



POLICY COMMITTEE GUIDE

FOR ANZ SUPER ADVANTAGE
FEBRUARY 2020

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HOW A SUPERANNUATION FUND IS RUN

This Policy Committee (Guide) for ANZ Super Advantage is issued by the Trustee.

Superannuation Funds

A member of ANZ Super Advantage is a member of a division of the Retirement Portfolio Service ABN 61 808 189 263 RSE R1000986 (Fund).

The Trustee

A superannuation fund is run by a Trustee. The Trustee of the Fund is OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673).

The Trustee is responsible for ensuring that the Fund is run in accordance with its governing rules, which are found in the Fund's Trust Deed and in accordance with the law, particularly the Superannuation Industry (Supervision) Act (SIS Act) and Corporations Act. The Trustee owns the assets of the Fund and looks after them for the Fund's members and their dependants.

Employers (the Fund sponsors)

The employers who contribute to the Fund are the sponsors of the Fund and make contributions to the Fund on behalf of members, pursuant to an arrangement between the employer and the Trustee.

Employer's Plan

Employees are enrolled into the Fund as members and the employer contributes to the Fund on their behalf. Each employer has its own employer plan (Plan) within the Fund, comprising its employees.

The Authorised Officers

The Authorised Officers appointed by employers are the point of contact between the Trustee, the employers and the members.

Policy Committees

The Trustee needs to be aware of the concerns of the members and employers and other information arising from their participation in the Fund.

A Policy Committee is a team of people, comprising representatives from both the members and the employer of the Plan. A Policy Committee informs the Trustee about any member or employer concerns in respect of the employer's Plan. It also provides a forum for dealing with any queries regarding the investment funds and benefits of the Plan.

The SIS Act requires that the Trustee must take all reasonable steps to ensure a Policy Committee is established and maintained for employer plans with more than 49 members, or with more than four but less than 50 members, where at least five members write to the Trustee requesting a Policy Committee be formed in respect of their employer's Plan.

THE ROLE OF A POLICY COMMITTEE

The role of a Policy Committee is to keep the Trustee informed about various issues relating to the operation of the Fund (these will be detailed later in this Guide) and other matters it considers the Trustee should be made aware of.

A Policy Committee is required, as far as practicable, to meet at least once a year. A Policy Committee may have additional meetings if it has further business to consider.

Powers of the Policy Committee

The Policy Committee acts in an advisory capacity to the Trustee. The Trustee makes all the decisions regarding the operation of the Fund and is legally liable for the decisions made and is accountable to the members, the courts and the Australian Prudential Regulation Authority (APRA). The SIS Act prohibits the Trustee from being bound by any directions or instructions by a Policy Committee.

The Policy Committee, however, has a very important role in ensuring that the Trustee is provided with information, and its views will be taken into account and considered by the Trustee.

Liability of the Policy Committee

Because the Policy Committee is only an advisory body, its members are not liable for any recommendations made to the Trustee.

Functions of a Policy Committee

The functions of a Policy Committee are to assist the Trustee with the management of the fund by:

- Providing an avenue for the members to inquire about and provide their views on the investment strategy and performance of the Fund.
- Providing an avenue for the members to enquire about the Fund's operation and/or performance.
- Providing the Trustee with the views of the members of the Fund and its performance and/or raising issues on behalf of members with the Trustee or the employer.
- Providing an avenue for the trustee of the Fund to obtain the views of the members of the Fund regarding the Fund's operation or performance.
- Assisting the Trustee in dealing with complaints or enquiries about the operation or management of the Fund.

HOW A POLICY COMMITTEE IS FORMED

The Policy Committee of an employer's Plan must have equal numbers of employer and member representatives.

Number of Representatives

At least four representatives in total is recommended (two member and two employer). For larger funds, six representatives (three member and three employer) allows for the Policy Committee to conduct its meetings without all the representatives being present, provided at least two-thirds of all representatives are in attendance. The size of the Policy Committee is therefore determined by the number of representatives the employer chooses to appoint.

Employer Representatives

The employer will appoint the Employer Representatives.

Member Representatives

Generally, Member Representatives have to be elected by the members of the Plan.

Electing Member Representatives

In the majority of cases, a nomination process will be the most convenient and efficient way to elect Member Representatives. The information below outlines this process.

Frequency of election and term

A general election of Member Elected Representatives needs to be held every three years.

Representatives hold office for a period of three years, subject to earlier vacation of office, as described later in this Guide.

Retiring representatives are eligible for re-election.

A representative who fills a casual vacancy holds office until the next general election.



NOMINATION AND ELECTION PROCEDURE

Circulation of a Nomination Form

The employer will arrange for nominations to be made in respect of the Member Representatives. This is done by circulating a Nomination Form. The employer is responsible for ensuring that this form is given to each member (enclosing the Nomination Form with a member's pay slips is a good idea). A deadline date must be stated on the Nomination Form. The employer will appoint a Returning Officer. A sample Nomination Form is set out on page 4.

It is suggested that the employer include the letter to members on page 5 of this Guide and the Member Guide to Policy Committees (also included in this Kit) so they understand the functions of a Policy Committee.

Ballot

If more nominations are received than the number of vacancies, an election must be conducted by the employer using a Ballot Paper.

The Ballot Paper will list in alphabetical order the names of the people who have been nominated for election as Member Representatives. A note will be included on the Ballot Paper requesting each member to record one vote for each vacancy in the office of Member Representative. The note will specify the date by which the Ballot Paper must be returned to the Returning Officer.

The member who receives the highest number of votes will become a Member Representative. The member who receives the next highest number of votes becomes the next Member Representative, and so on until all vacancies are filled.

A sample Ballot Paper is set out on page 6.

SAMPLE NOMINATION FORM

Notice to members

Nominations are hereby called for the election of Member Representatives to the Policy Committee in respect of [name of employer plan]. A Policy Committee advises the Trustee of your superannuation fund about various matters concerning your membership of the fund.

Nominations will only be valid if the nominee is a member and the nomination is made by one member and seconded by a different member.

The member being nominated must also sign the Nomination Form.

If there are more nominations than vacant positions on the Policy Committee an election will be held.

Nomination Form

[Name of Fund (Fund)]

[Name of employer plan]

I,

of,

being a member of the Fund, hereby nominate the following member for election as a Member Representative on the Policy Committee of the above employer plan.

(Name of Member),

Signed

Dated

(Signature of Proposer)

I,

of,

being a member of the Fund hereby second the nomination of the member nominated above for election as a Member Representative on the Policy Committee of the above employer plan.

Signed

Dated

(Signature of Seconder)

Signed

Dated

(Signature of Member being nominated)

This Nomination Form must be returned to:

and received by:

SAMPLE LETTER TO MEMBERS

[date]

Private & Confidential

[member name]

[address 1]

[address 2]

[Suburb] [State] [Postcode]

Dear Member

[Fund name] – Policy Committee Notice to Members

Under current legislation, superannuation funds with more than 49 members are required to establish a Policy Committee, which applies to [name of employer plan (Plan)]. A Policy Committee is a team of people, representing both the members and the employer of the Plan.

The main purpose of the Policy Committee is to provide an avenue for:

- The members of the Plan to enquire about the investment strategy and performance of the fund
- The Trustee of the fund to get the views of our members concerning the investment strategy and performance of the fund
- The members to enquire and provide their views about the fund's operation and performance

The Policy Committee allows members to formally participate in decision-making and the ongoing administration of the Plan.

When established, the Policy Committee must be made up of equal representation of employer-nominated and member-nominated or elected members.

The first step in establishing a Policy Committee is to get nominations from Plan members for people who are willing to act as Policy Committee representatives.

Enclosed is a copy of a 'Member Guide to Policy Committees' to help you understand the duties and responsibilities of the Policy Committee.

Please complete the attached Nomination Form and return it to [Returning Officer] by [date]. There are [x] Member Representative positions available. If there are more nominations than available positions, we will hold an election, details of which will be provided at a later date.

If you have any questions, please call me on [number of employer contact].

Yours sincerely

[insert name]

SAMPLE BALLOT PAPER

[Name of Fund]

[Name of employer plan]

The following members have been nominated for election as Member Representatives on the Policy Committee of the above employer plan.

This is your chance to vote for [x] candidates you want to elect as Member Representatives.

To cast your vote, please tick the boxes next to the names of [number of Member Representatives to be elected] from the nominees listed below that you wish to represent you on the Policy Committee.

Please do not tick more than [number of Member Representatives to be elected] boxes or your vote will be invalid.

[list nominated Member Representatives]

You must write your member number (which can be found on your member statement) in the box on the back of the reply paid envelope of this Ballot Paper, otherwise the vote will not be valid.

For your vote to be valid

This ballot paper must be returned to:

and received by:

/ /

AFTER THE NOMINATION OR BALLOT

Following the nomination or ballot, the employer will arrange for a notice to be circulated, displayed or included with pay slips advising members of the names of the Member and Employer Representatives. The employer also needs to advise the Trustee of the new Member and Employer Representatives. Member and Employer Representatives should then be advised of the date, time and venue of their first meeting.

FIRST MEETING OF THE POLICY COMMITTEE

How many members of the Policy Committee must attend a meeting for there to be a quorum?

Two thirds of the members of the Policy Committee forms a quorum.

How many Policy Committee members must vote in favour of a resolution for it to be valid?

A resolution (decision) of the members of the Policy Committee is valid and binding if at least two-thirds of the total number of the members of the Policy Committee have voted in favour of it.

A written resolution signed by at least two-thirds of the Members of the Policy Committee shall have the same effect and validity as a resolution of the members of the Policy Committee passed at a meeting of the Policy Committee.

Can the Policy Committee ask a Trustee representative to attend?

Committee members may request a representative of the Trustee to attend a meeting of the Committee.

What to do before the first meeting?

A Minute Book should be purchased and prepared.

What should be done at the first meeting?

The first thing to do is decide who will be the Record Keeper (or Secretary) for the Policy Committee. This position can alternate between all members of the Committee.

It is the Record Keeper's responsibility to take the minutes of the meeting, give a copy of these minutes to all Policy Committee members and send any necessary information to the Trustee. The first thing that should be established in the minutes is the results of the election of the Policy Committee. The names of the people appointed or elected to represent the employer and the members should be noted. A sample first page of the minute book for your information follows.

Can telephone meetings be held?

The Policy Committee can agree to hold meetings by telephone or have some of its members and the Trustee's representative attend by way of telephone.

SAMPLE MINUTE BOOK ENTRY

Minutes of the Policy Committee for [insert name of employer's Plan] on [date] at [time] in the [location].

In attendance:

Member representatives

Employer representatives

The results of the recent nomination/election were confirmed. The Employer Representatives and elected Member Representatives were all in attendance.

The Record Keeper is:

--

The Trustee will be provided with a copy of this minute.

The next meeting will be held on [date].

/ /

The meeting closed at [time] am/pm.

--

X

Signature of Record Keeper



MEETINGS OF THE POLICY COMMITTEE

When the meetings should be held

Meetings should be held at least once a year. A good time to hold the Policy Committee's annual meeting would be between one to four months after the dispatch of member's Annual Statements. This would enable the Policy Committee to consider and raise with the Trustee any issues arising from these member statements.

Meetings can also be held at other times throughout the year if there are matters to be discussed.

What to do before each meeting

The Record Keeper should make a time and date for the meeting and let all members of the Policy Committee know of that time and date, well in advance of the meeting. At the same time, the Record Keeper should ask the other members to nominate any issues that they may wish to discuss at the meeting. After receiving this information, the Record Keeper should write an agenda and distribute it to all Policy Committee members at least one week prior to the meeting (a sample agenda is set out on page 10).

If the attendance of a Trustee's Representative is required at the meeting, the Trustee needs to be contacted.

What to do in each meeting

If there is any documentation to be looked at during the meeting, the Record Keeper should provide copies for all of the members of the Policy Committee. The Record Keeper should make sure that all of the points on the agenda are discussed and that a record of the discussions is noted in the Minute Book.

What to do after each meeting

The Record Keeper must send a copy of the minutes to all members of the Policy Committee. A photocopy of the relevant pages in the Minute Book is acceptable.

The Record Keeper should also send a copy of the minutes to the Trustee. Any important issues concerning the Trustee should be advised at the same time.

Record Keeping

The Minute Book and any other documentation for the employer's Plan that is kept by the Policy Committee should be kept in a safe place, for example, with the Record Keeper or the Authorised Officer for the employer's Plan.

It is important that the records be kept in good order, as the Trustee may request information or seek to inspect the records at any time.

When a new Record Keeper is appointed, the previous Record Keeper should instruct this person on their responsibilities. This ensures that the records are maintained in good order.

SAMPLE AGENDA

Agenda for the Policy Committee of the [name of the employer plan]
for a meeting to be held in the [location] on [date]

1. Confirm that the minutes of previous meeting are correct

2. Review the documentation provided to members

3. Discuss the investment performance of the Fund

4. Discuss issues/concerns that have been submitted by members

5. General business

6. Discuss the date for the next meeting and close of meeting.

MORE DETAILS

Resignation of a Policy Committee Member

If a member wishes to resign from the Policy Committee they should provide their written resignation to the Record Keeper, or if there is no Record Keeper, to the Authorised Officer. An Employer Representative may be removed by the employer.

Other ways to cease being a Member Representative

A Member Representative on a Policy Committee also ceases to hold office if they:

- Leave the Fund
- Cease to be employed by the employer
- Are removed from office by a meeting or poll of the Members
- Die
- Become bankrupt or make an assignment to or composition with their creditors
- Are declared mentally ill or become liable to have their affairs dealt with under any laws relating to mental health
- Are disqualified from being a Member Representative pursuant to the provisions of an Act of Parliament.

The SIS Act provides that a Member Representative may be removed in the same way they were appointed.

What the Policy Committee needs to do if someone ceases to be a representative

The Record Keeper should call a meeting of the remaining members of the Policy Committee so that the Committee can start organising a fresh election to replace the former Member Representative. A Member or Employer Representative must be replaced within 90 days of the vacancy first occurring.

Trustee dealings with the Policy Committee

The Trustee believes Policy Committees are a valuable and positive way of obtaining member and employer views and concerns, and help to ensure the operation of the superannuation fund satisfies member and employer requirements and aspirations.

Policy Committees are expensive to establish and operate. The SIS Act and the Fund Trust Deed enable costs, incurred by the Trustee, to be charged back to the Fund and member's benefits in the Fund.

The Trustee monitors the cost of Policy Committees closely, but until further notice will only seek to recover costs in certain circumstances. Contact your Relationship Manager to find out what these circumstances are. Both Policy Committees and the Trustee must be mindful of their obligation to act in the best interest of the members and this includes the prudent management of expenses.

THE TRUSTEE

OnePath Custodians Pty Limited

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FURTHER QUERIES

For further questions on the operation of Policy Committees, please contact your Relationship Manager.

ANZ Super Advantage is a product offered by the Retirement Portfolio Service ABN 61 808 189 263 RSE R1000986 (Fund). When an employer joins ANZ Super Advantage, their employees become members of the Fund. OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238 346, RSE L0000673) is the trustee and issuer of the Fund.

OnePath Custodians is a wholly owned subsidiary of IOOF Holdings Limited (IOOF). ANZ is an alliance partner of IOOF and is an authorised deposit taking institution (Bank) under the *Banking Act 1959* (Cth). Although OnePath Custodians is the issuer of this product, it is not a Bank. Except as described in the Product Disclosure Statement (PDS), an investment in ANZ Super Advantage is not a deposit or other liability of ANZ, IOOF or any of their related group companies and none of them stands behind or guarantees the issuer or the capital or performance of your investment. Your investment is subject to investment risk, including possible repayment delays and loss of income and principal invested.

This information is current as at 1 February 2020 but is subject to change. Updated information will be available free of charge by contacting your Relationship Manager.

The information provided is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances and objectives.

You should read the PDS available at anz.com.au and consider whether the product is right for you before making a decision to continue to hold the product.