Minutes of the Fifty-Second Annual General Meeting of NTUC Income Insurance Co-operative Limited held on Friday, 27 May 2022 at 5.30 pm. at the Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989

ATTENDANCE

Mr Ronald Ong, Chairman of the Board of Directors (in the Chair), and 314 participants comprising 8 directors, 2 delegates representing the Founder Member, 10 delegates representing the Institutional Members, and 294 Ordinary Members of the Society.

The Chairman called the meeting to order at 5.30 pm after confirming that there was sufficient quorum to conduct the business of the Annual General Meeting (AGM). Before proceeding to the agenda proper, the Chairman said a few words about Income's performance in 2021 (speech attached). He then called on the CEO, Mr Andrew Yeo, to share updates on the progress of Income's corporatisation exercise, as well as other key business developments (speech attached).

At the conclusion of the CEO's speech, the Chairman commenced the formal proceedings of the AGM. Before proceeding to the agenda, the Chairman reminded members to keep their questions relevant to the specific agenda items. Questions which were not directly related to a particular agenda item would be allowed as "Any Other Business" under agenda item 8. The Chairman also informed members that he would call for a poll on all resolutions that were tabled at the AGM. Members had been issued with voting keypads to use to cast their votes. He called on Ms Nicole Wong from Complete Corporate Services Pte Ltd, the independent polling agent, to brief members on how to cast their vote and to administer the voting for the test resolution. At the conclusion of the test voting, the Chairman proceeded with the agenda proper.

AGENDA ITEM 1

To confirm the minutes of the 51st Annual General Meeting held on 28 May 2021 and the Extraordinary General Meeting held on 18 February 2022.

1.1 Members were granted access to the minutes of the 51st Annual General Meeting held on 28 May 2021 and the Extraordinary General Meeting held on 18 February 2022 and the minutes were taken as read. The Chairman asked members if they had any questions on the minutes.

1.2 As there were no questions, the Chairman proceeded with the voting for Resolution 1 which read as follows:
RESOLVED that the minutes of the 51st Annual General Meeting held on 28 May 2021 and the Extraordinary General Meeting held on 18 February 2022 be hereby confirmed.

1.3 The voting for Resolution 1 commenced. At the end of the voting, the Chairman announced the results. Based on the votes cast, the results for Resolution 1 were:
Votes for – 99.99%
Votes against – 0.01%

The Chairman declared the resolution passed.

AGENDA ITEM 2

To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31 December 2021

2.1 Members were granted access to the Directors' Report and the Audited Accounts for the year ended 31 December 2021. The Chairman asked members if they had any questions.

2.2 Ms Isabelle Ling referred to Note 13 in page 124 of the 2021 Annual Report and a loan at 7% interest rate on a joint venture. She asked if this was a repatriation of earnings. Ms Audrey Liew, the Chief Financial Officer ("CFO"), explained that this was a loan taken by the joint venture to fund one of Income's property holdings. Ms Ling said that it is an unsecured loan to the joint venture and wanted to know if it was a repatriation of earnings.

2.3 Ms Ling next referred to Note 24 on management expenses and said that the government's Job Support Scheme grant in 2020 was $22 million versus $2.6 million in 2021. She asked if these had been incorporated in the staff costs for salaries, bonuses and staff benefits for both years. The CFO responded that the numbers in the financial statements are inclusive of the grants for the respective years.

2.4 Ms Ling referred again to Note 13 on loans and sought clarification on loans on policies. The CFO explained that these are loans allowed for certain policies where the policyholder can take a loan on the policy. Ms Ling asked if the policyholder would take the loan against the cash value of the policy which the CFO confirmed.

2.5 Ms Ling said that it was exciting to note that after the conversion from co-operative to company, the share price will be based on the NAV. She noted that the NAV can range from about $23 to more than $50. This is a huge jump from the current value of $10 per share. She asked if quarterly reports on the NAV will be published to enable the shareholders to ascertain the NAV at quarterly intervals.

2.6 Ms Ling's next comment was on Income's growth expansion into Vietnam, Malaysia and Indonesia. She said that Income will be expanding its population circle to an extra 400,000 million people and they will come with a risk. She asked about the percentage of financial resources allocated to this growth strategy compared to the current strategy which is Singapore-centric.

2.7 The CEO first addressed the question on the value of the shares. He said that shareholders will receive their shares in the new company at around the end of the first quarter of 2023. There are many ways to value the shares and what he had mentioned in his earlier speech was one method based on NAV per share. Based on the audited results for the year-ended 2021, the NAV per share is around $40. However, he stressed that the NAV fluctuates year-on-year and he had shared that it has fluctuated between $23 to $55 over the years. This depends on factors such as market movements and performance. Hence, the NAV would be different at different points in time.

2.8 On Ms Ling's question as to whether the NAV will be published every quarter, the CEO said that this will not be done. A share buyback program will be implemented to provide shareholders with an avenue to sell the shares to Income if they have a liquidity need. The mechanics of the program will be shared at a later time.

2.9 On the regionalisation effort, the CEO assured all members that Income's commitment to Singapore will never waiver. The effort to regionalise will not take our attention away from Singapore and the role that Income needs to play in Singapore. It will not take away much of the financial resources because our current strategy is to venture into the region in an asset-light manner as an insurtech. He added that Income has built certain digital capabilities over the last few years and this has been validated by the partners that we speak to as a proposition that they can take on to grow their business in their respective countries. As an insurtech, the strategy will be asset-light and not capital-heavy, and at the same time, it will allow us to venture into the region, learn about the markets and explore opportunities thereafter. It will not take away the attention or the resources to continue to run Income in Singapore.

2.10 Ms Ling asked if the approach was similar to a digibank where products are sold on a digitized platform. The CEO said that a digibank will not be the right reference. It would be more like an insurtech or fintech where we will sell our technology as a technology provider rather than as an insurer. There is a big difference between the business requirements of a technology provider and an insurer. Ms Ling understood that Income was selling the technology and not insurance amd said that since it is basically a platform, this will cut down the risk.

2.11 Referring to Ms Ling's question on the term loan to the joint venture, the CEO said that it is a loan on one of Income's investment properties. Ms Ling commented that the interest rate at 7% was high. The CFO clarified that it is a shareholder's loan that the two shareholders have provided to one of the joint ventures, Street Square, which is a property holding entity. Street Square pays 7% interest on the loan. Ms Ling asked if it is an unsecured loan to which the CFO confirmed that it is an unsecured shareholder's loan. The joint venture is owned by two shareholders and the shareholder's loan has been granted by each of the shareholders. She added that Income earns 7% interest on the loan. The Chairman said that this is a case where Income has provided a loan to the joint venture and earns 7% from the loan. Ms Ling replied that she understood this and thought it was a repatriation of earnings. The Chairman clarified that it was not and the loan is for the joint venture to invest in property.

2.12 Mr Nallakaruppan said that the move by Income to corporatise is a good move to unlock value for the shareholders and also to continue to grow Income. He asked whether Income would raise more capital after corporatising. If so, he requested for Income to be fair to all shareholders and give them an opportunity to participate in Income's growth. He also queried if there was any plan to list the corporatised entity in the future.

2.13 The Chairman replied that, when a company registered under ACRA raises new capital, it is obliged to make it available to the shareholders. On Mr Nallakaruppan's second point, he mentioned that at the current moment, there are no plans whatsoever for an IPO. It may happen in the future but based on what is known now, there are no plans.

2.14 Mr James Thian referred to Note 21 on page 142 of the 2021 Annual Report on reserves for future distribution and asked how the $118 million was derived. His second question was on Note 24 in page 145 on management expenses. He said that there was a big increase in salaries, bonus and staff benefits in 2021 versus 2020 and queried on the reason.

2.15 Addressing Mr Thian's first question on Note 21, Ms Lau Sok Hoon, the Chief Actuary, explained that when profits were made in the past for the health business, these were set aside because of concerns about potential developments in the future since it is a long-term care product and the uncertainty whether people will live longer. After the trend in the experience in the last few years, we are confident that the reserves can be released.

2.16 Referring to Mr Thian's question on the increase in staff cost in 2021 compared to 2020, the CFO explained that in 2020, the Job Support Scheme grant from the government was $20 million. As this is a government grant received and taken as an offset against staff cost, it reduced the staff cost in Year 2020. The Job Support Scheme for 2021 was much lower at $2 million hence resulting in the higher staff cost in 2021 compared to 2020.

2.17 As there were no further questions, the Chairman proceeded with the voting for Resolution 2 which read as follows:
RESOLVED that the Directors' Report and the Audited Accounts for the year ended 31 December 2021 be hereby adopted.

2.18 The voting for Resolution 2 commenced. At the end of the voting, the Chairman announced the results. Based on the votes cast, the results for Resolution 2 were:
Votes for – 99.99%
Votes against – 0.01%

The Chairman declared the resolution passed.

AGENDA ITEM 3

To consider the Actuary's Report and to endorse the proposals of the Board of Directors for the allocation of surplus

3.1 Members were granted access to the Appointed Actuary's Report in the 2021 Annual Report The Chairman asked members if they had any questions.

3.2 As there were no questions, the Chairman proceeded with the voting for Resolution 3 which read as follows:
RESOLVED that the proposals of the Board of Directors for the allocation of the surplus be hereby endorsed

3.3 The voting for Resolution 3 commenced. At the end of the voting, the Chairman announced the results. Based on the votes cast, the results for Resolution 3 were:
Votes for – 99.93%
Votes against – 0.07%

The Chairman declared the resolution passed.

AGENDA ITEM 4

To elect members of the Board of Directors

4.1 The first resolution, Resolution 4A, was on the Chairman's re-election to the Board. The Chairman handed the proceedings to the lead independent director, Ms Joy Tan. Ms Tan informed members that Mr Ronald Ong was co-opted to the Board in August 2018 as director representing the Founder Member and appointed as the Chairman of the Board effective 1 January 2019. He was formally elected to the Board in May 2019 and was completing his first three-year term at the AGM. The Founder Member's nomination to re-elect Mr Ong was duly reviewed and endorsed by the Nominating and Human Resource & Remuneration Committee and approved by the Board.

4.2 Ms Tan read out Resolution 4A as follows:
RESOLVED that Mr Ronald Ong be re-elected as a member of the Board of Directors for a further term of three years

4.3 The voting for Resolution 4A commenced. At the end of the voting, Ms Tan announced the results. Based on the votes cast, the results for Resolution 4A were:
Votes for – 99.93%
Votes against – 0.07%

Ms Tan declared the resolution passed and handed the proceedings back to the

Chairman.

4.4 The Chairman proceeded to Resolution 4B on the re-election of Ms Neo Chin. Ms Neo was co-opted to the Board in April 2019 and formally elected as Director representing the Founder Member in May 2019. She was completing her first term of three years. Ms Neo is the Chairperson of the Investment Committee. The Founder Member's nomination to re-elect Ms Neo was duly reviewed and endorsed by the Nominating and Human Resource & Remuneration Committee and approved by the Board.

4.5 The Chairman read out Resolution 4B as follows:
RESOLVED that Ms Neo Chin be re-elected as a member of the Board of Directors for a further term of three years

4.6 The voting for Resolution 4B commenced. At the end of the voting, the Chairman announced the results. Based on the votes cast, the results for Resolution 4B were:
Votes for – 99.89%
Votes against – 0.11%

The Chairman declared the resolution passed.

AGENDA ITEM 5

To approve a resolution for the declaration of a dividend to shareholders for the financial year ended 31 December 2021

5.1 The Chairman informed members that, taking into account the positive financial results for the year, the Board of Directors proposed a cash dividend of 6% for the financial year ended 31 December 2021. The Chairman asked members if they had any questions.

5.2 A member raised two questions. The first was whether the dividend paid in 2023 will be single-tier or subject to income tax in the hands of the shareholders. He said that most companies on the SGX declare single-tier dividends. The second question was whether the Board would consider a dividend policy from next year based, for example, on a certain percentage of the profits, as a form of guidance for the shareholders.

5.3 On the question regarding the dividend policy, the CEO said that this was being drawn up and will be shared after the effective date of corporatisation. He also confirmed that a single-tier dividend will be declared.

5.4 Mr Nallakaruppan said that 6% dividend is respectable based on the par value of $10. When companies go for listing, the earnings earned previously will be distributed to the existing shareholders. He asked if there was any possibility to return some of the past income to the shareholders before Income's corporatisation. The CEO responded that the plan for Income's corporatisation does not include any capital release. The retained earnings will go into the valuation of the new company. This is why the approximate NAV is around $40 based on the audited financial results for the financial year 2021. If there is a capital release, it will be a lower number.

5.5 Mr Nallakaruppan said that the NAV can fluctuate as it had in the past. He proposed a balance where a portion of the past earnings is distributed to the loyal shareholders and requested the Board to consider this. The Chairman replied that there are some companies that do this but there are more companies that do not do it. It is based on a case-by-case basis. From Income's perspective, as the CEO had communicated, over the next three to five years, we envisage a period where we would be investing for the future so that the growth profile for the company becomes enhanced. Therefore, we need every resource available to invest for the future. The prudence of doing this far outweighs the returns to shareholders. He added that the shareholders will benefit if the NAV grows.

5.6 The CEO added that as we move into the new company, the NAV per share will be the value to the shareholders. Mr Nallakaruppan commented that he did not know how the value will be unlocked and whether the share buyback program will be based on NAV or other parameters. The Chairman said that the Board and management will come back with the details of the share buyback program. It will be fair and based on what most companies have done. There are precedents to follow and it will not be something totally new.

5.7 Mr Nallakaruppan said that many shareholders have been with Income for several years and Income has been fair in declaring dividends over the years. He thanked the present and past Boards and hoped that the practice of being fair to shareholders will continue.

5.8 As there were no further questions, the Chairman read out Resolution 5 as follows:
RESOLVED that the declaration of a dividend at the rate of 6% be hereby approved and paid in full on all shares held for a duration of 12 months as of 31 December 2021 and on a pro-rata basis on shares held for less than 12 months

5.9 The voting for Resolution 5 commenced. At the end of the voting, the Chairman announced the results. Based on the votes cast, the results for Resolution 5 were:
Votes for – 99.99%
Votes against – 0.01%

The Chairman declared the resolution passed.

AGENDA ITEM 6

To approve a resolution for the payment of honoraria to directors

6.1 The Chairman informed members that NTUC Enterprise engaged an independent party, Aon, to carry out a review of the honoraria framework of the NTUC Social Enterprises. Aon carried out a benchmarking study which included the best practices for directors' fee structure and market competitiveness of the fee quantum. There is no change to the structure but only to the quantum. The recommendation considered the competitive level of director remuneration vis-à-vis comparable commercial companies since talent is drawn from the same pool. After benchmarking, a further discount was applied for the social enterprise factor. The revised quantum takes into account the continued increase in the directors' responsibilities in the regulatory environment in which the Co-operative operates, including compliance with the stringent corporate governance requirements imposed by the regulators.

6.2 The Chairman read out Resolution 6 as follows:
RESOLVED that the payment of honoraria to the Chairman and members of the Board of Directors of NTUC Income Insurance Co-operative Limited for the year 2022 be approved as follows:

Base Fee	$45,000
Appointment Fee:	
Chairman	$45,000
Deputy Chairman, Chairperson of Audit Committee, Investment Committee, Risk Management Committee, Digital & Technology Committee, Nominating and Human Resource & Remuneration Committee	$40,000
Member of Audit Committee, Investment Committee, Risk Management Committee	$28,500
Member of Digital & Technology Committee, Nominating and Human Resource & Remuneration Committee	$20,000

The honoraria shall be pro-rated for new directors who come on board based on the period of service. Each director will be paid honorarium based on the base fee and the two highest appointments he or she holds, regardless of the number of appointments.

6.3 The Chairman asked members if they had any questions. A member by the name of Mr Chong asked if the honoraria was on top of the director fee that is paid. The Chairman clarified that the honoraria is the same as the director fee.

6.4 As there were no further questions from members, the voting for Resolution 6 commenced. At the end of the voting, the Chairman announced the results. Based on the votes cast, the results for Resolution 6 were:
Votes for – 99.93%

Votes against – 0.07%

The Chairman declared the resolution passed.

AGENDA ITEM 7

To re-appoint KPMG LLP as external auditors of the Co-operative for the financial year ending 31 December 2019

7.1 The Chairman informed members that the Board proposes to re-appoint KPMG LLP as external auditors for the financial year ending 31 December 2022 and for the Board to be authorised to fix their remuneration. He read out Resolution 7 as follows:
RESOLVED that KPMG LLP be re-appointed as external auditors of NTUC Income Insurance Co-operative Limited for the financial year ending 31 December 2022 and that the Board of Directors be authorised to fix their remuneration

7.2 As there were no questions from members, the voting for Resolution 7 commenced. At the end of the voting, the Chairman announced the results. Based on the votes cast, the results for Resolution 7 were:
Votes for – 99.93%
Votes against – 0.07%

The Chairman declared the resolution passed.

AGENDA ITEM 8

To consider such other business not included in this notice of which at least 10 days' notice shall have been given in writing to the Secretary

8.1 The Chairman informed members that written questions had been received from Mr Xavier Samy and requested the CEO to respond to the questions. The CEO said that Mr Samy had submitted two questions ahead of the AGM. Firstly, he asked about Income's future plans to ensure that the interests of unions and their members will continue to be safeguarded after Income is corporatised. Secondly, he asked if Income will be adjusting the premiums of IncomeShield for seniors, who would face higher premiums as they age.

8.2 Addressing the first concern, the CEO said that Income will remain a social enterprise within NTUC Enterprise's network of organisations, even after it becomes a corporate entity. Post-corporatisation, NTUC Enterprise will continue to be the majority shareholder of the new company, Income Insurance Limited. Over the years, Income has remained steadfast in its roots to plug protection gaps, including those who are underserved amongst us. For example, low-income individuals and families, seniors and even those with special needs through our products and services. The shift from a co-operative to a corporate entity will have no bearing on our commitment to make insurance accessible for all and this will include the way in which we have always collaborated with the NTUC on this front. The special term life plan called LUV that we offer exclusively to union members and “Care for Migrant Workers” insurance plan that covers migrant workers against non-work-related death, TPD and critical illnesses are cases in point. We remain committed to support NTUC’s efforts to support union members in our capacity as an insurance and financial services provider where we can. The CEO reassured members, shareholders, staff and other stakeholders that in any strategic growth option that Income pursues, it will ensure that the interest of all stakeholders will be considered and that it will be a win-win for all.

8.3 Next, the CEO addressed Mr Samy’s second concern on health insurance premiums. He shared that Income has been proactive with efforts to keep its health insurance coverage comprehensive and relevant to customers’ needs, and its premiums sustainable and affordable for all. We continually engage with our stakeholders and use our influence as an insurer and payer to rein in excessive rise in premiums where we can. Even with escalating healthcare costs, Income has not made any upward adjustments to premiums for selected basic IncomeShield plans for almost ten years so that they remain affordable. Our premium range for health insurance for seniors is also amongst the lowest. However, as premiums are priced based on a factor of risk, they do increase by age. This is the same for Medishield Life, which forms a component of health insurance costs today.

8.4 The CEO offered to arrange for a customer servicing officer to get in touch with Mr Samy to speak to him about his requirements and help to review his insurance coverage to assess what would be optimal and financially manageable for him. He thanked Mr Samy for writing to Income and hoped that he had addressed his concerns. He handed the proceedings back to the Chairman.

8.5 Mr Samy thanked the CEO for his response. He said that he was a staunch unionist in the 70’s and 80’s. It is good that Income is corporatising because we have to keep up with the times for business growth. Some of the present unionists have given him feedback that in the past there were privileges for union members and they wanted to know if there will be any preferential deals for them after corporatisation. In his letter, he had also mentioned that there is no guarantee that the new company will not be taken over by wealthy and affluent investors who will have no interest in the welfare of unions and their members. He also expected premiums to rise with corporatisation.

8.6 Mr Samy said that he was a faithful and loyal supporter of Income. Income had very good plans in the early days such as the annuity and IncomeShield plans. Over the years, due to the claims experience, the IncomeShield premiums were reviewed and increased, especially for the seniors. He agreed that as the policyholder grows older, he will have to pay more premiums. However, the increase in premiums has been very high. He had suggested in the past to have some form of no claim bonus for seniors who have not gone for any medical treatment and have not made any claims under their policy. He also referred to Mr Nallakaruppan’s earlier request for a portion of the earnings to be distributed to the shareholders. He hoped the Board will consider the members' requests positively.

8.7 The CEO thanked Mr Samy for his comments. He said that the results of the Integrated Shield plans can be derived from the MOH website. Over the past few years, despite the increase in premiums, most of the Integrated Shield players have been suffering losses. A large part of the health insurance portfolio is a factor of claims. At the same time, medical inflation has also caught on and most Integrated Shield providers are in the red. The premium increase has not kept up to ensure that the Integrated Shield plans can be sustainable. He added that Income will continue to do what it can to make sure that the IncomeShield plans remain affordable for all policyholders.

8.8 The CEO mentioned that during the last two years of Covid-19, Income had better claims experience and gave premium rebates to its policyholders. This is Income's demonstration that when there is better claims experience, it will find opportunities to return it back to the policyholders. He added that this is a difficult portfolio to manage because we need to manage all stakeholders from policyholders to healthcare providers in order to ensure that this portfolio continues to be affordable and sustainable.

8.9 Mr Samy acknowledged that there has been an increase in claims. He said that Income came up with a rider in the past and a lot of seniors took it up. However, there has been quite an increase in premiums as the policyholder aged. Many seniors are contemplating whether to give up their IncomeShield plans but they will lose out if they do so. His point was that those who have not made any claims should not be penalised. He suggested for the Actuary to look into this and do something about it such as introducing a no claim bonus for policyholders who have not made any claims under their IncomeShield policy.

8.10 Mr Samy also mentioned that Income's annuity plan was one of the best plans in the 80's and many people bought the plan. However, today, it is not a good plan. Other companies which came up with a similar annuity plan were paying better than Income. He added that in the early days, Income's plans were very good and other companies started to follow Income. Today, they are doing better than Income. The CEO noted Mr Samy's feedback and said that Income will continuously review its plans to make sure that it looks out for the seniors.

8.11 Mr Thian said that the number of shares in 2020 versus 2021 saw an increase of 20,500. He asked what caused the increase in the number of shares as it affected the NAV. The NAV will be higher if there is a lower number of shares. The CEO explained that the increase in the number of shares was due to the shares allotted to staff under the long service award scheme for staff who have worked in Income for five years and more. However, this increase in shares was immaterial compared to the overall number of shares so it does not affect the NAV of the share and in fact, the NAV continued to rise.

8.12 Mr Thian said that a few years ago he had asked a question about what would happen if Income goes bankrupt as a co-operative. His current question was what will happen to the shareholders if Income goes bankrupt after corporatisation. The Chairman replied that in such a scenario, whatever is left after all due payments are made will be distributed to the shareholders.

8.13 Ms Ling referred to a newspaper article on a case pertaining to Great Eastern where the latter rejected a medical claim for cancer treatment even though the treatment was in the approved list for cancers but not for the particular cancer that was diagnosed for the claimant. She asked if under such circumstances, Income will pay the claim. The CEO said that in the same article, the journalist had mentioned that Income will pay the claim. In this case, the drug that the doctor had prescribed was not approved for the treatment of the claimant's bile duct cancer. When it comes to cancer, Income will evaluate on a case-by-case basis and review the recommendations by the doctors as to whether there is sufficient justification to consider other drugs for the treatment of the cancer.

8.14 A member said that in the light of the corporatisation move by Income, integrity, reputation and credibility will be paramount going forward. He queried if there have been measures taken to enhance the nomination of new directors to the Board to avoid serious situations such as the one involving a past director, Mr Kevin Scully. Once Income becomes corporatised, there should be measures to ensure all the more that such things will not happen. He also asked if there have been moves to right-size the number of directors on the Board.

8.15 The Chairman replied that from his perspective as the Chairman, it is important to have the right people on the Board. Where numbers are concerned, there is nothing that governs the number of directors on the Board. He assured that every single member of the Board, as it stands today, has a certain value-add to be able to advise the management in various aspects. He cited an example and said that previously, Income did not have a Board sub-committee that dealt with technology. The Digital & Technology Committee ("DTC") was set up on the consideration that technology is a key driver of a lot of businesses today. With cyber security concerns, it is also imperative that our core technology be kept safe. This is where the Board recognised that it needed expertise and set up the DTC as well as brought in new directors who are experts in technology. He added that the Board will continue to look at talent that can add value to the business.

8.16 The Chairman said that as far as corporate governance is concerned, as a company and even as a co-operative, Income has a public face. Neither the Board nor management would want to take the risk to have Income's brand name impacted. Any responsible Board will have to ensure that good corporate governance continues to exist and that would be the operating philosophy going forward as well.

8.17 Another member raised a query about his wife's medical claim for day surgery under IncomeShield that was rejected as not payable. He asked if day surgery was covered under the policy. The CEO said that the question should be addressed separately as it pertained to an individual policy and the details of the case were required in order to be able to answer the member's question. Although day surgery is covered, he will need to look at the specific plan and the ailment that the member's wife was seeking treatment for.

8.18 The Chairman referred to his last comment on the number of directors and said that he has been told that he was wrong. He mentioned that this in itself demonstrates good corporate governance because the lead independent director had pointed out that under Income's by-laws, we cannot have more than 14 directors on the Board. However, as Income corporatises, the number could be more or less depending on the articles of the new company. He reiterated that good corporate governance will always be at the fore-front and directors such as the lead independent director ensure that there are checks and balances in all that the Board does.

8.19 A member asked if the next AGM will be the first AGM for the new company. The Chairman confirmed this. The member also asked if the financial year end of the new company will be the same as the co-operative, that is, 31 December. This was confirmed.

8.20 Mr Kang Poh Lock had a question on annuity policies. He said that when Income first started, there were participating and non-participating annuity policies. Over the years, there were no bonuses given to the participating annuitants although bonuses are declared to policyholders every year. He queried why this was so. He added that policyholders of participating annuity have lost out because of this. With corporatisation, he hoped that the management will look into this.

8.21 Mr Xavier Samy referred to his earlier point about preferential benefits for union members after corporatisation. He requested the Board to look into this for the future. The CEO said that as mentioned in his speech, Income will continue to work with NTUC on programs that can be rolled out for the union members. Income will continue to have the LUV plan which is a term life policy and "Care for Migrant Workers" plan which is insurance for migrant workers covering non-work-related incidents.

8.22 Responding to the question on participating annuity policies, the Chief Actuary, Ms Lau, said that it was launched in the early 90's. At that time, we did not expect the life expectancy of Singaporeans to increase. Over the last two decades, the life expectancy of Singaporeans has increased significantly. Life expectancy was shorter in the past. The total annuity payment that we need to pay has also increased significantly over the last two decades. A detailed study was conducted and we realized that we need to reserve more monies to make sure that we have enough to pay the annuitants for as long as they live. This is a key challenge that is faced and the reason why we are not able to increase the payment amount as this will run the risk of not having enough money to make the payment. She believed that Singaporeans will continue to live longer in the next two decades.

CLOSING

9.1 Before closing NTUC Income's 52nd Annual General Meeting, the Chairman, on behalf of the Board of Directors and management, expressed his gratitude and heartfelt thanks to the members, shareholders and policyholders, for their continued support of NTUC Income. He also expressed his gratitude to the Founder Member, NTUC, and NTUC Enterprise Co-operative Ltd, affiliated unions, co-operatives, business partners as well as customers for their support.

9.2 The Chairman said that the Board and management looked forward to Income's next chapter as a corporate entity and in a stronger position for growth and expansion, staying steadfast in its purpose to build stronger communities through better financial empowerment and well-being. Income will continue to serve all its customers with the highest standards. The Board and management looked forward to the continued support of members as Income endeavours to make a bigger difference to the lives of the people it serves.

9.3 The Chairman declared the meeting closed at 7.15 pm and thanked all for their attendance.

NTUC INCOME INSURANCE CO-OPERATIVE LTD
52nd ANNUAL GENERAL MEETING
FRIDAY, 27 MAY 2022, 5.30PM

ADDRESS BY MR RONALD ONG, CHAIRMAN, NTUC INCOME

I am pleased to share that Income has turned in another set of good financial and business results against the backdrop of an economy that continued to be subdued by the lingering COVID-19 pandemic.

Overall, Income's sales performance continued to improve with a year-on-year growth of 8%.

We recorded a 9% year-on-year growth in total gross life and health insurance premiums, while our personal lines and commercial lines recorded a 3% and 19% growth in 2021 respectively. Compared to 2020, our online business recorded a 30% year on year growth.

We continued to push the boundaries in insurance with more innovative and lifestyle-driven insurance solutions to plug protection gaps, which offered many customers not just affordability and convenience, but also more flexibility and control over their insurance coverage and commitments.

Our new business models did very well in 2021, growing by 70% from 2020, driven by strategic partnerships and customer-centric innovative insurance solutions launched over the past couple of years.

The needs of our corporate customers are also changing. To continue supporting them and helping them manage their insurance matters more efficiently, we introduced a first-in-market business service platform, known as BIX.

Features such as instantaneous quote generation, convenient purchase and claims filing processes and built-in digital payment modes are a game changer for our corporate customers – SMEs in particular – to manage their insurance needs better.

Since March 2021, more than 8,000 corporate insurance policies were issued through BIX with many positive reviews on use of the platform from our customers.

As the economy recovered during the year, we stood down our COVID-19 support via our Income Support Schemes at the end of 2021. Close to two years, the Income Support Schemes which we extended twice in response to the protracted pandemic situation made a difference to over 50,000 individuals, families and businesses who faced financial difficulties as a result of the economic downturn and pandemic.

The insurance industry is seeing a lot of exciting change as the market continues to be shaped by digitalisation and innovation, as well as consumer evolving needs. Competition is intensifying, too, with the entry of new players – including insurtech providers – into the industry ecosystem.

To ensure long-term sustainability of our business, we are pursuing corporatisation to better position ourselves for strategic growth options in the future.

On that note, I will now pass the time over to Income's Chief Executive, Andrew Yeo, to share updates on the progress of our corporatisation exercise, as well as other key business developments.

-end-

NTUC INCOME INSURANCE CO-OPERATIVE LTD
52nd ANNUAL GENERAL MEETING
FRIDAY, 27 MAY 2022, 5.30PM

ADDRESS BY MR ANDREW YEO, CHIEF EXECUTIVE, NTUC INCOME

Opening

Chairman, members of the board, ladies and gentlemen – a very good evening. Welcome to NTUC Income's 52nd Annual General Meeting.

After two years of virtual meetings, I echo Chairman's sentiments that it is nice that we can gather physically again for our AGM in one auditorium.

Chairman had earlier given you some highlights of our 2021 financial and business performance, so I will now take the opportunity to share with you some updates on the progress of our corporatisation exercise and how we continue to shape up for strategic growth.

Corporatisation

We have previously shared that as part of the corporatisation process, the insurance business of NTUC Income – including all existing insurance products and policies issued and underwritten by NTUC Income – will be transferred to the new corporate entity known as Income Insurance Limited. After the transfer is completed, the co-operative or co-op, NTUC Income, will be liquidated.

The transfer of business will be carried out via a Scheme of Transfer under Section 117 of the Insurance Act and other transfer agreements.

At the Extraordinary General Meeting that was held on 18 February 2022, almost all our co-op members (99.99%) had voted in favour of the transfer of the insurance business to the new company, and the subsequent liquidation of the co-op.

We will be applying to the General Division of the High Court of the Republic of Singapore for confirmation of the Scheme of Transfer. The Court hearing date has yet to be set. We will provide an update to members on our website as soon as we know.

The approval of the High Court to transfer our business to the new corporate entity is a critical milestone in our corporatisation exercise as we are working towards its completion on 1 September 2022.

This completion date is also known as the Effective Date and represents the date which the new company, Income Insurance Limited, will be operational.

Over the past few months, we have been addressing members' queries on becoming shareholders of the new company, the value of its shares, as well as opportunity for shareholders to sell and buy shares of the new company. I would like to take this time to give you an update on these matters.

Issuance of New Company Shares

As you would know, co-op members who hold co-op shares will receive shares in the new company on a one-for-one basis. This means that co-op shareholders will then become shareholders of the new company.

The issuance of new company shares to shareholders will take place closer to the end of the first quarter of 2023.

This lead time is due to the work that must be performed by the auditor and regulatory processes that must take place prior to the distribution of the new company shares to shareholders, and they are expected to take up to six months to complete.

Let me take you through the slide on screen so that you can better appreciate the regulatory requirements involved – moving from your left to right of the screen. There are essentially three key steps that shareholders need to be aware of.

Following the targeted Effective Date of the new company, 1 September 2022, an audit must be carried out by an auditor to ensure that all assets of the co-op have been transferred to the new company according to the Scheme of Transfer.

The audit process is slated for three months. During this estimated three-month period, co-op shares can still be redeemed at par value, which is $10 per share, or transferred to a willing transferee in accordance with the co-op's by-laws.

After this, the co-op's insurance license will be cancelled and a winding up order will be issued by the Registrar of Co-operative Societies, estimated to be around mid to end-December 2022.

After the Registrar issues the winding up order, there will be a statutory moratorium period that provides members an avenue to appeal against the winding up order. Members have two months to file appeals in writing to the Minister. If there are any appeals, the appeals have to be decided before the liquidator can wind up the co-op.

Hence, this statutory moratorium period will take at least two months. Only after that can the co-op's liquidation and the distribution of the new company shares via a distribution-in-specie or 'DIS' take place.

As such, shareholders can tentatively expect to receive their new company shares closer to the end of the first quarter of 2023 when the DIS takes place.

I would like to stress again for all shareholders to take note and understand that the Effective Date of the new company is not the same as the DIS date.

Co-op shares can still be redeemed or transferred up to the date of the issuance of the winding order, after which co-op shares cannot be redeemed or transferred.

Value of New Company Shares

In the last few months, shareholders have also shown much interest in the value of the new company shares.

We have explained that because the new company is an unlisted company limited by shares, its shares will not be publicly traded and therefore, not pegged to market.

Hence, the transfer of shares can only take place between a willing transferor and willing transferee, at a mutually agreed price.

In the absence of a market share price, there are several ways for shareholders to get an indicative value of their shares, including using the new company's Net Asset Value or NAV per share.

To calculate NAV per share, we divide net assets of the new company by the total number of new company shares. Based on Income's latest audited accounts for the financial year ended 31 December 2021, the approximated NAV per share is around $40.

However, shareholders must be aware that NAV is subject to fluctuations. Since 2005, Income's NAV has fluctuated between $23 to $55 per share. This means that shareholders must be cognisant that the estimated NAV can differ when referenced at different times.

Share Buyback Exercise

While shareholders can transfer their new company shares to a willing buyer at a mutually agreed price, some have raised concerns over their inability to identify a willing buyer should they need to sell their new company shares when they have a liquidity need.

We want to reassure shareholders that we heard you on this concern as we are keenly aware that it has been highlighted at different engagement platforms with members, linked to the corporatisation exercise.

In response to shareholders' request to facilitate their ease of share transfer to a willing buyer with the key objective of supporting their liquidity needs, we are pleased to announce that the Management is pursuing a share buyback programme where shareholders will have the opportunity to sell their shares to Income.

We are targeting the first share buyback exercise to take place by the third quarter of 2023, subject to applicable regulatory approvals. The tranche for the buyback program and buyback value will be presented for approval at a General Meeting that will be determined later.

At this juncture, I would like to emphasise that we are keen for our shareholders to stay with Income as long-term investors and to partner us in our growth.

The corporatisation exercise is a complex one, and where possible, we ensure all stakeholders' interests are considered and addressed. The share buyback programme is a case in point.

As we enter the final leg of the corporatisation exercise, we are **all hands on deck** to ensure a smooth transition to the new company. To keep stakeholders informed, we will continue to provide members and shareholders updates on critical milestones in the coming months. Members can also reach out to Income at any time if they have any concerns or need information on our corporatisation.

This will also include policy and coverage details of the personal accident protection plan which Income is extending to members at no premium and will commence when the new company, Income Insurance Limited, is operational.

Regionalisation

In tandem with the corporatisation exercise, we have also been progressing our regionalisation efforts.

Anchoring Income as an innovative and progressive insurtech player in overseas markets has been a focus for us since our foray into Indonesia, Malaysia and Vietnam last year.

Like corporatisation, taking Income abroad and growing our business footprint regionally is also a key driver for our long-term growth and sustainability.

We have had success with new insurance business models on the back of our digital transformation and drive for innovation. They have allowed us to reach a new customer segment that is predominantly younger and digital-first.

We have reconciled that this segment of customers will unlikely be served by conventional insurance simply because the latter does not resonate with them.

These customers expect better control and customisation over what they purchase, as well as flexibility with how and when they buy insurance.

The pandemic situation and a more volatile economy have also made people more mindful about cashflow and future planning.

Just as we have gained good traction locally with our new insurance business models, we are also supporting our regional partners to do the same in capturing new customer segments and creating new revenue streams via our digital-first solutions and tech capabilities via ‘HIVE by Income’, our digital connector platform.

Today, our regional partners span from those in the insurance, broker and insurtech arenas. The readiness of regional players accepting our Insurance-as-a-Service **proposition** to bring insurance innovations to markets quicker is testament to the competitive advantage that we are bringing to their businesses. More significantly, it signals that Income is well placed to work with diverse partners across the region.

Currently, we are working on more exciting opportunities within Asia Pacific and we will share more information in due course.

Sustainability at Income

Throughout 2021, we were also focused on leveraging our business in insurance to create a positive impact for the community around us.

To ensure that we walk the talk, we hold ourselves accountable by appraising our performance against not just how well we do financially but also by the extent of positive impact we bring to the community.

To do this, we adopted a new Sustainability Strategy anchored on three core pillars, namely ‘Action for Environment’, ‘Operate a Responsible Business’ and ‘Build Stronger Communities’ to frame our way of thinking and working more holistically.

This is a significant milestone for Income’s sustainability agenda as it sharpens our consideration for environment, social and governance, or ESG, factors as we align our material focus areas, business priorities and tangible actions to our purpose and to create long-term value for our stakeholders. Increasingly, this becomes more significant as we extend our footprint beyond Singapore.

To do this well, we are identifying risks as well as tapping into opportunities so that we take actions to address our key sustainability topics and be operationally resilient as we empower more with better financial well-being through our products, services, and people.

We are mindful that we must be on this journey for the long haul to succeed and thus, have set long-term sustainability goals.

Most significantly, we made a commitment to achieve net-zero greenhouse gas emissions by 2050. We have also pledged to cease underwriting of Property & Casualty business in coal sectors by 2040 and have committed to totally divest our exposure to coal-related sectors in our investment portfolio by 2030.

On the social front, we have pledged S$100 million over 10 years to continue supporting causes that champion the low-income, education for youth-in-need, our seniors and the environment.

Also, we believe that we can do more together. This is why, through our Sustainability Strategy, we are supporting seven United Nations Sustainable Development Goals, or UN SDGs for short, that we believe we can contribute most meaningfully to and offer added purpose to what we already do at Income.

To share with stakeholders our sustainability performance in 2021, we are excited to publish our very first Sustainability Report, which will be available on our website next week. We would like to invite you to share your feedback on the report with us as it will help us improve our sustainability performance and disclosure practices.

Closing

In closing, I want to emphasise that the road ahead for Income is undoubtedly an exciting one.

With economies finally starting to open after a couple of challenging years due to the pandemic, we are even more determined now to make the most of the opportunities that come our way so that we are empowered to serve our customers, members, and shareholders well in the years to come.

On this note, I will pass the time back to Chairman to kickstart the AGM proceedings.

Ronald, please.

-end-