



IOOF

EMPLOYER SUPER

Policy committee guide

What is a policy committee?

A policy committee acts as a gateway between the employer plan, its members and IOOF Investment Management Limited, the Trustee for IOOF Employer Super, on how the plan is run.

Policy committees have between two to six members (although existing policy committees may have more), with an equal number of employer and member representatives. The term of office for member representatives is generally three years.

When is a policy committee necessary?

A policy committee is recommended for plans with 50 or more members.

Plans with less than 49 members do not need to form a policy committee, although one can be established where at least five members request this from the Trustee.

What are the functions of a policy committee?

- Help members understand the operation, investment strategy and performance of the plan.
- Assist the Trustee in obtaining members' views on the plan and their information needs.
- Seek assistance from the Trustee in dealing with enquiries or complaints about the plan.
- Inform the Trustee about any other issues relating to the plan.

The policy committee cannot limit the function or responsibility of the Trustee, or give directions.

Setting up a policy committee

Appointing member representatives

Your Client Relationship Manager will help set up the policy committee and to ensure the nomination process and election remains impartial.

Call for nominations of member representatives

A call for nominations is issued through the normal internal communication channels. For new plans, a call for nominations will be made as soon as practical after the employer plan is set up.

Only members of the employer plan can be nominated. A nomination form must be completed and signed by both the nominee and a supporting plan member. If the employer decides that members need more information on the nominees, they will ask the nominees to complete a candidate statement. Candidate statements are not mandatory.

Nomination forms are returned to your Client Relationship Manager. If less than the minimum number of nominations are received, nomination forms will be reissued. If more than the maximum number of nominations are received (usually more than three for new plans), an election will be held.

If no election is required, such as when the number of nominations received equals the number of vacancies, the new committee members are then announced to members of the employer plan.

Election process

If an election is held, a voting form and instructions, along with any candidate statements, are sent to the employer plan members. Employer plan members generally have one week to vote. Your Client Relationship Manager will act as the returning officer.

The nominees who receive the highest number of votes will be elected. The new committee members are then announced to members of the employer plan.

Appointing employer representatives

The employer nominates its representative(s), who do not necessarily need be members of the employer plan.

Appointing a chairperson

The policy committee appoints one of its representatives as a Chairperson. The chairperson does not have an additional casting vote.

Appointing a secretary

The policy committee appoints a secretary, which can either be one of its representative or another person.

The secretary's role is to ensure that accurate minutes of discussions and resolutions are recorded and then circulated to the policy committee for verification at the next meeting.

The committee representatives confirm that the minutes from the previous meeting is a true and accurate record. Minutes are kept in a central location for viewing when required by other members, the employer, the auditor and the Australian Prudential Regulation Authority (APRA).

Running a policy committee

Frequency of meetings

The policy committee should meet at least once a year, either remotely or in person. Your IOOF Client Relationship Manager can attend meetings but has no voting rights.

What constitutes a quorum?

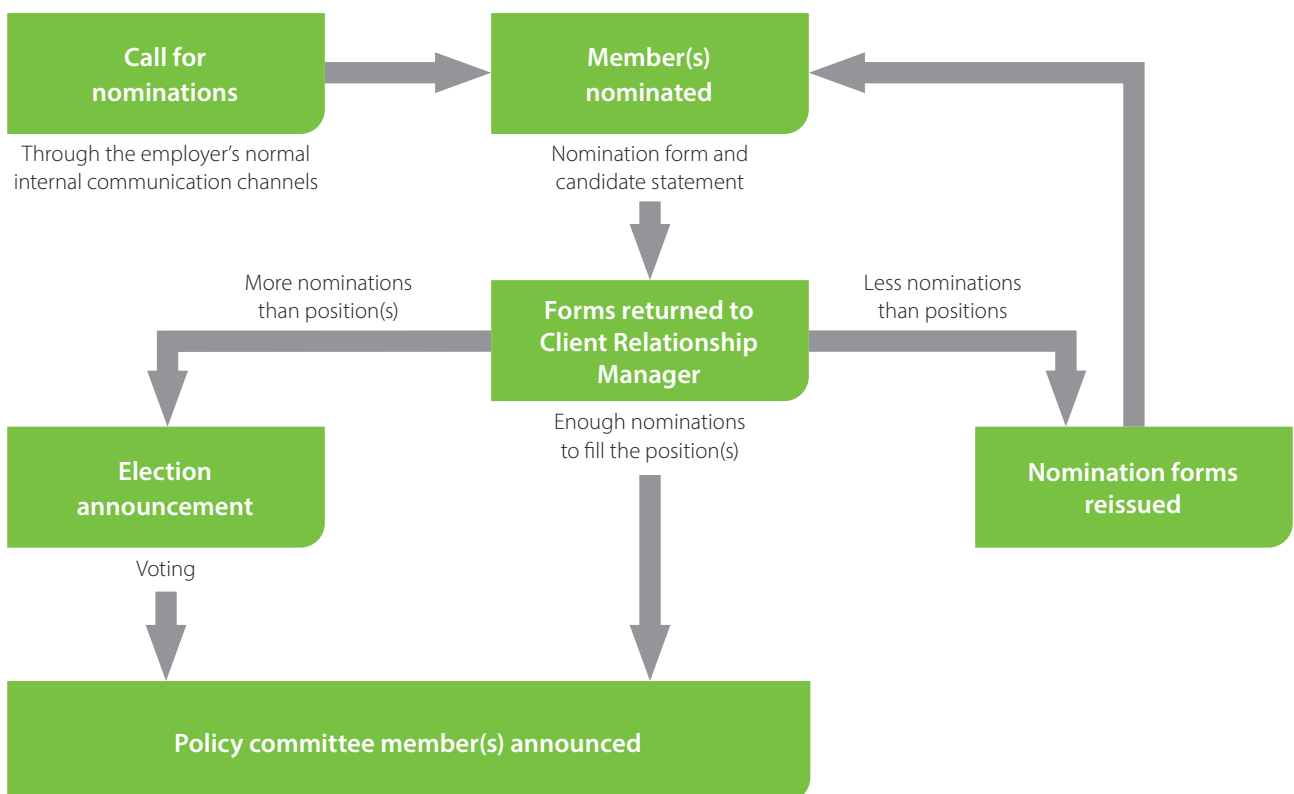
A quorum exists if one member and one employer representative is present.

Voting procedure

Any resolution made by the policy committee must be passed by a two-thirds majority. A resolution may be passed without the need for a formal meeting if it is signed by all committee representatives.

If a representative is absent from the meeting, another committee member will automatically hold their proxy, unless the chairperson is advised otherwise in writing.

Where a policy committee comprises of only two representatives and one is absent, no resolutions can be passed unless the chairperson has been advised their proxy in writing.



Disputes

If the policy committee cannot resolve a dispute, they will refer the matter to the Trustee. IOOF deals with disputes according to its internal disputes resolution procedures, as outlined in Section 101 of the Superannuation Industry (Supervision) Act 1993 (SIS).

If the Trustee is unable to resolve the matter, it will be referred to the Superannuation Complaints Tribunal.

Removing a policy committee representative

Member representatives can only be removed when their term has expired. However, representatives can be replaced if they retire, leave their employer, cease being a member of IOOF Employer Super or are disqualified or suspended.

Disqualification under SIS means a person:

- has been convicted of an offence involving dishonest conduct
- has had a SIS civil penalty order made against them or
- is an insolvent under administration.

Employer representatives can be removed at the employer's discretion.

Vacancies

If a vacancy arises it must be filled within 90 days. Vacancies may be filled by a new nomination process or by appointing the next highest unsuccessful candidate from the last election, subject to that person's continued eligibility to be a policy committee representative.

Dissolving the policy committee

The policy committee may dissolve itself after giving its representatives one month's notice. The Trustee is under no obligation to form a new policy committee unless at least five members of the employer plan make a request to the Trustee in writing.

For more information, please contact your IOOF Client Relationship Manager.