



16 September 2016

MATERIAL CONTRACTS

Implemented Investment Consultant Agreement (Towers Watson)

Summary of Key Terms

Willis Towers Watson Australia Pty Ltd (**Towers Watson**) has been appointed as the Implemented Investment Consultant for the Scheme on the terms and conditions set out in an Implemented Investment Consultant Agreement (**Agreement**).

The services that Towers Watson provides under the Agreement include:

- Provide strategic oversight of the Scheme's investments including asset allocation advice, governance, and setting of long term objectives;
- Providing an independent oversight of the Scheme's investments;
- Review and recommendation of changes to the Scheme's Statement of Investment Policies and Objectives (SIPO);
- Assisting BT Funds Management (NZ) Limited, the Scheme's Investment Implementation Manager, in designing an ongoing monitoring reporting framework; and
- Provision of ad-hoc advice.

Towers Watson receives fees for providing these services.

The Agreement may be terminated by either party to the Agreement by giving at least 90 days' notice in writing to the other party.

Implemented Investment Management Agreement (BTNZ)

Summary of Key Terms

BT Funds Management (NZ) Limited (**BTNZ**) has been appointed as the Investment Implementation Manager (**IIM**) for the Scheme, to manage the investment of Scheme assets on the terms and conditions set out in an Implemented Investment Management Agreement (**Agreement**).

The Agreement provides for BTNZ, as IIM, to have overall responsibility for the management of the investments comprising the different asset classes of the Scheme.

The Agreement provides BTNZ with the discretion and duty to delegate investment management functions in relation to the Scheme to investment managers best suited to meet the Trustee's objectives and to gain exposure to, or access, investment management strategies directly or indirectly through pooled vehicles selected by it (including pooled vehicles provided by the IIM and its related parties).

The IIM must comply with the SIPO, and the Trustee will provide the IIM with any other instructions as to the way in which the Trustee requires the assets of the Scheme to be invested.

BTNZ receives fees for providing these services.

The Agreement may be terminated by either party by giving at least 90 days' notice in writing to the other party, or immediately in certain circumstances such as insolvency or material breach.

Superannuation Services Agreement (Mercer)

Summary of Key Terms

Mercer (N.Z.) Limited (**Mercer**) has been appointed as administration manager and secretary of the Scheme on the terms and conditions set out in a Superannuation Services Agreement (**Agreement**).

The Services that Mercer provides under the Agreement include:

- As administration manager, maintaining membership data, administering contributions and benefit payments, providing internet services, and providing services relating to compliance with Financial Markets Conduct Act 2013 reporting and record keeping obligations;
- As secretary, arranging Trustee meetings, maintaining minutes and recording resolutions of Trustee meetings, and assisting with Trustee communications including the Annual Report;
- Making payment of invoices and fees as authorised by the Trustee, operating the Scheme bank account, making accounting entries and preparing financial reports.

Mercer receives fees for providing these services.

The Agreement may be terminated by either party to the Agreement by giving at least three months' notice in writing to the other party, or immediately in certain circumstances such as insolvency or material breach.

The Trustee may also vary the volume and type of services to be undertaken by Mercer at any time by giving 30 days' notice in writing.