

Administration Agreement

Civic Financial Services Limited

**Local Government Superannuation Trustee
Limited**

Agreement dated 01 March 2017

Parties

- 1 **Civic Financial Services Limited** a duly incorporated company having its registered office at Wellington, New Zealand ('**Manager**')
- 2 **Local Government Superannuation Trustee Limited** together with its successors and assigns ('**LGST**'), as trustee of SuperEasy KiwiSaver Superannuation Scheme ('**SKS**') and the Local Government Superannuation Scheme ('**SuperEasy**')

Background

- A SuperEasy was established on 1 June 2005 and SKS was established on 18 May 2007 (each a 'Scheme' and together 'Schemes'). At the date of this document, each Scheme is governed by a separate trust deed dated 15 March 2016 (each a 'Trust Deed' and together 'Trust Deeds'). The Schemes are principally for the purpose of providing retirement benefits for employees of various local authorities.
- B The Manager has historically provided administration and other services for the Schemes under an agreement dated 25 September 2015 ('Previous Agreement').
- C The Parties now wish to redocument the terms of the Manager's appointment as Administration Manager for each Scheme by replacing the Previous Agreement with the terms set out in this Agreement.

Agreement

- 1 LGST appoints the Manager as the Administration Manager of the Schemes with effect from the date of this Agreement, to carry out the Schemes' administration functions set out at clause 2 and to facilitate the investment of the Scheme's assets into funds managed by the Schemes' underlying fund managers as set out in Appendix A, as well as facilitate the investment of the Scheme's cash holdings in accordance with clause 8.
- 2 The Manager will provide administrative, communication and promotion services appropriate for the efficient and effective operation of LGST's responsibilities and ensure that all statutory and regulatory obligations of LGST and the Schemes are carried out. Without limiting this obligation in any way, the functions ('Functions') include:
 - a The Manager using best endeavours to perform the Functions in the same manner as required of LGST under the Financial Markets Conduct Act 2013 ('FMC Act'), and being subject to the same duties and restrictions as imposed on LGST under the FMC Act.
 - b The Manager using best endeavours to ensure the Schemes' assets are invested in accordance with the Schemes' Statement of Investment Policy and Objectives ('SIPO') adopted from time to time by LGST, and liaising with LGST and the Schemes' investment consultant in respect of the SIPO.
 - c The Manager facilitating LGST's monitoring of the Functions in order to ensure LGST is able to discharge its monitoring obligations under the FMC Act.
 - d Where the Manager proposes to enter into a transaction (or series of transactions) that provides for a related party benefit to be given in relation to the Schemes, the Manager

and LGST will each use their respective best endeavours to do all things necessary or desirable to allow such transaction (or series of transactions) to be entered into in compliance with the FMC Act. For the avoidance of doubt, this includes LGST using reasonable endeavours to do all things necessary or desirable to have the payment of any fees under this Agreement consented or certified in accordance with the FMC Act's rules concerning related party benefits, as well as the Manager using best endeavours to ensure that arrangements entered into with third party sub-managers do not cause LGST to contravene the FMC Act's rules relating to related party benefits.

- e The Manager using best endeavours to provide LGST with all information, documents, and records LGST reasonably requires to comply with the terms of this Agreement, the FMC Act, and any requests from the Financial Markets Authority or other relevant regulator.

Any rights that the Manager has to be indemnified out of the Schemes for liabilities and expenses incurred in relation to the performance of its Functions are subject to the FMC Act.

- 3 LGST declares and undertakes that LGST has determined an overall investment strategy for the Schemes, and it takes and will continue to take full responsibility for that strategy in respect of the Schemes' funds.
- 4 At all times while carrying out the Functions, the Manager must observe and comply with all relevant health and safety laws, regulations and applicable codes of practice ('**Health and Safety Requirements**'). The Manager must also ensure that its employees and any other workers (together, '**personnel**') who do work for the Manager pursuant to this Agreement are aware of, observe and comply with the Health and Safety Requirements. In addition:
 - a The Manager must:
 - i Have its own health and safety plan in place in relation to the carrying out of the Functions;
 - ii Ensure that its personnel have, or are appropriately supervised by someone who has, the appropriate knowledge, training and experience to carry out the Functions;
 - iii Ensure so far as is reasonably practicable the health and safety of its personnel while carrying out the Function;
 - iv Comply with, and ensure that its personnel comply with LGST's reasonable instructions in relation to health and safety matters.
 - b To enable LGST to appropriately monitor and investigate any health and safety issues in connection with the Manager carrying out the Functions, the Manager must promptly report to LGST:
 - i All potential hazards or risks identified by the Manager, or its personnel, in connection with carrying out the Functions;
 - ii Any injury, accident or near-miss incident arising from, or relating to, carrying out the Functions; and
 - iii Any apparent instance of non-compliance by the Manager or its personnel with the obligations of this clause of which the Manager becomes aware,

and the Manager must, and must ensure that its personnel, cooperate fully with LGST in providing any further information, participating in any investigation, or taking (or ceasing to take) any further action as LGST may require in relation to any such matter.

- 5 The remuneration of the Manager shall be:
 - a A management fee of 0.5% per annum expressed as a percentage of the Schemes' total funds under management payable quarterly in arrears.
 - b For SuperEasy, an administration fee of \$6.00 per member per month, payable to the Manager. This fee can be waived at the discretion of the Manager. At the date of this agreement no administration fee is payable for SuperEasy members who are employed by a local authority.
 - c For SKS, an administration fee of \$4.50 per member per month, payable to the Manager.
- 6 The Manager may, subject to LGST's prior agreement, sub-delegate any of the authorities given to it by this Agreement.
- 7 Notwithstanding anything else that is in this Agreement, the selection of any fund in which the Schemes invest or the appointment of any fund manager for the Schemes and decisions as to the removal or replacement of any fund or fund manager for the Schemes are made by LGST, and may not be made or varied by the Manager without LGST's prior agreement, with the Manager's role limited to facilitation.
- 8 As part of the Functions, the Manager shall maintain an appropriate level of cash holdings outside the managed funds forming the bulk of the Schemes' investments, sufficient for day-to-day operational needs and usual withdrawal levels to ensure transactions with underlying fund managers are kept at efficient levels, with the balance of Scheme assets fully invested in those funds. The Manager shall invest the Schemes' operating cash on call or short term deposit with ANZ Bank (or such other AA- or better rated registered bank (as that term is defined in the Reserve Bank of New Zealand Act 1989) as determined by LGST) on such basis as may be approved for this purpose from time to time by LGST.
- 9 This Agreement can be terminated by either party giving three months' notice in writing to the other party.
- 10 This Agreement contains all of the terms, representations and warranties made between the parties and supersedes all prior discussions and agreements covering the subject matter of this Agreement.
- 11 The parties must each sign, execute, procure, pass and do all such further documents, acts, matters, resolutions and things as may be necessary or desirable for effecting the transactions contemplated by this Agreement.
- 12 This Agreement may be varied from time to time by agreement in writing between LGST and the Manager, and no amendment to this Agreement will be effective unless it is in writing and signed by all the parties.
- 13 No exercise or failure to exercise or delay in exercising any right or remedy will constitute a waiver by that party of that or any other right or remedy available to it.

14 Force Majeure events

- 14.1 Any party may suspend its obligations to perform this Agreement if it is unable to do so as a direct result of an act of God or other circumstance of a similar nature beyond its reasonable control, including fire, earthquake, wind, flood, riot, war, industrial action or defaults of manufacturers, suppliers, shipping agents or companies, government, port or customs authorities, port employees or contractors, or transport restrictions ('Force Majeure Circumstance'). Any such suspension of performance must be limited to the period during which the Force Majeure Circumstance continues.
- 14.2 Where a party claims a Force Majeure Circumstance exists ('the first party') it must give notice to the other parties ('the other parties') within five days of becoming aware of the Force Majeure Circumstance of all available information detailing the Force Majeure Circumstance, and an estimate of the period of time required to remedy the situation (if such remedy is practicable) and end the suspension.
- 14.3 Within ten days of receipt of any notice given under this clause, the other parties must notify the first party whether it accepts that a Force Majeure Circumstances exists or whether it wishes to dispute the claim. Failure to so notify will be deemed acceptance that a Force Majeure Circumstance exists and that the suspension of the first party's obligations is valid.

15 Liability and relief

- 15.1 No party may assign or be relieved of its rights or obligations under this Agreement without the prior consent in writing of the other party.
- 15.2 Subject to clause 14.3, the maximum aggregate liability of the Manager to LGST for all claims under or in connection with this Agreement shall not in any circumstances exceed the equivalent of twelve (12) months' fees paid to the Manager by LGST, net of any investment management fees paid to or deducted by the Schemes' Fund Managers (currently AMP Capital Investors (New Zealand) Limited and ANZ New Zealand Investments Limited), whether such liability arises in contract, tort, breach of statutory or fiduciary duty or otherwise.
- 15.3 The cap on liability of the Manager to LGST under clause 15.2 shall be adjusted where the Manager is able to seek recovery from a Fund Manager in respect of all or part of a claim by LGST. In this event the cap in clause 15.2 will be increased to include the amount actually recovered (net of recovery costs) by the Manager from a Fund Manager.
- 16 If any provision of this Agreement or its application to any party or circumstance is or becomes invalid or unenforceable to any extent, the remainder of this Agreement and its application will not be affected and will remain enforceable to the greatest extent permitted by law.
- 17 Any disputes or differences which arise between the parties concerning this Agreement will be submitted to the arbitration of a single arbitrator agreed upon between the parties, or in default of agreement, to be nominated by the President of the New Zealand Law Society and the arbitration will be governed by the Arbitration Act 1996.

- 18 This Agreement replaces the Previous Agreement with effect from 1 March 2017, but without prejudice to the Parties' respective rights and obligations under the Previous Agreement that accrued prior to that date, and without disrupting the continuity of the Functions that were previously carried out by the Manager under the Previous Agreement.
- 19 In interpreting this Agreement the following rules must be applied unless the context otherwise requires:
- a Headings to clauses are for reference only and are not an aid in interpretation.
 - b References to statutory provisions will be construed as references to those provisions as they may be amended or re-enacted or as their application is modified by other provisions from time to time.
 - c References to clauses or schedules are to clauses of or schedules to this Agreement, and any schedules referred to form part of this Agreement.
 - d References to currency are to New Zealand currency.
 - e References to a party are to a party to this Agreement and include that party's successors in title and permitted assigns.
 - f All periods of time include the day on which the period commences and also the day on which the period ends.
 - g Any date which is not a working day, upon or by which anything is due to be done by any party, will be deemed to be a reference to the next working day.
 - h Words importing the plural include the singular and vice versa and words importing gender import all genders.
 - i Any obligation not to do something will be deemed to include an obligation not to suffer, permit or cause that thing to be done.

Execution

Signed on behalf of **Civic Financial Services Limited**
by two directors:



Director's signature

M. C. Hannan

Director's name



Director's signature

A. T. Gray

Director's name

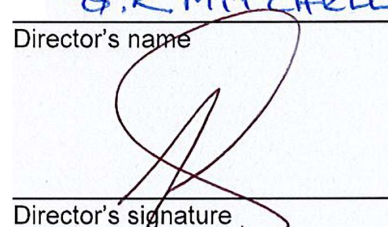
Signed for **Local Government Superannuation Trustee Limited** as trustee for **Local Government Superannuation Scheme** and **SuperEasy KiwiSaver Superannuation Scheme**
by two directors:



Director's signature

G.R. MITCHELL

Director's name



Director's signature

S.T. Hicks

Director's name

Appendix A

Subject to the provisions of the SuperEasy or SKS Trust Deed (as applicable) and any subsequent changes to the applicable Trust Deed and to any limitations or adjustments imposed by LGST, the Manager will arrange for contributions from the Schemes to be invested in the proportions advised from time to time by LGST in the following funds or such other funds advised by LGST:

- 1 AMP Capital Investors (New Zealand) Limited
 - AMP Capital New Zealand Shares Index Fund
 - AMP Capital NZ Property Fund
 - AMP Capital Global Fixed Interest Fund
 - AMP Capital Hedged Global Index Shares Fund
 - Wholesale Unit Trust Global Index Share Fund
 - AMP Capital Responsible Investment Leaders Global Shares Fund
- 2 ANZ New Zealand Investment Limited
 - ANZ Wholesale High Grade Bond Fund
 - ANZ Wholesale Sovereign Bond Fund
 - ANZ Wholesale Cash Fund