

Other Material Information

New Zealand Fire Service Superannuation Scheme

Date: 19 September 2023

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1. General

This Other Material Information document (**Document**) has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 (**FMC Act**) and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014 (**FMC Regulations**). All legislation referred to in this Document can be viewed at www.legislation.govt.nz.

In this Document, "you" or "your" refers to members or prospective members of the New Zealand Fire Service Superannuation Scheme (**Scheme**), as the case may be. "We", "us", "our" or "Trustee" refers to the Scheme's trustee.

Capitalised terms have the same meaning as in the Scheme's trust deed (**Deed**), unless they are otherwise defined in this Document. Some terms are defined in the Document itself.

A product disclosure statement (**PDS**) for the offer of membership in the Scheme is also available. Under the FMC Act you must be given a copy of the relevant PDS before we can accept your application for membership. You can get an electronic copy of the PDS from the offer register on the Disclose website www.disclose-register.companiesoffice.govt.nz/.

2. New Zealand Fire Service Superannuation Scheme

This Document relates to the offer of membership in the Scheme.

The Scheme is governed by the Deed and is invested in accordance with the Scheme's statement of investment policies and objectives (**SIPO**). You can get an electronic copy of the Deed and SIPO from the scheme register on the Disclose website www.disclose-register.companiesoffice.govt.nz/.

The Trust Deed sets out the rules for the Scheme. This includes the rules for the appointment of trustees. The Deed requires there to be seven individual trustees, unless the Fire and Emergency New Zealand (**FENZ**) and the New Zealand Professional Firefighters Union Incorporated (**Union**) appoint a single corporate trustee. There is currently a single corporate trustee.

Where there is a single corporate trustee, the directors of the trustee are appointed as follows:

- Three directors are appointed by FENZ.
- Three directors are appointed by the Union.
- One independent director is appointed by the other directors.

The board of directors of the sole corporate trustee must include at least one person who is a Licensed Independent Trustee under section 131 of the FMC Act. Currently, the Licensed Independent Trustee designated for the Scheme is Andrew Johnson.

We are responsible for offering membership of the Scheme, accepting members into the Scheme, managing the Scheme's property and investments, and administering the Scheme.

We use the services of professional advisors such as investment consultants, administrators and auditors to help run the Scheme. The names of our advisors are listed in the annual report and on the website.

3. Persons and organisations involved

Trustee and directors

The current Trustee of the Scheme is FireSuper Trustee Limited.

The registered office of the Trustee is:

Level 2
20 Customhouse Quay
Wellington, 6011
New Zealand

The current directors of the Trustee are:

- Angela Hauk-Willis

Angela was a Board member of the New Zealand Fire Service Commission and subsequently of Fire and Emergency New Zealand from 2011 to 2018, and brings experience in the establishment, operation, and governance of superannuation schemes. Angela is a former Deputy Secretary at Treasury.

- Denis Fitzmaurice

Denis began his career with the Fire Service in 1980, having spent the previous five years in the banking industry. His Fire Service career involves 37 years as an operational Firefighter and Officer, and he is currently South Island Manager Fire and Emergency New Zealand SH & W. He is a Life Member of the New Zealand Professional Firefighters Union, and formerly served as South Island President and as a member of the National Committee. Currently he is the Chairman of the Trustee and has been a Board member since 2006.

- Andrew Johnson

Andrew Johnson joined the FireSuper Board on 1 April 2019 as the Licensed Independent Trustee. Andrew has extensive and broad investment and superannuation industry knowledge. He has held senior roles with a number of New Zealand's leading financial services organisations, dating back to the 1980s. Over this time, Andrew has held various associations with FireSuper, including leading Russell Investments' provision of investment consulting services to the Scheme for six years until mid-2018. Andrew also serves as the Licensed Independent Trustee for two other restricted workplace savings schemes and as an investment committee member for a number of entities, provides ongoing advisory services to a retail managed fund provider, and undertakes ad hoc consulting projects from time to time.

- Murray Coppersmith

Murray worked at PwC for 34 years, including 24 years as a partner and has worked in New Zealand and overseas. During his career at PwC Murray's responsibilities included a period on the Board of PwC New Zealand, as well as being lead partner of the Corporate Finance team and, more recently, of the Finance and Economics team. Murray brings experience in governance, business valuation and financial evaluation.

- Martin Dalglish

Martin had held board positions with NZL Group Limited, a large transport and logistics company, with the Skylight Trust, a charitable trust providing support to children, families, and whanau going through loss, trauma or grief. Martin is a partner in the law firm, Dentons Kensington Swan, specialising in acquisitions, joint ventures, governance and strategic contracts. He has held positions on the board of the firm and as head of the firms' Advisory practice.

- Reuben Otto

Reuben joined the New Zealand Fire Service in 2011 after completing a Bachelor of Business Studies at Massey University. Reuben was originally posted to Auckland where he worked for two years and is now stationed in Whangarei where he is the local committee member of the New Zealand Professional Firefighters Union. Reuben was appointed as Trustee Director by the New Zealand Professional Firefighters Union in March 2021.

- Ian Wright

Ian joined the New Zealand Fire Service in 1987 in Wellington. He is currently Senior Station Officer on Blue Watch at Avalon fire station and is Executive Officer qualified. Ian has previously spent six years as a trustee of the Scheme as a Union appointee and discontinued that appointment due to taking a year's LWOP from NZFS. Ian has worked his way up through the New Zealand Professional Firefighter Union's ranks, holding multiple local, regional and national positions culminating in being in his second term as the elected National President. Ian was reappointed to the FireSuper Board in March 2023.

Secretary

The secretary of the Scheme is Mercer (N.Z.) Limited (**Secretary**). The Secretary provides secretarial services to the Scheme.

Administration Manager

The administration manager of the Scheme is Mercer (N.Z.) Limited (**Administration Manager**). The Administration Manager takes care of the day-to-day running of the Scheme. This, for example, includes maintaining records, paying benefits and liaising with the Scheme's advisors.

Investment Consultant

We have appointed Russell Investment Group Limited as an investment consultant (**Investment Consultant**). The Investment Consultant assists with the selection of fund managers and the development of the investment options.

Fund Managers

We engage fund managers for the different asset types. The fund managers we use are:

- Mercer (N.Z.) Limited:
 - International shares via Legal & General Investment Management and BlackRock
- Direct Capital Partners:
 - New Zealand unlisted shares
- Harbour Asset Management Limited:
 - Australasian shares
- Salt Investment Funds Limited:
 - Australasian shares
- ANZ New Zealand Investments Limited:
 - New Zealand cash and bonds
 - Global property via Resolution Capital
- FundRock NZ Limited:
 - Global bonds via Russell Investment Group
 - Global listed infrastructure via First Sentier Investors

4. Fees and expenses

The fees and charges for the Scheme recover only the expected costs and expenses that are incurred by us in running the Scheme and are deducted throughout the year at a level reflecting our best estimate of costs and expenses that will be incurred.

The actual fees charged may vary and will depend on the actual costs incurred by the Scheme.

Basis of estimates for fund charges in PDS

The annual fund charges include estimates for certain charges, including investment management charges and the costs and expenses associated with administering and operating the investment options. The determination of these charges is our best estimate of the fees to be payable by members and is based on the expected investment management costs that will be payable in respect of the Scheme on the basis of the current target asset allocations for each investment option and the current range of fund managers employed by the Fund. The administration and operating costs are based on estimates provided by the Scheme's professional service providers and our own experience of the expected operating costs of the investment options.

The portion of these fees applicable to investment management costs is included in the "fund charges" for which an estimate is provided in the PDS and that will be disclosed in the fund updates (once available) and on the register entry on the offer register on the Disclose website at www.disclose-register.companiesoffice.govt.nz/.

We estimate that these charges, as a percentage of the net asset value of each investment option, will be as set out in the PDS.

Examples of charges that constitute the fund charges

Administration Manager's fee

The Trustee pays the Administration Manager for the administration services it provides for the Scheme. The amount of this fee is agreed between the Trustee and Administration Manager from time to time and depends on the level of service provided. You can find out the Administration Manager's fee for the previous financial year by looking in the annual accounts for the Scheme.

Investment Consultant and fund managers' fees

Each investment option and the investment funds that those investment options invest into are managed by a range of fund managers. The Trustee also engages the Investment Consultant to assist in the selection of fund managers and the development of the investment options. The Trustee pays the Investment Consultant and each fund manager for the services they provide to the Scheme. The amount of these fees is agreed between the Trustee and the Investment Consultant and each fund manager from time to time. You can find out the investment expenses for the previous financial year by looking in the annual accounts for the Scheme.

Trustee fees and expenses

The Licensed Independent Trustee is paid for his role. The remuneration for this position is reviewed annually. In addition to the regular remuneration, the Licensed Independent Trustee may also receive one-off payments for project work as agreed with the Trustee.

The directors of the Trustee are entitled to be reimbursed by the Trustee for all reasonable travelling, accommodation and other expenses incurred in connection with the directors' attendance at meetings or otherwise in connection with the Trustee's business. The Trustee is in turn entitled to be reimbursed by the Scheme for any reasonable expense incurred by it in the administration of the Scheme.

The amount of these fees and the limits on the reimbursement of expenses is determined from time to time. You can find out the Trustee's fees and expenses by looking in the annual accounts for the Scheme.

Secretary's remuneration

The Trustee contracts the Secretary to carry out the day to day management of the Scheme. The Secretary's remuneration for this management is reviewed annually.

Other fees and expenses

The Scheme pays other fees and expenses. These include fees for professional accounting, audit, tax, and legal services as well as printing and stationery expenses. You can find out these fees and expenses by looking in the annual accounts for the Scheme.

5. More information about the Scheme

We outline below some more information and details about the Scheme, which includes some additional details not outlined in the PDS, that we believe is material to an investment in the Scheme. This information should be read in conjunction with the PDS.

"Superable salary"

As stated in the PDS, the standard contribution rate of your "**superable salary**" to your Retirement Accumulation is 6%.

This is deducted from your salary or wages. "Superable salary" means:

<i>If you're a:</i>	<i>Your "superable salary" is:</i>
Firefighter Trainee Firefighter Officer Control Room Operator Black Watch Staff Member	The annual amount of your "total weekly wage" plus bonuses or allowances made with every wage payment and for which no specific claim has to be made by you.
National Commander Deputy National Commander Regional Commander Executive Officer	Your annual salary plus the assessed value of the free benefit received for accommodation.

If you're temporarily absent from service without pay, or on reduced pay, your "superable salary" will be an amount agreed between you, FENZ and us.

Reduction or suspension of your contributions

There may be circumstances where you cannot continue to contribute at the 6% rate set out above. In those circumstances, you can ask us to reduce your contribution rate.

If we allow you to reduce your contribution rate, your minimum benefits on death, Loss of Medical Fitness and Loss of Physical Fitness will be adjusted downwards accordingly.

How long you have to keep contributing

Regular Section:

You have to keep making regular contributions to the Regular Section until:

- We allow you to reduce contributions;
- You become eligible for a benefit; or
- You elect to discontinue contributing to the Regular Section by giving written notice to us.

If you elect to discontinue contributing to the Regular Section, we will hold the Regular Section of your Retirement Accumulation for you until you become eligible for a benefit from the Regular Section.

Complying Fund Section:

You must keep making regular contributions to the Complying Fund Section of your Retirement Accumulation until you reach New Zealand Superannuation qualification age (NZ Super Age, currently 65), unless we allow you to discontinue contributing to the Complying Fund Section.

You can apply to us for a break from contributing to the Complying Fund Section (this is called a "savings suspension") in certain circumstances and subject to certain conditions. Please see "Complying Fund Section - savings suspension" below or contact us for further information on this.

If you take a savings suspension from the Complying Fund Section, you will contribute to the Regular Section at the full 6% rate unless you have reduced or suspended your contributions to the Regular Section. While you're on a savings suspension, FENZ will direct all of its contributions (as adjusted for any reduction or suspension in your contributions) to the Regular Section of your Retirement Accumulation.

Continued membership after you cease service

If you cease service from FENZ you can continue to be a member of the Scheme by advising us within one month of your cessation of service of your wish to do so. If you do:

- And you're a member of the Complying Fund Section, as your contributions to the Scheme will have ceased you will no longer be entitled to the Government contribution.
 - You can make four free withdrawals a year from your Retirement Accumulation. Additional withdrawals can be made for a fee of \$86.08.
 - Your investment option(s) will continue to be credited or debited with interest on the same basis as other members.
- You can utilise the regular drawdown facility at no cost to you, by withdrawing a regular monthly amount specified by you. You can cease or change the amount of your monthly withdrawal at any time.

FENZ may stop contributing

FENZ can stop making contributions to the Regular Section of your Retirement Accumulation on 6 months' notice. FENZ can restart making contributions at any time after that by agreement with the Trustee. You will be told if FENZ gives notice that it will stop making contributions or if it restarts making contributions. FENZ may not stop contributing to the Complying Fund Section of your Retirement Accumulation.

Complying Fund Section – savings suspension

You can apply to the Trustee for a break from contributing to the Complying Fund Section of the Scheme (this is called a "savings suspension") in the following circumstances:

- After your first contribution to the Complying Fund Section or another complying superannuation fund or KiwiSaver Scheme (but before 12 months following that date), you are suffering, or are likely to suffer, financial hardship, in which case the length of the savings suspension will be three months (unless the Trustee agrees to a longer period); or
- 12 months have passed since your first contribution to the Complying Fund Section or another complying superannuation fund or KiwiSaver Scheme, in which case the length of the savings suspension will be a minimum of three months and a maximum of one year. No savings suspension may be for less than three months unless the Trustee agrees.

You may apply for a new savings suspension before the end of the current savings suspension. There is no limit to the number of successive savings suspensions you can take.

A savings suspension can be revoked or reinstated by you at any time by applying to the Trustee and FENZ to start or stop (as applicable) making deductions from your salary or wages.

If you take a savings suspension from the Complying Fund Section, you will contribute to the Regular Section at the full 6% rate unless you have reduced or suspended your contributions to the Regular Section as outlined in the PDS. While you are on a savings suspension, FENZ will direct all of its contributions (as adjusted for any reduction or suspension in your contributions) to the Regular Section of your Retirement Accumulation.

Relationship property and other claims

The Trustee may pay out amounts from your Retirement Accumulation where required by law or Court order. For example, the Trustee may pay out your former partner from your Retirement Accumulation as part of a Court ordered settlement of relationship property.

No first home withdrawal

Unlike a KiwiSaver scheme, the Scheme does not allow you to make a withdrawal for the purchase of a first home.

Hardship – Canterbury Earthquakes

If the Trustee is satisfied that:

- At the time of the Canterbury Earthquake of 2010 and aftershock of 2011, you were residing within the areas of Ashburton District Council, Christchurch City Council, Hurunui District Council, Selwyn District Council or Waimakariri District Council; and
- As a result of those earthquakes, in the period 4 September 2010 to 31 December 2011, you suffered destruction of, or damage to, your property, loss of employment or incurred costs (including costs associated with relocating to a new home or dealing with trauma); then

The Trustee may, in its discretion, pay you up to 50% of your Retirement Accumulation. If you contribute to the Complying Fund Section, this will be paid equally from the Regular Section and the Complying Fund Section¹ of your Retirement Accumulation.

The Trustee may require you to provide information supporting your claim such as a statutory declaration of your assets and liabilities and evidence of loss of employment or costs that you have incurred.

More information on Loss of Medical Fitness benefit

As explained in the PDS, you are entitled to a benefit for Loss of Medical Fitness. The threshold for Loss of Medical Fitness is where FENZ requires you to leave FENZ because two doctors it has nominated certify that you're substantially medically unfit to perform duties FENZ considers suitable for you.

You may also receive a benefit if you suffer from a "serious illness", i.e., injury, illness or disability that results in you being totally and permanently unable to engage in work for which you're suited by reason of experience, education, or training or any combination of those things or that poses a serious and imminent risk of death.

The PDS explains that if on Loss of Medical Fitness, the sum of your Member Accumulation, plus your FENZ Accumulation, plus any other benefits previously paid, and excluding your Voluntary Accumulation is less than double your annual superable salary, FENZ may top-up your benefit by up to the amount of the shortfall. However:

- If you're less than two years out from NZ Super Age and the amount of annual superable salary you would earn before you reach NZ Super Age is less than double your annual superable salary, the top-up will be adjusted downwards accordingly; and/or
- If you're on a reduced contribution rate (i.e., less than 6% of superable salary) the calculation of what is double your superable salary will be adjusted downwards accordingly.

More information on Loss of Physical Fitness benefit

As explained in the PDS, you are entitled to a benefit for Loss of Physical Fitness. The threshold for Loss of Medical Fitness is where FENZ requires you to leave FENZ because you cannot meet its physical fitness standards and you cannot or don't respond to remedial action.

The PDS explains that if on Loss of Medical Fitness, the sum of your Member Accumulation, plus your FENZ Accumulation, plus any other benefits previously paid, and excluding your Voluntary Accumulation is less than double your annual superable salary, FENZ may top-up your benefit by up to the amount of the shortfall. However:

- If you're less than two years out from NZ Super Age and the amount of superable salary you would earn before you reach NZ Super Age is less than double your annual superable salary, the top-up will be adjusted downwards accordingly; and/or
- If you're on a reduced contribution rate (i.e., less than 6% of superable salary) the calculation of what is double your annual superable salary will be adjusted downwards accordingly.

More information on death benefit

As explained in the PDS, you are entitled to a benefit if you die while still employed by FENZ.

The PDS explains that if on death, the sum of your Member Accumulation, plus your FENZ Accumulation, plus any other benefits previously paid, and excluding your Voluntary Accumulation is less than double your annual superable salary, FENZ may top-up your benefit by up to the amount of the shortfall. However, if you're on a reduced contribution rate (i.e., less than 6% of superable salary) the calculation of what is double your annual superable salary will be adjusted downwards accordingly.

Winding up benefit

You may receive a benefit from the Scheme in the event the Scheme is wound up.

Minimum benefit on leaving the Scheme

The minimum benefit payable on leaving the Scheme is the amount of your contributions to the Scheme, including any transfers from other superannuation schemes to the Scheme.

No market

You cannot sell your Retirement Accumulation or your right to benefits or use either of them as security for borrowing.

¹ You will need to satisfy the criteria for "significant financial hardship" under the KiwiSaver Rules in order to withdraw this benefit from the Complying Fund Section of your Retirement Accumulation.

Taxation of the Scheme

The Scheme is a "widely-held superannuation fund" for tax purposes. As such, it pays tax on its taxable income (as determined by applicable law) at 28%. The Scheme may deduct the costs of developing, marketing, selling, promoting and advertising for members from its taxable income, provided certain requirements are met. The payment of tax from the Scheme will affect returns.

Generally, you do not pay tax on the benefits you receive from the Scheme.

The Scheme is not a "Portfolio Investment Entity" (**PIE**) for tax purposes. Currently, the Trustee does not propose to apply for the Scheme to become a PIE, but this could change in the future.

The Trustee accepts no responsibility for the tax implications of you joining the Scheme. Tax legislation, its interpretation and the rates and bases of taxation are subject to change, and the application of tax laws depends on your individual circumstances. You should consult your own independent tax adviser before joining.

Reserve Fund B

The Scheme has a Reserve Fund B into which the Trustee pays any of the following amounts that are not specifically required or allocated for another purpose:

- Benefits foregone by members who have ceased to be eligible to contribute to the Scheme.
- Unclaimed benefits.
- Other money not required for the payment of benefits.
- Any contribution by FENZ pursuant to the fourth schedule of the Deed required to top-up Reserve Fund B to ensure that there are sufficient funds to pay the minimum benefits provided for in the event of loss of medical fitness or loss of physical fitness or death. For more information about these benefits, please see the PDS.

The Trustee may use Reserve Fund B to pay benefits on hardship, death, loss of physical fitness, loss of medical fitness and in other circumstances (which will be paid on an equitable basis to all members) and to pay the expenses of administering the Scheme.

Returns

Your returns from the Scheme are paid to you as benefits. These are described in the PDS.

The key factors that determine your benefits are:

- Contributions: how much you contribute, how much FENZ contributes and how much the Government contributes.
- The performance of your investment option(s).
- The amount of tax and expenses paid by the Scheme and the fees paid by you.
- How long you stay with FENZ and your reasons for ceasing service.
- Whether you transfer amounts into or out of the Scheme.
- How much the Trustee retains in or pays out from Reserve Fund B (discussed above).

No amount of return is or has been promised to you. Returns from your choice of investment option(s) can be negative as well as positive.

The Trustee is the person who is legally liable to pay your benefits.

Currently, because the payment of your benefit depends on when you become eligible:

- Your benefit is not quantifiable.
- The date(s) on which you will be paid your benefit is unknown.

Amendment to Deed

The Deed contains rules that govern the Scheme. The Trustee and FENZ can agree to amend the Deed. However, they cannot make any amendment to the Deed that:

- Reduces, postpones, or otherwise adversely affects the benefits that may in due course flow from, or are attributable to, membership of the Scheme up to the date the amendment is made; or
- Removes any right of the Scheme's members or other beneficiaries to participate in the management of the Scheme; or
- Increases the contributions, fees, or charges payable by any member; or
- Provides for the reversion of any assets of the Scheme to FENZ to any greater extent than already provided for in the Deed

unless they get written consent from every member, and every other beneficiary who is in receipt of a benefit under the Scheme at the date the amendment is made, who would be adversely affected by the amendment.

The Deed also prohibits amendments that would breach clause 14 of Schedule 8 of the Public Service Act 2020, which requires that:

- The Scheme provides that the sum of all benefits (including any lump sum payments, annuities, and other benefits) payable from the Scheme in respect of any member of the Scheme will not exceed the sum of:
 - Contributions paid by or on behalf of a member, and investment earnings on the contributions; and
 - Any allocations to the member from surplus funds held within the Scheme; and
 - The amount paid in respect of that member from any insurance policy effected for the benefit of members of the Scheme; and
- The Deed of the Scheme defines the rates or amounts (if any) of contributions of FENZ or officers or employees; and
- The Deed of the Scheme entitles FENZ to cease contributing to the Scheme on behalf of a person if that person ceases to be an officer or employee of the FENZ; and
- The benefits provided by the Scheme are fully funded as they accrue; and
- The Scheme enables withdrawing members to transfer to other superannuation schemes the value (as determined in accordance with the terms of the Scheme) of the benefits attributable to that person's membership of the Scheme up to the date of withdrawal; and
- The Scheme enables any person who becomes an officer or employee of FENZ, if FENZ agrees to contribute to the Scheme on that person's behalf, to become a member of the Scheme and to transfer to the Scheme the value of the benefits attributable to that person's membership of other superannuation schemes; and
- The Deed of the Scheme does not permit amendments to be made to the Scheme that would result in any provision above ceasing to apply to the Scheme.

Amendments must also be made in accordance with the requirements of the FMC Act.

Indemnity provided to the Trustee

Under the Deed, except in the case of dishonesty, the wilful commission of an act known to be a breach of trust or the wilful omission of an act when such omission would result in a breach of trust, the Trustee shall be indemnified to the extent of the assets of the Scheme held by it against all liabilities incurred by it in the execution or attempted execution or arising from the non-execution of the trusts, authorities, powers and discretions it has under the Deed and shall have a lien on and may use any moneys for the time being in its hands for this indemnity and generally for the payment of all proper legal and other costs of administration or winding up the Scheme and otherwise performing its duties under the Deed. This indemnity is subject to the FMC Act limitation that it shall only be available in relation to the proper performance of the Trustee's duties under the FMC Act.

6. Conflicts of Interest

We describe the nature of the conflicts of interest that currently exist, or are likely to arise in the future, for the Scheme, and the steps that have been (or will be) taken to manage these conflicts.

A conflict of interest means a financial or any other interest, a relationship, or any other association of the Trustee (as trustee of the Scheme), or ANZ New Zealand Investments Limited (**ANZ**) (as an investment manager for the Scheme appointed under an investment management agreement, or Russell Investment Group Limited (**Russell**) as a 'relevant person' that would, or could reasonably be expected to, materially influence the investment decisions of the Trustee, or ANZ (or any or all) in respect of the Scheme.

A 'relevant person' means –

- a director of the Trustee; or
- a senior manager of the Trustee; or
- an employee of the Trustee who has a significant impact on the investment decisions that are made in respect of the Scheme; or
- an associated person of the Trustee (or a director or senior manager of that associated person).

The Trustee does not currently have any employees.

Details of conflicts of interest that currently exist, or are likely to arise in the future, are as follows:

<i>Nature of the conflict</i>	<i>Investment options affected</i>	<i>When and how this would or could reasonably be expected to materially influence investment decisions in respect of the Scheme</i>
ANZ has been appointed as an investment manager for the Scheme. ANZ may invest in assets issued by related parties in the future and fees may be payable to such related parties.	All investment options	ANZ may be influenced by its association with related parties to invest in assets issued by related parties to maximise fees payable to such parties. This is mitigated by the Trustee taking the steps summarised in the paragraph below this table.
Russell has been appointed as investment consultant for the Scheme.	All investment options	Russell or members of its wider corporate group manage and issue investment products such as managed funds. Russell may be influenced by that association to provide investment consulting advice to the Trustee to invest in, or increase investment in, those products. This is mitigated by the Trustee seeking independent advice as appropriate and required, in addition to the steps summarised in the paragraph below this table.
Directors of the Trustee may be members of the Scheme from time to time.	All investment options	Decisions made by affected directors may be influenced by their personal interest in the Scheme.

The steps that have been taken, or will be taken, to manage the conflicts of interest are as follows:

- Any specific conflicts of interest are managed as they arise. If a conflict arises, the process for managing the conflict will entail identifying and recording the conflict, assessing the conflict and taking appropriate measures, if necessary, to manage the conflict. In the case of directors, this could involve the director standing aside from any decisions related to the conflict.
- The particular investments of the Scheme must be made in accordance with and within the limits set out in the SIPO (including strategic asset allocations), which are set by the Trustee. As such, ANZ does not exercise inappropriate influence over investment of the Scheme.
- The Trustee receives appropriate reporting in respect of the investments of the Scheme and monitors the investments.

7. Material contracts

The following is summary of the contracts that we consider to be material in relation to the Scheme.

Deed

The Scheme is governed by the Deed. The Deed is a contract between the Trustee and FENZ for the benefit of members. Under the Deed the Trustee is the manager of the Scheme and is responsible for offering membership of the Scheme, accepting members into the Scheme, managing the Scheme's property and investments, and administering the Scheme. You can get an electronic copy of the Deed from the offer register on the Disclose website www.discloseregister.companiesoffice.govt.nz/.

Secretarial Services Agreement

The Trustee and the Secretary are parties to a secretarial services agreement effective 1 August 2015 (as amended from time to time) (**Secretarial Services Agreement**).

Under the Secretarial Services Agreement, the Trustee appointed the Secretary to provide secretarial services to the Trustee. These services relate to liaison and communication, trustee meetings, documentation and filing, support services, and financial matters.

The Secretary must provide the services and perform its obligations with the professional skill and expertise which the Secretary has held itself out as possessing and with the same degree of care and diligence as can reasonably be expected of a professional superannuation secretarial services provider.

Fees are payable to the Secretary under the Secretarial Services Agreement.

Administration Agreement

The Trustee and the Administration Manager are parties to a superannuation administration services agreement dated 30 November 2007 (as amended from time to time) (**Administration Agreement**).

Under the Administration Agreement, the Trustee appoints Mercer as administrator to provide certain specified administration services in respect of the Scheme. These services include services relating to data management, cash management, reporting, annual review, member enquiries, and trustee meetings.

The Administration Manager must provide the services honestly, in good faith and with the same degree of care, skill and diligence expected of a prudent, skilled, experienced, and professional superannuation administration services provider, including providing the services to the standard and as otherwise required under any relevant law.

The Administration Manager may, with the prior written consent of the Trustee, subcontract the performance of any part of the services, but the Administration Manager will remain fully responsible for the performance of the services which have been subcontracted. The Administration Manager must ensure it is satisfied the person it appoints is capable of performing the Services at least to the standard required of the Administration Manager. The Administration Manager must also monitor the performance of the function by the sub-delegate and review that sub-delegation at a frequency appropriate to the risk involved.

The Trustee has indemnified the Administration Manager against any loss or liability arising directly as a result of or in connection with any negligence, wilful or unlawful act or omission by the Trustee or any breach of any obligation under this Agreement in any material respect. The Administration Manager will take such action as may be reasonably required so as to mitigate liability. However, the preceding indemnity does not apply where the loss or liability is caused or contributed to by wilful default, tortious acts or omissions of the Administration Manager, its directors, officers, agents or employees.

Fees are payable to the Administration Manager under the Administration Agreement.

Consulting Agreement

The Trustee, the Investment Consultant, and Russell Investment Group Pty Limited are parties to a consulting agreement dated 5 July 2012 (as amended from time to time) (**Consulting Agreement**). Under the Consulting Agreement, the Investment Consultant was appointed to provide certain consulting services associated with the management and investment of the assets of the Scheme.

Russell Investment Group Pty Limited has guaranteed the due and punctual performance by the Investment Consultant of all the terms and conditions of the Consulting Agreement.

Fees are payable to the Investment Consultant under the Consulting Agreement.

8. Market Indices

More information about the market indices referred to in the SIPO and in the fund updates for the investment options can be found on the following websites:

Bloomberg Barclays Indices: www.bloomberg.com/professional/product/indices/bloomberg-barclays-indices

S&P/NZX Indices: us.spindices.com/regional-exposure/asia-pacific/new-zealand

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