

# Avant Annual General Meeting 2019

## Call for nominations for Avant Mutual Director

### Board nominations now open

Avant Mutual is seeking nominations from eligible\* Voting Members with the appropriate skills, expertise and inter-personal competencies to stand for election to the Board of Avant Mutual Group Limited ("Avant Mutual").

Board Members will be elected by a vote of Avant's members.

**Nominations close at 5.30pm (AEST) on Monday 24 June 2019.**

### What does being an Avant Mutual Board Member entail?

The principal role of an Avant Mutual Director is to ensure Avant is acting in the best interests of its membership, whilst meeting the appropriate interests of all of its various stakeholders. There are many expectations placed on Directors of public companies including the obligations set out in the *Corporations Act*. Sanctions and penalties can be severe for breaching any of these. Additional expectations arise as a result of Avant Group operating entities which include general insurance and health insurance subsidiaries, both of which are regulated by the Australian Prudential Regulation Authority (APRA).

Being a Director of Avant Mutual involves contributing strategically to the Avant Group through the mechanism of the Board. The Avant Mutual Board appoints and oversees a management team that operates the day-to-day running of Avant. This management team includes a number of other doctors, who perform ongoing medico-legal work. Whilst medico-legal experience is helpful we would encourage doctors interested in doing more technical medico-legal opinions or other work to seek a role within Avant's business team rather than seek a role on the Board.

Subject to Article 8.4 of the constitution, Directors are elected for a four year term.

### \*Member eligibility to stand for election

To be eligible to stand for election, you must:

- Be a current Voting Member of Avant Mutual with a minimum three years consecutive tenure on the date which is 3 months before the AGM\*\*;
- Be a "Fit & Proper Person" (as defined by relevant regulatory standards);
- Consent to nomination; and
- Comply with the Election Procedures.

\*\*The AGM will be held on Thursday 21 November 2019.

### What skills are needed from Board Members?

The current Avant Mutual Board believe that Avant Mutual members who possess some or all of the following core attributes and experience would represent the ideal members to stand as candidates for the position:

1. **Previous involvement with Avant:** Through one of our committees or as an expert.
2. **Governance experience:** From sitting on other boards of similar entities.
3. **Medical indemnity experience:** Or as a medical expert or advisor.
4. **Medical leadership:** Candidates who are respected as leaders for their clinical work.
5. **Other relevant staff leadership experience:** Either in a medical or non-medical context.
6. **Strategic planning:** Experience from business enterprise or member organisation.
7. **Commercial experience:** Experience leading, owning or managing a business.
8. **Financial services or insurance experience:** Experience in general, life or health insurance.

Candidates must be currently practising and intending to remain in practice for the term of their appointment as Director.

Avant represents a broad set of members who come from diverse backgrounds. Members who broaden the diversity of Avant's Board are encouraged to participate in the Director nomination process.

Effective interpersonal skills are a pre-requisite to be most effective in working with other Board members and the management team.

### Conflicts of interest

We would discourage members who have any potential for a perceived conflict of interest from standing for election. This could include members with active claims or other matters in the public domain, until such time as these matters are finalised.

## Nomination and election process

Full details of the process can be found in the election procedures (see Avant website) however, they can be summarised as follows:

- Candidates wishing to stand for election to the Avant Mutual Board must submit a Nomination Form via the online portal by 5:30pm on Monday 24 June 2019. This includes a 300 word platform statement (which will be published to Voting Members at the time of voting) as well as providing additional information addressing each of the key criteria. Candidates will be asked to provide a copy of their CV.
- The nomination must be supported by two other Voting Members.
- All candidates must be contactable throughout July, and make themselves available between 22-26 July 2019 to interact with Avant staff and for interviews to be conducted by the Board Election Committee.
- Voting materials which are sent to all Voting Members will include the candidate's 300 word platform statement, and will identify:
  - whether a candidate is a current Director standing for re-election; and
  - whether a candidate has been recommended (see recommended and assessment process) by the current Avant Mutual Board.
- Voting Members will be able to vote online or by post.
- Voting in the Director Elections will open at 9:00am on Tuesday 22 October 2019 and will close by 5:30pm on 12 November 2019.
- The successful candidates will be announced at the Annual General Meeting on Thursday 21 November 2019.

## Geographic requirements

The geographical requirements of the Avant Mutual Constitution provide that at least one, and not more than three, Voting Member Directors be a resident in each of Victoria, New South Wales and Queensland.

## Board structure

There are nine Directors on the Board of Avant Mutual Group Limited:

- Six Voting Member Directors who are elected by the members; and
- Three Non-Member Directors appointed by the Directors.

Directors appointed to Avant Mutual Group Limited are also appointed to Avant Group Holdings Limited, the holding company of the active subsidiary entities.

## Current Board Members

Short biographies for each of the current Directors of Avant Mutual Group Limited can be found on the Avant website.

## Recommendation and assessment Process

In 2018 we introduced a recommendation and assessment process to the nomination and election process. This process was designed to support Voting Members by providing them with guidance from the existing Avant Mutual Board (excluding the Directors seeking re-election) regarding those candidates they consider best placed to perform the role of Director of Avant Mutual.

Full details of the process can be found in the election procedures (see Avant website) however, they can be summarised as follows:

- A Board Election Committee has been established to assist the Avant Mutual Board manage the process.
- The Board Election Committee will interview members standing for election.
- Using the results of the interview(s) and other information collected during the nomination process, the Board Election Committee will assess all candidates against the key criteria.
- The Board Election Committee will make recommendations to the Avant Mutual Board regarding up to five, but not less than two candidates who, of all candidates standing, they believe have the most appropriate experience and skills and/or provide additional diversity of representation to serve as Board Members of Avant Mutual.
- Based on the Board Election Committee's recommendations, the Avant Mutual Board (excluding current Directors seeking re-election) will make a determination to recommend up to five candidates who, of all candidates standing, they believe have the most appropriate experience and skills and/or provide additional diversity of representation to serve as Board Members of Avant Mutual.
- At this point, candidates will be advised as to whether they will be recommended (or not) by the Avant Mutual Board, and given the opportunity to continue or withdraw from the process.
- Recommended candidates will be marked as such on the voting materials sent out to Voting Members.

Importantly, eligible candidates who are not recommended by the Avant Mutual Board are still entitled to be included on the ballot paper, and will stand for election as non-recommended candidates.

## Time commitment

Given the complexity of the business, current Directors report that the role of a Voting Member Director requires a commitment which can be averaged out to approximately one day per week, however this is not spread evenly throughout the year.

The Avant Mutual Group Boards meet approximately six times per year, with meetings usually scheduled over a two day period. Meetings will typically be in an Australian capital city. Ad hoc meetings are held as required, and often at short notice due to the changing nature of the business.

Fees payable to Directors are set after independent benchmarking against similar Australian organisations by size and complexity. Fees will be disclosed to successful candidates following their appointment.

## Information about Avant

Avant is a mutual, member-owned organisation, run solely for the benefit of its members and is Australia's largest medical defence organisation. With an objective to be the career partner of its members, Avant provides:

- Medico-legal protection and risk management advisory services;
- Support, advice and legal representation in the event of a claim or complaint;
- Health insurance products;
- Education, research and training programs;
- Various other insurance products spanning cover of medical practices, income, life, disability and travel; and
- Advocacy and representation for members.

Avant has over 78,800 members and net assets of nearly \$1.2 billion (as at 30 June 2018). Through our licensed insurance subsidiary, Avant Insurance Limited, we offer a range of insurance products to health practitioners and students throughout Australia. Through our licensed private health insurer, The Doctors' Health Fund Pty Ltd, we provide top quality health insurance exclusively for healthcare professionals and their families.

## Avant Members' Annual Report and Financial Report

Avant's 2018 Members' Annual Report and Financial Report are available on the Avant website.

Please note: Nominees are encouraged to speak with the Chair of Avant Mutual in advance of nominating to better understand the role and expectations of Member Directors. If you wish to avail yourself of this opportunity, please contact the Group Company Secretary, Mr Patrick Esplin on (02) 9260 9188 by **Friday 14 June 2019**. MJN-37 05/19 (1107-1c)