



Member and Employer Services Committee Charter

March 2024

1. Purpose

The Member and Employer Services Committee (MESC) is a Committee of the Trustee Board and will report to the Board. The fundamental purpose of the MESC is to monitor the development and implementation of growth and retention strategies and initiatives to achieve net organic growth.

This purpose extends to continuous improvement in the administration of the fund and the products and services offered by it (other than investment services), having overall oversight of the insurance products and services delivery offered by the fund as well as the associated claims processes ensuring they are in the members' best financial interest and to enhance the experience of and outcomes for members and for contributing employers. The Committee will consider the best financial interests duty in all of its deliberations and decisions.

The MESC is responsible for oversight of:

- a. Brand and marketing strategy and execution, member, employer engagement, sponsorship and intermediary activities, strategies and campaigns to retain and grow membership and funds under management, including maximising member satisfaction with outcomes and experience
- b. The Fund's administration function, policies and services including the standards of performance of its administration provider, including monitoring of member outcomes and experience
- c. The Fund's insurance function, policies and services including the standards of performance of its insurance provider, insurance advisor and administrator in relation to insurance, including monitoring of member outcomes and experience
- d. The Fund's Insurance Management Framework, Claims Management Policy, Vulnerable Customer Policy, and any other policies or processes that relate to member insurances
- e. The processes of the Benefit Payments Committee, and its assessment of claims whether insured or not (in line with delegations)
- f. Insurance cover and claims trends, impacting on or useful in the assessment of the sustainability of the insurance offering and for improving the quality of member outcomes and experience
- g. The Fund's dispute resolution processes, policy and complaints management function
- h. The development and implementation of product strategy through new product, design changes and improvements to features and benefits
- i. The development and implementation of the digital strategy to provide members with a seamless online experience that aids satisfaction and retention
- j. The Fund's advice strategy, services and compliance
- k. Membership and other relevant trends, including voice of customer, member and employer satisfaction and other research, impacting on or useful in the assessment of the Fund's growth and sustainability and for improving the quality of member outcomes and experience
- l. The performance of providers of ancillary products, including ensuring the design of the services remains relevant, useful and accessible to members, and
- m. Identifying risk elements that may arise in relation to the above.

As part of its functions, the MESC will review engagement activities and research with members and contributing employers to understand their feedback on outcomes and reported experiences. The MESC will consider and take into account the design of insurance products and services, and desired outcomes for members with consideration of the relevant demographics of the fund and seek to ensure the best possible outcomes and experiences for cohorts on an equitable basis.

2. Membership

The Board determines the Committee's composition, which will consist of at least:

- Two Member Directors and
- Two Employer Directors.

In attendance:

- Chief Executive Officer
- Chief Growth Officer
- Chief Experience Officer
- Chief Capability Officer
- Chief Risk Officer
- Manager Operational Delivery
- Head of Insurance and Claims Experience
- Company Secretary
- Heads of the Growth and Experience Departments,
- Head of Business Intelligence and
- other staff as required.

The Committee may also be attended by representatives of:

- The administrator
- The Insurer
- The Insurance advisor
- Ancillary product providers
- The Fund's auditor of the administrator's performance
- Any other relevant service provider approved by the Chair.

A quorum is three Directors. Members of the Committee unable to attend a meeting may nominate their alternate or another Member Director or Employer Director (as the case may be) to represent them. In these circumstances, the Committee member should first advise the Chief Executive Officer and/or Company Secretary who will then advise the Chair of the Committee.

3. Committee Chair

The Chair shall be appointed by the Board from time to time. If the Chair is unable to attend a meeting the members present may appoint an acting Chair for the meeting.

4. Terms of Reference

The principal functions and program of the Committee will be to:

- a. Annually review the performance of the Fund's administrator, Fund's Insurer, and Insurance Advisor and consider any proposals for changes, improvements or additions to services. Review the appointment at least 18 months prior to the expiration of any contract and consider contract renewal or tendering strategy
- b. Monitor trends and any systemic issues in complaints related to the administration, insurance products or products and other services provided by the Fund and report to CARC as appropriate

- c. Recommend to the Board arrangements for any MESC-related tender and oversee management's conduct of the tender processes for the provision of insurance or outsourced services, including administration and insurance
- d. Oversee the development and implementation of and annually review the insurance management framework including insurance strategy, policies and processes, ensuring it remains appropriate and effective and provide recommendations to the Board
- e. Review effectiveness of key distribution and marketing activities which support acquisition/growth against annually determined KPIs, including engagement with 3rd party financial planners, sponsorships and partnerships, engagement with consultancies, ratings agencies, research houses and other influencing 3rd party organisations which act as intermediaries as well as activities which seek to acquire members directly
- f. Review the implementation and effectiveness of customer experience, engagement and retention strategies, against annually determined KPIs
- g. Review the design, implementation and effectiveness of brand management activities including brand strategy and execution
- h. Review implementation and effectiveness of digital strategies and member satisfaction with digital services. Review reports on the competitiveness of the Fund's product, features and benefits and oversee any new product initiatives or significant changes to a product, making recommendations to the Board where relevant
- i. Annually review the performance of the Fund's advice model, licensee/s and associated providers
- j. Monitor Management's assessment of the performance of providers of ancillary products and services and ensure that these add value to the Fund and its stakeholders
- k. Review reports on relevant trends, research and statistics and monitor activity and results to measure the effectiveness of the Fund's growth, retention and customer experience strategies and initiatives and assess impacts of changing demographics, legislation and other factors
- l. Consider reports from management on the exercise of management's delegated authorities and escalate to the Board any important issues arising from its consideration of those reports
- m. Monitor and review management's activities and reports related to the Fund's member, employer services, Fund's Insurance Services including the implementation and renewal of Corporate Insurance Arrangements, and escalate to the Board any important issues arising from its review
- n. Monitor management's oversight of the Fund's claims experience and performance against the insurance and administration contracts as they relate to the Fund's insurance benefit design and the payment of claims
- o. Consider quarterly claims reports, noting any significant trends in claims and claims management and make decisions on any claims referred to the MESC by the BPSC
- p. Review the MESC risk reports and consider risk factors on the radar, risk appetite, triggers and controls for matters assigned to the Committee. Conduct annual risk review for feedback to CARC and recommendation to the Board if required, and
- q. Annually, review and update relevant policies and delegations for approval by the Board where necessary.

5. Meeting Arrangements

The Committee will meet quarterly or more frequently as required. A teleconference or video-conference can also constitute a meeting. Decisions or approvals can be made via IT-approved mechanisms.

The agenda and Committee papers will be distributed to members no later than five working days before each Committee meeting, except with the agreement of the Chair.

Following the meeting, draft minutes of the meeting will be authorised by the Chair and/or Company Secretary for distribution to all Committee members. The minutes will be confirmed (or amended) at the next meeting and signed by the Chair of the Committee.

6. Powers

In the exercise of its functions the Committee will:

- a. Have the power to act in accordance with its delegated authorities
- b. Have free and unfettered access to relevant personnel and other parties, and
- c. Have the power to independently engage third-party experts at a cost not exceeding \$30,000 and receive their advice independently

7. Matters reserved for the Board

Matters reserved specifically for the Board's determination are final decisions on all tenders for material outsourced service provision (other than the appointment of the insurance advisor), the introduction of new products, decisions involving related entities, and all other matters on which the MESCC is required to make recommendations to it.

8. Review

The terms of reference and membership of the Member and Employer Services Committee will be reviewed by the Board on an annual basis.