

## MINUTES OF THE ANNUAL MEMBER MEETING OF THE TAL SUPERANNUATION AND INSURANCE FUND

Held via webinar on Thursday, 20 May 2021 at 11.00am

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<b>TAL SUPERANNUATION LIMITED (TASL) DIRECTORS PRESENT:</b>	Mr Peter Lewinsky (Chair) Mr Alex Homer Mr Steve Helmich
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<b>IN ATTENDANCE:</b>	Mr Andrew Howard (TAL Chief Commercial Officer) Ms Anne Clarke (TAL Chief Legal Counsel) Mr Paul Cleary (Trustee Advocate) Ms Kirti Sivabalan (TAL Head of Legal, Group Life) Mr Ashton Jones (TAL Head of Investments, Retirement and New Propositions) Mr Zachary Roberts (TAL Senior Manager – Strategic Partnerships & Projects) Mr Shaun Bransdon (TAL Senior Product Manager) Mr Shane Bennett (TAL Change Manager) Ms Kristy Sanders (Assistant Company Secretary) Mr Thomas Mason (Associate, Mercer) Mr David Kells (Auditor, KPMG)
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<b>MEETING OPENED:</b>	The Meeting opened at 11.00am
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<b>WELCOME AND INTRODUCTIONS</b>	<p>The Chair welcomed all members and attendees to the first Annual Member Meeting of the TAL Superannuation and Insurance Fund (the Fund) and acknowledged the traditional custodians of country throughout Australia.</p> <p>The Chair introduced the TASL directors, the Trustee Advocate, the Fund Auditor and representatives of Mercer and TAL present. He provided an overview of the agenda for the Meeting and outlined the process for asking question during the course of the meeting.</p> <p>The Chair reminded members that the content of the Meeting is general information only and does not take into account individual financial circumstances and needs.</p>
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<b>CHAIRMAN'S STATEMENT</b>	<p>The Chair spoke to the role of the Trustee, provided an overview of the operations of Fund and addressed a range of issues including:</p> <ul style="list-style-type: none"><li>- an overview of TASL, the responsibilities of the Trustee and key service providers who support the Trustee;</li><li>- the challenges faced in 2020, including the impact of the COVID-19 pandemic on the operations and returns of the Fund;</li><li>- the continued focus on delivering better outcomes for members, noting the simplification of products and reduction in some fees; and</li><li>- the decision to transfer the Fund to the Mercer Superannuation Trust.</li></ul>
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<b>YEAR IN REVIEW AND FUND UPDATE</b>	<p>The Chair provided an update of funds under management, membership levels and investment returns for the reporting period.</p> <p>Mr Mason spoke to the investment highlights of the Fund including the recent recovery of the investments to 30 April 2021. It was noted that strong performance in investment markets continued post 30 September 2020, with Fund members recouping 2020 losses by the end of the calendar year. Mr Mason also noted the positive returns received by members in the five months following 30 September 2020.</p>
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The Chair spoke to the Trustee's strategic objective to exit the superannuation business in the Fund members' best interests as soon as circumstances permit, noting the transfer of the Accelerated Protection members in the Fund to the Mercer Superannuation Trust on 30 November 2020 and the proposed transfer of remaining members on 31 May 2021 (subject to members best interests and relevant legal requirements).

The Chair outlined the work done to improve member outcomes including the implementation of fee reductions, the removal of contribution and rollover fees, the ceasing of grandfathered conflicted remuneration payments (with benefits passed onto members) and the undertaking of a Business Performance Review and Member Outcomes Assessments of the Fund's products. The changes made in readiness for the upcoming transfer of the Fund to the Mercer Superannuation Trust were noted, in particular:

- the consolidation of life insurance policies;
- the removal of loyalty bonuses on certain ARC Superannuation Products; and
- the simplification of Lifetime Pension arrangements.

The Chair also highlighted some key Trustee activity undertaken in the year to date including:

- the implementation of the COVID early release initiative;
- regular checks on the financial health of the Fund including its liquidity;
- checking on the readiness of the Fund in relation to the potential for zero or negative interest rates;
- holding sessions and undertaking checks to ensure that the Fund is adequately cyber-resilient; and
- ensuring the Fund and TASL have had proper regard for climate change risk in the operations and investments of the Fund.

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## QUESTIONS

The Chair opened the Q&A session, reminding members that questions relating to personal circumstances or personal advice will not be addressed during the meeting and will be addressed separately with a representative of TAL. Members were also advised that any questions not answered today will be addressed in the minutes of the Meeting.

The Chair addressed two questions received prior to the Meeting:

***What is TASL doing to reduce member fees?***

TASL has reviewed the Fund to see what changes can be made to reduce fees for members. Often, simplifying a fund feature, for example, removing a guarantee, can save members money and that is what TASL has done. In relation to the proposed transfer of the Fund to Mercer, TASL has reviewed the fees that members will pay in the Mercer fund and is satisfied that the overall fee arrangements are better in the Mercer fund.

***What measures is TASL taking to make sure that Mercer is a good fund to transfer into?***

TASL has carried out what we call due diligence on the proposed transfer of the Fund and its members to Mercer. The due diligence process looks at a number of things including the reputation of the receiving fund, the legality of the transfer, whether members will get equivalent rights in respect of their benefits and whether the transfer is overall in their best interests.

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## CLOSING REMARKS

The Chair thanked those in attendance and noted the Meeting Minutes would be available on the TAL Website within a month of the Meeting.

The Meeting was closed at 11.25am.

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