assess its performance and its engagement with the senior leadership team. The Board's objective with performance reviews is to enhance Board effectiveness by strengthening governance and leadership and ensuring these are aligned with achieving the Health Society's purpose and strategy in a sustainable way, that is in the best interests of members.

DIVERSITY AND INCLUSION

The Health Society Board understands that different perspectives contribute to a more successful business and recognises the value in diversity of thinking and skills. The Health Society is committed to promoting diversity on its Board by attracting, developing, and retaining high calibre Directors from a diverse pool of individuals and skill sets. The Board also monitors diversity and inclusion practices within the Health Society and across its people.

The Health Society is committed to an inclusive workplace that embraces and promotes diversity through initiatives that focus on equal opportunity. The Health Society considers that diversity encompasses differences that relate to gender, marital status, religious belief, colour, race, ethnicity or national origin, disability, age, political opinion, employment status, family status or sexual orientation. It recognises the importance of fostering a diverse workforce to drive sustainable operational success and creating a high performing culture.

When it comes to diversity, representation and inclusion, Society has had a Diversity and Inclusion (D&I) strategy in place for five years, powered by a D&I Forum of 43 members and has had the Rainbow Tick for five years. The forum's vision is to create an accountable and inclusive workplace where everyone belongs. The Forum continues to develop its inclusivity commitments, including a focus on te ao Māori through on-site language classes, tikanga Māori resources for meetings, and cultural competency training. Part of how diversity, equity, and inclusion metrics is embedded is by using engagement surveys, additional employee information fields, and regular gatherings; allowing Society to better understand how it is tracking and serving our community at work.

The various policies and practices within the Health Society address the practical aspects of achieving a diverse and inclusive workplace.

The gender composition of the Board and the senior leadership team for the most recent financial year, is as follows:

	Board as at 30 June 2022	Senior Leadership Team as at 30 June 2022
Male	5 (71%)	3 (38%)
Female	2 (29%)	5 (62%)

FMA PRINCIPLE 3:

Board Committees

"The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility"

Committees play an important role in the Health Society's governance framework, allowing a subgroup of the Board to focus on a particular area of importance, while still ensuring the Board as a whole is responsible for decision-making.

The Board has four standing committees in operation, which are: the Audit and Risk Committee; the Remuneration, People and Culture Committee; the Investment Committee; and a Nominations Committee. All committees operate under a written charter. The Board may also establish special committees, as required, to deal with specific matters or projects.

BOARD AND COMMITTEE MEETINGS

The Board schedules a minimum of 7 meetings per year, at which Directors receive written reports and presentations from the Chief Executive Officer and senior leadership team providing an overview of operations and financial results for the period in review, matters for Board approval, and an outline of key health, safety and sustainability matters and, as appropriate, risk and governance reports. The Board regularly considers performance against strategy, sets strategic plans, and approves initiatives to meet the Health Society's strategic principles.

Directors also attend briefings with members of the senior leadership team on an ad hoc basis and other meetings in connection with their role as a Director of the Health Society. These comprise an important element of the Health Society's Director responsibilities. In addition, the Board held a number of strategy meetings during FY22, to review and reassess the Health Society's strategic priorities.

FMA PRINCIPLE 4:

Reporting and Disclosure

"The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

The Board is committed to the promotion of member confidence through timely, balanced, accurate and meaningful reporting of financial and non-financial information. The integrity of the Health Society's financial and non-financial reporting is supported through a number of mechanisms, including:

- Financial Reporting**

The Health Society's Audit and Risk Committee assists the Board in providing oversight of all matters relating to financial management (including solvency), risk management and controls, financial accounting and the audit and external reporting requirements related to the Health Society and its subsidiaries.
- Non-Financial Reporting**

The Audit and Risk Committee and the Board establish processes to identify and consider the material business risks faced by the Health Society, and regularly receive risk management reports and review / key risks to the organisation and the controls implemented to manage exposure to these risks. All identified risks have specific mitigation strategies where appropriate, and management regularly reviews the effectiveness of these strategies.
- Social Responsibility**

The Health Society is proud to be part of the broader Southern Cross Group, which is made up of various legal entities, united by a common brand, and a not-for-profit ethos. The Group's annual Community Impact Report highlights all of the good the Group undertakes to contribute to the communities each of the entities interface with and how the Southern Cross Group adds value to New Zealanders. To see the latest Community Impact report, visit <https://www.southerncross.co.nz/group/in-the-community/community-impact-report>. Although our Community Impact Report reflects on just one of the pillars of Environmental Sustainability, Social Responsibility and Corporate Governance (ESG), all of these are a key consideration in the operation and governance of our business.

- Environmental Sustainability, Social Responsibility and Corporate Governance**

The Health Society has begun to formalise an ESG strategic plan and has engaged Toitū Envirocare to support with progress on environmental sustainability factors. Several workstreams have been established to support understanding of ways to measure and reduce carbon emissions. This includes consideration of a range of operational dimensions including travel, waste and consumables, electricity and postage. During FY22 work will continue to develop a comprehensive understanding of the risks posed to the Health Society's operations through climate change and non-financial risks associated with ESG.

This year Society was ranked by S&P Global* as one of the best insurers in the Asia Pacific region when it comes to its ESG credit rating analysis. The report highlighted the Health Society's not-for-profit status, contribution to making healthcare more affordable and accessible, and high health insurance industry pay-out ratio as positive factors. Society is a Toitū 'carbonreduce' certified organisation in line with ISO 14064-1 and has set a target to reduce carbon emissions by 30 per cent by 2026 (against 2019 as the baseline) and have a programme of initiatives in place aimed at achieving this target.

- Corporate Governance Disclosures and Website**

The Health Society is committed to ensuring that members and stakeholders are informed as to its key governance policies and charters, and accordingly, key documents are available on the Health Society's website.

FMA PRINCIPLE 5:

Remuneration

“The remuneration of directors and executives should be transparent, fair and reasonable.”

DIRECTORS' REMUNERATION

Directors are remunerated in the form of Directors' fees as approved by members, with a higher level of remuneration for the Chairperson of the Board and an additional amount for the respective Chairs and members of the Board committees to reflect the additional time and responsibilities that these positions require.

No Director of the Health Society is entitled to any remuneration other than by way of Directors' fees and the reasonable reimbursement of travel, accommodation and other expenses incurred in the course of performing duties or exercising their role as a Director.

The Board is collectively responsible for recommending Director remuneration packages to members. The Board intends to review Director remuneration every two years in accordance with its Director Remuneration Policy. This has the benefit of ensuring that the Health Society can attract and retain Directors of the calibre and skill set required, of comparable entities to the Health Society. The Board engages independent third-party expert advisers to assist with the review process. The outcome of the review is then presented to members for approval. The Health Society remains committed to the principle that remuneration is set and managed in a manner which is fair, transparent, and reasonable. Director remuneration for those Directors who held office in the year to 30 June 2022 is set out in Note 18 of the Consolidated Financial Statements for the Southern Cross Medical Care Society Group for the year ended 30 June 2022 (FY22 Financial Statements). These fees are consistent with those approved by members at the Annual General Meeting of the Health Society in 2017.

CHIEF EXECUTIVE'S REMUNERATION

The Health Society Board is committed to a fair and reasonable remuneration framework for the Chief Executive Officer. The Health Society's remuneration policy for its senior executives (including the Chief Executive Officer) provides the opportunity, where individual and Health Society performance merits, for total remuneration around market median for equivalent market-matched roles. In determining the Chief Executive Officer's total remuneration, external benchmarking is undertaken by locally recognised and based remuneration organisations to ensure job size, comparability and competitiveness, along with consideration of the individual's performance, skills, expertise and experience.

The Remuneration, People and Culture Committee has oversight of the annual performance review process and makes recommendations to the Board. Performance evaluations of the Chief Executive Officer are undertaken each year.

Total Chief Executive Officer remuneration is currently made up of three components: fixed remuneration, short-term performance incentive and long-term performance incentive:

- Fixed Remuneration consists of base salary and benefits and is targeted to be around market median.
- Short-Term Performance Incentive (STI), which is a pay for performance component designed to motivate and reward performance in a single financial year and is aligned to meet total median market expectations for the role. The target value of an STI is set as a fixed dollar amount and the key performance indicators (KPI) to achieve the STI are set annually. On appraisal at the end of each year, the Chief Executive Officer may be awarded an STI payment based on their actual performance against the KPI targets set. The Board has full discretion over the continuity or payment of an STI in any performance year.
- Long-Term Incentive (LTI), similar to the STI, which is also a performance-based incentive, but designed to motivate and reward performance against a set of longer term and strategic performance outcomes and are aligned to meet total reward expectations for the role when compared to the market. The target value of an LTI is set as a percentage of the Chief Executive Officer's base salary in the year the LTI is established. Typically, the LTI will run for a period of three years, with payment being made at the end of the period after assessment by the Board. The Board has full discretion over the continuity or payment of an LTI.

EXECUTIVE REMUNERATION APPROACH – GENERAL

The Health Society is committed to a fair and reasonable remuneration framework for its senior leadership team. The Health Society's remuneration policy for its senior executives provides the opportunity for them to be paid, where individual and Health Society performance merits, total remuneration benchmarked to market median for equivalent market-matched roles. In determining an executive's total remuneration, external benchmarking is undertaken by locally recognised and based remuneration advisors to ensure comparability and competitiveness, along with consideration of the individual's performance, skills, expertise and experience.

The Remuneration, People and Culture Committee has oversight of the annual performance review programmes for the senior leadership team. Performance evaluations of each member of the senior leadership team are undertaken each year.

Total executive remuneration is currently made up of two components: fixed remuneration and short-term performance incentives:

- Fixed Remuneration consists of base salary and benefits and targeted to be around market median.
- Short-term performance incentive (STI) is a pay for performance component designed to motivate and reward performance in a single financial year and is aligned to meet total median market expectations for the role. The target value of an STI is set annually as a percentage of the executive's fixed base remuneration. The performance measures to achieve the STI are then set. On appraisal at the end of each year, an executive will be awarded an STI payment based on their actual performance against the KPI targets set. The Board has full discretion over the continuity or payment of an STI in any performance year.

FMA PRINCIPLE 6:

Risk Management

“Directors should have a sound understanding of the key risks faced by the business, and should regularly verify there are appropriate processes to identify and manage these.”

RISK MANAGEMENT PROGRAMME

The Board recognises that identification and management of risks to the Health Society’s operations is essential to the continued and long-term success of the Health Society and its ability to meet the expectations of members and its core purpose. The Board is responsible for overseeing and approving the Health Society’s risk management strategy and policies, as well as ensuring effective audit, risk management and compliance systems are in place.

The Audit and Risk Committee assists the Board in fulfilling its risk assurance and audit responsibilities and the Board then delegates the implementation of a Board approved risk management programme to management. The Health Society has established a risk management programme, documented in the risk appetite statement and risk management framework and supported by a set of risk-based policies appropriate for the Health Society and its operations, including a Capital Management Policy and financial Delegations of Authority. The principal purpose of this programme is to integrate risk management into the Health Society’s operations, and to formalise risk management as part of the Health Society’s internal control and corporate governance arrangements. As part of the risk management framework, management maintains a comprehensive risk register for the Health Society, recording the key risks to its operations, and assigning each risk a rating based on the likelihood and impact of the risk, both before and after application of controls. The risk register is reviewed regularly, and the high and critical risks are reported to the Board in addition to any risk that moves beyond the set Board appetite, as well as any new risks.

In addition to standard reporting, the Audit and Risk Committee receives deep dives on key risks periodically throughout the calendar year.

MANAGEMENT OF HEALTH AND SAFETY RISK

The Health Society’s health and safety framework reflects its commitment to health and safety. The Board acknowledges that effective governance of health and safety is essential for its continued success and ensuring the health, safety and wellbeing of its people.

In addition to managing health and safety risk, the Health Society is committed to enabling its people to strive to be their healthiest selves (which is articulated in the values noted above). This translates into a number of initiatives, from employee assistance programmes, annual flu vaccinations, regular wellbeing and employment engagement surveys, to a wellbeing programme known as Switch2well, which incentivises employees to support their health and wellbeing on all levels.

FMA PRINCIPLE 7:

Auditors

“Boards should ensure the quality and independence of the external audit process.”

EXTERNAL AUDIT

KPMG is the current auditor of the Health Society. The principles that govern the relationship between the Health Society and its external auditors are set out in the Audit and Risk Committee Charter and the External Auditor Independence Policy. This policy requires rotation of the lead audit partner at least every five years. The External Auditor Independence Policy also sets out the criteria for determining the non-audit services that may be provided by the external auditor without compromising the external auditor’s independence.

The Audit and Risk Committee monitors non-audit services provided by the external auditor and confirms whether these services prejudice the maintenance of independence of the auditor. Any non-audit services provided by the external auditor must be approved by the Chair of the Audit and Risk Committee. The purpose of the audit independence framework is to ensure that audit independence is maintained, both in fact and appearance, so that the Health Society’s external financial reporting is both reliable and credible.

The Board invites the external auditor to attend all meetings of the Audit and Risk Committee and has the opportunity to meet without any representatives of management present.

Directors are free to make direct contact with the external auditor as necessary to obtain independent advice and information. The external auditor also attends the Annual General Meeting and is available to answer questions from members in relation to the audit and the financial statements.

INTERNAL AUDIT

The Health Society currently outsources its internal audit function, which assists in the monitoring of the Health Society’s internal control systems and risk management. Internal audit operates both with and independently from management and reports its findings directly to the Audit and Risk Committee. The Audit and Risk Committee reviews the internal audit plan annually and shapes the areas of focus for the year ahead, receives regular update reports against the plan and internal audit reports are made available to the external auditor.

FMA PRINCIPLE 8:

Member relations and stakeholder interests

“The board should respect the rights of members¹, and foster constructive relationships with members and stakeholders that encourage them to engage with the entity.”

APPROACH TO MEMBER RELATIONS AND COMMUNICATIONS

The Health Society is committed to providing a high standard of communication to its members and other stakeholders and believes effective communication is achieved by providing access to accurate and complete information on an equivalence basis. The Health Society maintains an ongoing programme aimed at tailoring member communications in a way that is most useful to each member.

1. Note in the FMA guidelines, this refers to shareholders, but has been modified for the Health Society governance model and relationship with its members.

HEALTH SOCIETY WEBSITE AND MATERIAL

The Health Society’s website is used actively to disseminate information and has copies of media releases, annual reports and presentations.

ELECTRONIC COMMUNICATIONS

The Health Society seeks to continually improve its online and electronic communications and improve the functionality of its website and smart phone application. The Health Society encourages members to provide email addresses to enable the receipt of member communications by electronic means.

ANNUAL GENERAL MEETINGS

Details of the Society’s Annual General Meeting is made available at <https://www.southerncross.co.nz/group/about-southern-cross/society>

The Health Society aims to have its notice of the Annual General Meeting available on the Health Society’s website at least 20 working days prior to the meeting. The Board encourages active participation by members at the meetings and members may present questions during the meeting. Consistent with best practice, the external auditor is available to answer questions from members at the Annual General Meeting. The Annual General Meeting is held in person and on-line, with the presentation materials also available on the website.

RELATIONSHIP WITH OTHER STAKEHOLDERS

The Health Society recognises that in addition to its members, the Health Society interacts with many other stakeholders associated with its activities, including the medical industry, its affiliated providers and partners, its suppliers and creditors, local and central government, regulatory bodies and non-governmental organisations.

The Health Society has adopted and promoted a range of practices which reflect the respect it holds for its stakeholders and the value that good relationships with stakeholders deliver to the Health Society, ultimately benefiting members.