

NEW ZEALAND FIRE SERVICE SUPERANNUATION SCHEME APPLICATION FOR MEMBERSHIP

I apply for admission as a Member of the Scheme and agree to the terms and conditions contained in the Trust Deed governing the Scheme. I authorise my Employer to deduct from my earnings the amount required to cover my contributions.

Member's Full Name _____
First Names Surname

Date of Birth _____

(Please attach a copy of your birth certificate or drivers licence to this application)

Mailing Address _____
 _____ Post Code _____

E-Mail address _____

Job Title _____ Location _____

Contribution Rate 6 % per annum

I wish to have my future contributions to the scheme invested in the Member Investment Choice options as set out below until I make a further election and should I not make an election all of my future contributions to the scheme will be invested in the **Balanced Option** until I make a further election.

Member Investment Choice Option				Total
Cash	Conservative	Balanced	High Growth	
%	%	%	%	Columns must add up to 100%

I have received and read a copy of the current Investment Statement, and I understand I am entitled to receive a copy of the current Member brochure, a copy of the latest Trustee Annual Report and a copy of the Member Investment Choice booklet prior to applying for membership. These are available, at no charge, from PO Box 36287, Merivale, Christchurch 8146.

By providing my e-mail address above I thereby consent to use, provide, or accept information or communications from the Trustees in an electronic form and by electronic means for all of the purposes of the Superannuation Schemes Act 1989 and the Electronic Transactions Act 2002.

Signed Date

TO BE COMPLETED BY THE PAYROLL MANAGER

Payroll Number: _____ Date joined Fire Service: _____

Date deductions commence: _____ Commencing salary: _____

Signed _____ Date _____

Position Title _____ National Headquarters.

SEND THIS FORM TO: **NEW ZEALAND FIRE SERVICE SUPERANNUATION SCHEME**
P O BOX 36287, MERIVALE
CHRISTCHURCH 8146

Privacy Act Statement

In accordance with the Privacy Act 1993, you are advised that the information contained on this form is being collected to enable the scheme to maintain a membership file. Mercer (NZ) Ltd, of Wellington, will hold and maintain your membership file. The purpose for the collection of the information is to administer your interest in the scheme. No other agency will receive the information. You have the right to access and correct that information at any time.

NEW ZEALAND FIRE SERVICE SUPERANNUATION SCHEME

BENEFICIARY STATEMENT

Member's Full Name _____
First Names _____ Surname _____

Date of Birth _____

I wish to register with the Trustees the following beneficiaries in the event of my death.

STATEMENT OF BENEFICIARY

I request the Trustees in the event of my death to pay the Death Benefit payable under the Scheme to:

_____ (Insert beneficiary name) _____ (Relationship)

Proportion of Benefit to be Paid _____ %

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_____ (Insert beneficiary name) _____ (Relationship)

Proportion of Benefit to be Paid _____ %

Note Total proportion of benefit to be paid must equal 100%
If the benefit is to be paid "As Per Will", please state this instead of beneficiary name.
This advice does not restrict the Trustees' discretion to pay the benefits under the terms of the Trust Deed.

Signed _____ Date _____

TRUSTEE APPROVAL

Signed _____ Date _____

Signed _____ Date _____

INVESTMENT STATEMENT No 11.

1. IMPORTANT INFORMATION:

(The information in this section is required under the Securities Act 1978.)
Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

1.1 Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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What sort of investment is this?	3
Who is involved in providing it for me?	3
How much do I pay?	4
What are the charges?	6
What returns will I get?	7
What are my risks?	10
Can the investment be altered?	12
How do I cash in my investment?	13
Who do I contact with enquiries about my investment?	14
Is there anyone to whom I can complain if I have problems with the investment?	14
What other information can I obtain about this investment?	15

1.2 Engaging an Investment Adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including—

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

WARNING – RESTRICTED DISCLOSURE

The law requires that persons considering whether to join a superannuation scheme must be supplied on request with a prospectus about that scheme.

However, employer superannuation schemes have been exempted from this requirement.

You should be aware that in choosing to become a member of this superannuation scheme you may be doing so on the basis of more limited information than is generally available to investors making important decisions about investments. However, every prospective member of this scheme has a right, under the Superannuation Schemes Act 1989, to request to receive certain information about the scheme (including a copy of the trust deed).

What sort of investment is this?

2. DESCRIPTION OF SECURITIES

2.1 The New Zealand Fire Service Superannuation Scheme is a defined contribution 'employer superannuation scheme' which was established on 02 December 1987.

2.2 In order to be eligible to join the scheme you must be employed by the New Zealand Fire Service as National Commander, Deputy National Commander, Regional Commander, Executive Fire Officer, Officer, Firefighter, Controlroom staff, Black Watch staff, Mechanics, or Community Safety team members. You are eligible to join the scheme from the first day on which you become an employee but if you do not become a member within three months of that date you will not be entitled to join the scheme except with the consent of the Trustees.

2.3 The Trustees as part of their ethos to continue to upgrade and maintain the viability of the scheme, have amended the Trust Deed to provide that a section of the scheme is a Complying Superannuation Fund under the Superannuation Schemes Act 1989.

2.4 The Complying Superannuation Fund section allows members to subject a portion of their interest in the scheme to rules which are similar to those of a KiwiSaver scheme, and to become eligible to receive benefits which are similar to some of the benefits available to KiwiSaver members.

2.5 In general terms the Scheme is a defined contribution scheme designed to provide the employee with a lump sum on ceasing employment with the New Zealand Fire Service in respect of the Superannuation section. A generous contribution by the employer and active management by the Trustees ensures attractive benefits for both sections of the scheme.

2.6 The Trustees provide for members to make an investment choice option. Those choices are:

- Cash option
- Conservative option
- Balanced option
- High growth option.

Members may elect to invest in one or a combination of two or more of the above options. Each option is subject to a different level of risk. See the section headed "What are my risks?" on page 10 for information about risks. Once an option/s has been chosen and until that option/s is altered accumulations within and contributions to the scheme will be invested in that option/s. In the event that no option/s are selected accumulations within and contributions to the scheme will default to the Balanced option. The Trustees have determined that you may alter your option at the 1st day of October in each year and annually thereafter. Members should note that online selection is the only methodology available.

Who is involved in providing it for me?

3. NAMES AND ADDRESSES

3.1 The scheme is known as the New Zealand Fire Service Superannuation Scheme, with a registration number 1802197. The scheme has been in operation since 1987 and was established for the principal purpose of providing retirement benefits for employees of the New Zealand Fire Service Commission. The scheme is registered with the Government Actuary and has been approved by the Government Actuary as a Complying Superannuation Fund under the Superannuation Schemes Act 1989.

3.2 The Trustees of the scheme are:

- Denis James Fitzmaurice of Leithfield Beach
- Janine Marie Hearn of Paraparaumu
- Allan James Kerrisk of Whangarei
- Timothy Patrick McGuinness of Wellington
- Stephen Colin Warner of Christchurch
- Russell Clifford Wood of Wellington
- Ian Wright of Wellington.

The Trustees may be contacted through the Secretary to the Trustees whose address is set out in section 19.

3.3 The Administration Manager is Mercer (N.Z.) Limited, 113-119 The Terrace, Wellington 6011.

3.4 The New Zealand Fire Service Commission of Level 9, AXA House, 80 The Terrace, Wellington 6011 promotes the scheme. The members of the New Zealand Fire Service Commission are also promoters. Their names and addresses are:

- Dame Margaret Clara Bazley DNZM, Hon DLit of Wellington
- Rt Hon Wyatt Creech of Wellington.
- Angela Foulkes ONZM of Wellington
- Bob Francis of Masterton
- David McFarlane of Renwick.

The members of the New Zealand Fire Service Commission can be contacted at Level 9, AXA House, 80 The Terrace, Wellington 6011.

3.5 Responsible investment, including environmental, social and governance considerations, is taken into account in the investment policies and procedures of the scheme as the date of this investment statement. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures on the scheme's website on the Internet at www.firesuper.co.nz which is publicly accessible at all reasonable times; and from the Trustees, free of charge, upon request, by contacting the Secretary to the Trustees whose address is set out in section 19.

How much do I pay?

4. THE MONEYS PAYABLE BY SUBSCRIBERS

4.1 As a new member the rate of contribution is 6 per cent of superable salary or wages. Members may elect to contribute to the Complying Superannuation Fund section of the scheme at a rate of 2% or 4% of superable salary or wages. If a member elects to contribute to the Complying Superannuation Fund section, the member's contributions to the regular section will be 4% (for members who contribute 2% to the Complying Superannuation Fund section) or 2% (for members who contribute 4% to the Complying

Superannuation Fund section) of superable salary or wages.

4.2 The employer contribution is \$1.52, after the deduction of Employer Superannuation Contribution Tax (**ESCT**) (where applicable), for each dollar you contribute to the scheme.

4.3 If a member contributes to the Complying Superannuation Fund section, a portion of the employer contribution equal to the member's minimum required contributions to the Complying Superannuation Fund section (ie 2% of the member's superable salary or wages) will be paid into the Complying Superannuation Fund section. The balance of the employer contribution will be paid into the regular section of the scheme.

4.4 Member contributions to the Complying Superannuation Fund section will attract a 'member tax credit' which is a matching government contribution of up to \$1042.86 per year to the Complying Superannuation Fund section.

4.5 All contributions to the Complying Superannuation Fund section vest in the member.

4.6 Contributions to the Complying Superannuation Fund section are treated similarly to contributions to a KiwiSaver Scheme and are subject to lock-in rules. The lock-in rules require that, except on the occurrence of a 'permitted withdrawal', all contributions to the Complying Superannuation Fund section cannot be withdrawn until the member reaches the New Zealand retirement age, or until the member has been a member of the Complying Superannuation Fund section of the scheme for at least five years, whichever is the latter. Permitted withdrawals include:

- Withdrawal in the case of loss of physical or medical fitness; and
- Withdrawal by a member's personal representative in the event of a member's death; (described in more detail under the section headed '*What returns will I get?*') and
- A transfer to a KiwiSaver scheme or to another Complying Superannuation Fund (described in more detail under the section headed '*Can the investment be altered?*').

4.7 The Commission makes special contributions if necessary to increase the benefit to two times salary on death, or loss of medical or physical fitness.

4.8 If you are on a total remuneration package you are effectively paying for the employer's contributions by way of a salary reduction.

4.9 There is provision for you to make voluntary contributions. To do so requires you to seek the approval of the Trustees. Voluntary contributions may be paid through the Fire Service payroll system or by direct credit to the scheme's bank account. Voluntary contributions do not attract any employer subsidy.

4.10 A member may have a benefit the member is entitled to under another superannuation scheme transferred into the scheme, where it will form part of the voluntary accumulation of the member. Any amount transferred from a Complying Superannuation Fund will be transferred to the Complying Superannuation Fund section of the scheme.

4.11 All contributions are made by way of regular payments to the Trustees, which are deducted from your salary or wages and paid to the scheme's administration manager fortnightly.

4.12 "Superable salary" is as follows:

- For employees who are Officers, Firefighters, Control Room Operators, or Community Safety Team Members, the annual amount of "total weekly wage" paid, plus any bonuses or allowances paid with every wage payment and for which no specific claim has to be made by the employee;
- For Mechanics, the annual wage paid plus any industrial allowances paid;
- For the National Commander, Deputy National Commander, Regional Commanders and Executive Officers, the annual salary plus the assessed value of the free benefit received for accommodation.

4.13 If you are temporarily absent from service without wages or salary, or with reduced wages or salary, your superable salary will be considered to be an amount as agreed upon between you, the Commission and the Trustees. With the consent of the Commission and the Trustees, you may reduce contributions to the scheme, or contribute at a lesser rate during temporary absence.

4.14 If you join the scheme and are also a KiwiSaver scheme member, you will be required to contribute to both the scheme and your KiwiSaver scheme unless you either opt out of KiwiSaver (if you were automatically enrolled), or are eligible to take a contributions holiday from either the scheme or your KiwiSaver scheme. Generally you will be eligible to take a contributions holiday from your KiwiSaver scheme after contributing to the relevant scheme for 12 months. You may only take a contribution holiday from the scheme with the permission of the Trustees.

5. COOLING OFF PERIOD

There is no cooling-off period. Once have joined the scheme, you may only cease contributions in the circumstances described in the Trust Deed as summarised in this investment statement.

What are the charges?

6. CHARGES

6.1 There are no

- Entry charges,
- Trustee, administration or management charges,
- Expenses or overhead charges,
- Charges or expenses relating to goods and services that a member is required to obtain
- Early termination charges,
- Switching or sale charges (including the difference between any buying and selling prices),
- Alteration charges, or
- Other charges,

directly payable by any member to the scheme.

6.2 In the event that a member requires the Administrator of the scheme to provide a quotation of current value, on each occasion a fee of \$ 52.56 will be levied.

6.3 The scheme pays administration and management charges to the scheme administrator and to the investment managers in respect of the services they provide in administering and managing the scheme. Their contracts may be reviewed from time to time.

6.4 The scheme remunerates the Independent Trustee in accordance with a contract between the Trustees and the Independent Trustee. This remuneration is reviewed annually.

6.5 The scheme employs a Secretary to the Trustees on a part-time basis in accordance with a contract between the Trustees and the Secretary to the Trustees. The remuneration is reviewed annually.

6.6 Legislation governing Complying Superannuation Funds requires that the fees in respect of the Complying Superannuation Fund section of the scheme must not be unreasonable. These include fees charged by the Trustee, administration manager, investment manager (if any), promoter or any other person charging a fee for services in relation to the Complying Superannuation Fund section.

6.7 Other than the Administrator's fee of \$52.56 for a quotation of current value, there are no charges payable by any member of the scheme.

6.8 The charges payable by the scheme to the administration manager and investment managers in respect of the administration and management of the scheme vary from time to time and will be reflected in the scheme performance credited to Retirement Accumulations. The charges are calculated according to the level of service that the administration manager and investment managers must provide in order to efficiently administer and manage the scheme. Information relating to the amount of charges paid by the scheme to the administration manager and investment managers may be obtained from the Secretary to the Trustees.

What returns will I get?

7. BENEFITS

7.1 Your return from investing in the scheme is paid in the form of a benefit. The portion of your Retirement Accumulation that is subject to the Complying Superannuation Fund section remains locked in until you reach the New Zealand Retirement age, except where you are eligible to make an earlier permitted withdrawal. On cessation of employment with the Fire Service the following benefits are payable:

- **Retirement**:- A capital sum equal to the total held in your Retirement Accumulation is payable in the form of a lump sum. The portion of your Retirement Accumulation that is subject to the Complying Superannuation Fund section remains locked in until you reach the New Zealand Retirement age, except where you are eligible to make an earlier permitted withdrawal.
- **Resignation**:- A capital sum equal to the total held in your Retirement Accumulation is payable in the form of a lump sum. A capital sum equal to the total held in your Retirement Accumulation is also payable if you are retrenched. The portion of your Retirement Accumulation that is subject to the Complying Superannuation Fund section remains locked in until you reach the New Zealand Retirement age, except where you are eligible to make an earlier permitted withdrawal.
- **Loss of Medical Fitness**:- If you are required to retire from the Fire Service in accordance with section 72 of the Fire Service Act 1975, the benefit payable will be the greater of the total in your Retirement Accumulation or two years salary or wages at current rates.

- Loss of Physical Fitness:- If you are required to disengage from the Fire Service in accordance with section 72 C of the Fire Service Act 1975, the benefit payable will be the greater of the total in our Retirement Accumulation or two years salary or wages at current rates.
- Death:- The death benefit payable is an amount equal to the total held in your Retirement Accumulation or two years wages or salary at current rates, whichever is the greater. Payment of the death benefit will be to your dependants or to your legal personal representative no sooner than six months after the date of death.

7.2 Where you reduce your contributions to less than 6 per cent of your superable wages or salary, and you become entitled to a benefit in the case of death, loss of medical fitness or loss of physical fitness during that time, the benefit will be pro-rated.

7.3 The following conditions need to be met before a benefit is payable. You will only be paid a benefit on meeting the conditions in the Trust Deed, as summarised in this section:

- Retirement: The retirement benefit is payable on retirement after the “Normal Retirement Date” or after attaining the age of fifty years with the Commission’s consent. The portion of your retirement account that is subject to the Complying Superannuation Fund section remains locked in until you reach the New Zealand Retirement age, except where you are eligible to make an earlier permitted withdrawal.
- Resignation: Resign before the “Normal Retirement Date” or otherwise ceases to be an employee where a benefit is not payable in the circumstances outlined above. The portion of your retirement account that is subject to the Complying Superannuation Fund section remains locked in until you reach the New Zealand Retirement age, except where you are eligible to make an earlier permitted withdrawal.
- Loss of Medical Fitness: On being required to leave the service before the “Normal Retirement Date” as certified as being substantially medically unfit to perform specific duties which the Commission considers suitable for the member.
- Loss of Physical Fitness: On being required to leave the service before the “Normal Retirement Date” due to being unable to meet the physical standards required by the Commission and in the opinion of the Commission is unable to or does not respond to remedial action.
- Death: On death in the service before reaching “Normal Retirement Date”.

“Normal Retirement Date” means age 65 for all staff other than those born before 1 April 1936.

7.4 In order to qualify for the payment of the portion of your retirement account subject to the Complying Superannuation Fund section where you are eligible for a retirement or resignation benefit, you must reach the New Zealand retirement age (currently 65) and have participated as a member of the Complying Superannuation Fund section for at least five years.

7.5 In order to qualify for the payment of the portion of your retirement account subject to the Complying Superannuation Fund section where you are eligible for a loss of physical or medical fitness benefit, the Trustees must be reasonably satisfied that you are suffering from an injury, illness, or disability:

- that results in you being totally and permanently unable to engage in work for which you are suited by reason of experience, education, or training, or any combination of those things; or
- that poses a serious and imminent risk of death.

7.6 The key factors that determine the level of your benefit are the returns the scheme receives from its investments, the expenses paid to administer the scheme, the length of service and the reason for leaving the service.

7.7 No amount of return, quantifiable at the date of the Investment Statement and enforceable by members, has been promised.

7.8 Taxes or duties required to be paid by the scheme will affect the returns.

7.9 Benefits payable from the Scheme are generally paid to you free of New Zealand income tax under current legislation. However, if you wish to withdraw your benefit the portion of your benefit that represents the contributions made by the Commission (plus earnings on those contributions) may be subject to tax at 5%. This will only be the case if one of the following does not apply:

- You withdraw the money when or after you stop being employed, as long as you have been with the NZ Fire Service for at least two years and the Commission's rate of contribution has not increased by more than 50 % in either of the last two years.
- You have earned less than \$ 70 000 per year for the last four income years before the year of the withdrawal (including the Commission's yearly contributions to your savings and any other taxable income).
- You have withdrawn the money on the grounds of significant hardship.
- The money you withdraw is needed to divide assets in settlement of a division of matrimonial property under the Property (Relationships) Act 1976.
- The money is withdrawn to purchase an annuity or pension of 10 years or more duration or to purchase or pay insured benefits.
- You transfer from one registered superannuation scheme to another.

The terms of the scheme mean that it is unlikely that you can be paid a benefit without being covered by one of the above circumstances.

7.10 Reserves: The scheme has a reserve fund which consists of moneys held in the scheme which have been derived from the following sources and are not specifically required or allocated for any other purpose:

- Benefits foregone when members cease to be eligible to contribute to the scheme
- Unclaimed benefits
- Other money not required for the payment of benefits under the scheme; and
- Any contributions made by the Commission to the reserve fund.

The reserve fund may be applied by the Trustees for the payment of the expenses of administering the Fund; providing benefits in the case of hardship; providing benefits in the case of death or loss of physical or medical fitness; or other benefits for all members of the scheme on an equitable basis.

7.11 Bankruptcy: In the event of your bankruptcy your benefit, to the extent permitted by law, is forfeited to the Trustees and the Trustees shall apply the benefit to the member or dependents as the Trustees in their absolute opinion think fit.

7.12 Incapacity: In the event that you are incapable of arranging your own affairs the Trustees may apply the benefit to you or your dependents.

7.13 The Trustees are legally liable to pay benefits payable from the scheme.

8. CONTINUED MEMBERSHIP AFTER RETIREMENT

8.1 Members who retire from the Fire Service are permitted to continue membership of the scheme provided they advise the Trustees of their wish to do so within one month of their retirement.

8.2 All balances within the scheme are credited with the same interest rates as the balances of members who are still employed by the Fire Service.

8.3 There is no charge for this service. Contributions may be made by direct bank credit, however no contributions are payable by the Fire Service on account of retired members. Four free withdrawals per annum are permitted with extra withdrawals being charged at \$ 52.56 each.

8.4 There is no enhancement of any benefit by the Fire Service or the scheme for members who have retired from the Fire Service and continue scheme membership.

8.5 The member tax credit is not paid in respect of members who have reached the New Zealand retirement age or members who do not contribute to the Complying Fund section of the scheme.

9. NO GUARANTEE OF SECURITIES

There is no guarantor of the securities.

What are my risks?

10. REDUCTION IN BENEFITS

10.1 You should be aware that the scheme is always likely to hold a proportion of its assets in equities and other investments where values may fluctuate. Although the Investment Managers, with the Trustees approval, make such investments in order to achieve the maximum long-term advantage, such a strategy is not without its risks.

10.2 All investments carry some risk. It is conceivable that from time to time there may be a negative return. In this situation it is possible that a negative interest rate will be applied to your retirement account. This means that there is a chance of losing some or all of your investment and the possibility that investment returns become negative as well as positive. You also stand a greater risk of not getting all of your investment value back, if downward movement occurs in the short term and you cash in your investment.

10.3 The return achieved by the scheme is determined by the return on the investments of the scheme. The scheme invests into wholesale investment funds managed by professional fund managers. The investment funds into which the scheme invests in turn invest in a range of asset classes. Generally speaking, asset classes that offer the highest potential returns also have the highest risk. Each investment fund has a different exposure to the various asset classes and therefore a different level of risk.

10.4 Your accumulation in the scheme will be invested in a combination of investment funds determined by your choice of investment option. See below for a brief description of each investment option, and the associated level of risk. You are advised to consult with a professional investment adviser before making an investment decision:

- Cash option

The Cash option is primarily invested into investment funds which generally hold a portfolio of bank bills, floating rate notes and short-term securities. This option is traditionally considered to be low risk.

- Conservative option

The Conservative option is primarily invested into investment funds which generally hold a portfolio diversified across all asset types with a bias towards investment in income assets such as cash and bonds. This option is traditionally considered to low to medium risk.

- Balanced option

The Balanced option is primarily invested into investment funds which generally hold a portfolio diversified across all asset types with a mix of income assets (such as bonds) and growth assets (such as shares). This option is traditionally considered to be medium to high risk.

- High Growth option

The High Growth option is primarily invested into investment funds which generally hold a portfolio diversified across all asset types with a bias towards growth assets such as shares. This option is traditional considered to be high risk.

10.5 Events that can affect an investment fund's returns or value may include the following:

- Economic, political or market conditions in a country that affect its price or rate of return
- Performance of individual companies or investment funds into which the investment fund invests
- A company in which the investment fund holds shares becomes insolvent and its shares become worthless
- If the investment fund is invested overseas, changes in foreign exchange rates can affect the value of its overseas investments
- For fixed interest securities, the risk that there is a default on either interest or debt repayments, adversely affecting the investment fund's returns
- Changes to interest rates which decrease the value of fixed interest investments
- Decisions made by the investment manager
- The introduction of new taxes, or changes to existing taxes, or the methods by which such taxes are levied
- The introduction of new laws, or changes to the interpretation of existing laws.

10.6 Recent turmoil in the global financial markets has resulted in negative performance for many investment funds, including the scheme and the investment funds into which the scheme invests. For Investors, this means that the value of their accumulation may fluctuate and be less than their initial investment, and fluctuations may be material.

10.7 The impact of future economic conditions cannot be predicted, be they positive or negative. It is not unexpected that the scheme may experience negative returns occasionally and that negative returns may continue for a period of time. There can be no assurance that future economic conditions will not materially and adversely affect the scheme.

11. CONSEQUENCES OF INSOLVENCY

11.1 There is no liability on any member of the scheme to pay money to any person as a result of insolvency of the scheme.

11.2 There are no claims that would rank ahead of claims of members in the event of the scheme being put into liquidation and wound up other than the expenses of the scheme and the cost of winding up which the Trustees would be obliged to pay from the scheme.

12. WINDING UP THE SCHEME

12.1 Should the scheme be wound up, no part of the superannuation assets of the scheme will revert to the employer.

12.2 If the scheme was to be wound up the total of the assets, after payment of all expenses of the scheme and the cost of winding up, would be applied to those who are members of the scheme at the time.

Can the investment be altered?

13 REDUCTION OR SUSPENSION OF CONTRIBUTIONS

13.1 When you join this scheme you undertake to make regular contributions at an agreed rate. The Trustees recognise that there will be occasions when it will not be possible to maintain contributions at the agreed rate. The Trustees will consider, upon receipt of an application from you, any request to vary your contribution rate. Some circumstances are:

- Leave without Pay: Whilst on Leave without Pay your contributions are deemed to be zero and no subsidy is payable by the Fire Service. For the purposes of calculating Service, time spent on Leave without Pay is considered to be continuous.
- Sick Leave without Pay: - For the purposes of calculating two years salary or wages, the last complete pay received by you prior to being placed on Sick Leave without Pay will be recognised. For the purposes of calculating Service, time spent on Sick Leave without Pay is considered to be continuous.
- Accident leave without Pay – The same provisions apply to Accident Leave without Pay as apply to Sick Leave without Pay.

13.2 There may be other reasons for which you feel it is necessary to seek the approval of the Trustees to reduce your agreed rate of contribution. In such circumstance write to the Secretary to the Trustees whose address is set out in section 19.

13.3 You should be aware that where contributions are reduced below six per cent of salary or wages (which includes the Complying Superannuation Fund section component) for other than Sick or Accident Leave without Pay, there will be a corresponding reduction in any benefit paid in the event of loss of medical fitness, physical fitness or death.

13.4 Each member who elects to make contributions to the Complying Superannuation Fund section must continue to be a member of the Complying Superannuation Fund and in particular, in the event that a member applies for a contributions holiday by way of application to the Commissioner of Inland Revenue, they must also seek the consent of the Trustees pursuant to the provisions of the Trust Deed to any reduction of contributions.

13.5 If you are temporarily absent from service without wages or salary, or with reduced wages or salary, your superable salary will be considered to be an amount as agreed upon between you, the Commission and the Trustees. With the consent of the Commission and the Trustees, you may reduce contributions to the scheme, or contribute at a lesser rate during temporary absence. Where you reduce your contributions to less than 6 per cent of your superable wages or salary, and you become entitled to a benefit in the case of death, loss of medical fitness or loss of physical fitness during that time, the benefit will be pro-rated.

13.6 You can only cease contributions to the regular section of the scheme if you give notice in writing to the Trustees that you intend to do so from a date that is not earlier than the date of the notice. From the date contained in the notice, the Trustees must determine a benefit in respect of you, in lieu of all other benefits under the Trust Deed equivalent to the amount of the capital sum which would have become available for your benefit had you resigned from service on the date of discontinuance of your contributions. This benefit will be held in the scheme and will be payable at the same time and on the same conditions as benefits previously secured in respect of you.

13.7 Every member who elects to make contributions to the Complying Superannuation Fund section must commit to be a continuing member of the Complying Superannuation Fund and may only cease contributions to the Complying Superannuation Fund section with the consent of the Trustees.

14. AMENDMENT OF THE TRUST DEED

Generally the interests in the scheme cannot be altered except by amendment of the Trust Deed which must be consented to by the Commission and the Trustees. All amendments must be certified as in order by the scheme's Solicitor. Amendments must comply with the Superannuation Schemes Act 1989 and the provisions of the Trust Deed. In particular, no amendment having the effect of reducing, postponing or adversely affecting a member's accrued entitlements in the scheme up to the date of the amendment can be made without that member's prior written consent.

How do I cash in my investment?

15. PAYMENT OF BENEFITS

Withdrawals from the scheme are permissible only in the circumstances described in the section headed '*What returns will I get?*'.

16. TRANSFERS

16.1 If a member leaves employment with the Commission and becomes a member of another superannuation scheme, the member may elect that the capital sum of the member's benefit under the regular section of the scheme shall be transferred to the other registered superannuation scheme. If such a transfer is made the scheme shall be debited accordingly and no further benefit will be payable in respect of the member under the scheme. A member's account in the Complying Superannuation Fund section may only be transferred to another Complying Superannuation Fund or to a KiwiSaver scheme.

16.2 It is mandatory to transfer a member's account in the Complying Superannuation Fund section to another Complying Superannuation Fund or a KiwiSaver scheme if the employee ceases to be eligible to be a member of this scheme or cannot remain a member for any reason and in the circumstances where the Government Actuary revokes approval of the scheme as a Complying Superannuation Fund.

16.3 Members may require the Trustees to transfer their account in the Complying Superannuation Fund section to another Complying Superannuation Fund or to a KiwiSaver scheme.

17. EARLY TERMINATION

As the scheme is designed to provide financial security in retirement to a contributing member, withdrawal of contributions before ceasing employment with the New Zealand Fire Service Commission is not permitted.

18. RIGHT TO SELL SECURITIES

You are not permitted to sell your interest in the scheme to any other person. No member may assign, charge, alienate, or borrow against the security of any benefit held within the scheme except where required by the provisions of any enactment.

Who do I contact with enquiries about my investment?

19. ENQUIRIES ABOUT SECURITIES

If you have any enquiries about the scheme contact:

Barry Dent
Secretary to the Trustees
NZ Fire Service Superannuation Scheme
PO Box 36287
Merivale
CHRISTCHURCH 8146.
Telephone: 0-3-355 3499
Facsimile: 0-3-355 3499
Mobile: 021- 653 499
e-mail: secty@firesuper.co.nz
Internet: www.firesuper.co.nz

Is there anyone to whom I can complain if I have problems with the investment?

20. COMPLAINTS ABOUT SECURITIES

20.1 Should you have any concerns contact the Secretary to the Trustees whose address is set out in section 19.

20.2 The scheme has adopted a dispute resolution policy to process disputes or complaints raised by members. Members should contact the Secretary to the Trustees whose address is set out in section 19.

20.3 No statutory Ombudsman for employment based superannuation schemes has been established.

What other information can I obtain about this investment?

21. FINANCIAL STATEMENTS

21.1 Other information about the scheme is contained in financial statements of the scheme.

21.2 Copies of the financial statements of the scheme including the audit report are available, free of charge, from the Secretary to the Trustees whose address is set out in section 19.

21.3 The financial statements and other documents relating to the scheme are also filed on a public register at the Companies Office of the Ministry of Commerce and available for public inspection.

22. ANNUAL INFORMATION

Within five months of the end of the financial year ending on 31 March, the Trustees will issue each member of the scheme with their Annual Report which will contain amongst other things a summary of the financial statements of the scheme for the year just ended. Members will also receive a member statement outlining transactions and interest added to their accounts for the financial year to 31 March. A copy of the full financial statements, the audit report on them, and the Trustees Annual report are available to members free of charge from the Secretary to the Trustees whose address is set out in section 19.

23. ON-REQUEST INFORMATION

23.1 Prospective members prior to joining the scheme may look at or request a copy of the Trust Deed, and may request a copy of the annual accounts and any auditor's report thereon. Requests for this information should be made to the Secretary to the Trustees whose address is set out in section 19.

23.2 Personal information held by the scheme related to your mailing address, your security password, and your current beneficiaries can be updated during normal business hours. You are also able to receive details of your account balances or an estimate of your benefits by contacting:

Mercer (NZ) Ltd
PO Box 1849
WELLINGTON 6140.
e-mail: nzfire.super@mercerc.com_
Freephone: 0800 MY SUPER
0800 – 69 78737.

23.3 You will be asked to provide personal details to the Trustees. This personal information enables the scheme to hold and maintain your membership file and to administer your interests in the scheme. No other agency will receive the information except that required to effect the administration of the scheme generally.

23.4 The Privacy Act gives you the right to request access to the personal information held and to request correction of your personal details. Should you require further information on any other matter including privacy issues you should contact the Secretary to the Trustees whose address is set out in section 19.

23.5 A member may request a copy of the scheme's current Investment Objectives and policy and the means by which changes can be made to these Investment Objectives and that policy at any time. Requests are to be made to the Secretary to the Trustees whose address is set out in section 19.

23.6 No charge is made for any information requested by a member of the scheme.

24. TRUST DEED OF THE SCHEME

24.1 The scheme is administered in accordance with a Trust Deed which is the legal document governing the scheme. This Investment Statement is not intended as a substitute for the Trust Deed.

24.2 The Trust Deed is available for review at www.firesuper.co.nz or from the Secretary to the Trustees. Should you require a personal copy of the Trust Deed then, please contact the Secretary to the Trustees at the address set out in section 19.

24.3 Should you be in any doubt about any matter related to the scheme you should refer to the Trust Deed.

24.4 Members of the scheme who request a copy of the Trust Deed will have it supplied free of charge.

This is an investment statement for the purposes of the Securities Act 1978 and was prepared on 17 November 2009.