

Statement as to changes to Trust Deed

This statement is made in accordance with section 65(1)(b) of the KiwiSaver Amendment Act 2011. It identifies material amendments that have been made to the trust deed dated 10 February 2008 (“**Trust Deed**”), which governs the Kiwibank KiwiSaver Scheme (the “**Scheme**”). Kiwibank Investment Management Limited is the “**Manager**” of the Scheme. Trustees Executors Limited is the “**Trustee**” of the Scheme, having been appointed on the retirement of Trustees Executors Superannuation Limited on 21 September 2012.

The amendments came into effect on 21 September 2012 (the “**Effective Date**”).

Amendments to Trust Deed

The following amendments have been made to ensure that the Trust Deed complies with the changes to the law under the KiwiSaver Amendment Act 2011 (“**Amendment Act**”), as well as to reflect other changes in the law and administration of the Scheme:

- (a) The Amendment Act provides for the issuer of membership interests in KiwiSaver schemes to be the manager rather than the trustee. We have therefore amended the Trust Deed to reflect that change. This included amendments:
 - (i) reflecting that we are now responsible for (among other things) offering interests in the Scheme for subscription, issuing interests in the Scheme, managing Scheme investments and property and administering the Scheme;
 - (ii) to our general powers, including (for example) that we have the power to administer the Scheme and each Fund, in accordance with “Relevant Requirements” (including the KiwiSaver Act and all relevant laws) rather than the Trustee delegating management of the Scheme and the Fund to us;
 - (iii) reflecting that actions that we previously directed or procured the Trustee to take are now taken by us directly; and
 - (iv) recognising that, as the exercise of our general powers are no longer delegated to us by the Trustee, provisions allowing the Trustee to revoke that delegation, step in and take the actions itself and/or direct us in exercising those powers are no longer appropriate.
- (b) Conversely, the amendments reflect that the Trustee’s role is now as supervisor of the trust governing the Scheme, rather than administrator. The Trust Deed clarifies what the Trustee’s responsibilities and duties are, including to act in the best interests of the members at all times and exercise the care, diligence, and skill that a prudent person engaged in the profession or business of acting as a trustee would exercise in acting as the trustee of a KiwiSaver Scheme. The amendments reflect that the Trustee may apply to the High Court for orders in certain circumstances, such as if it is satisfied that there is a significant risk that the interests of the members of the Scheme will be prejudiced. The Trustee may also refuse a direction from the Manager in respect of borrowing money and/or making investments if this would breach Relevant Requirements or would be manifestly not in the best interests of the members.

- (c) The Trust Deed specifies eligibility requirements, both for us as the Manager and for the Trustee. For us, these include (for example) that we are a company with at least one New Zealand resident director. The Trustee must have a statutory licence. The Trust Deed also specifies when we can be removed as the Manager of the Scheme, including by order of the High Court on an application by the Trustee. The Trustee is not permitted to retire unless it has performed all its functions and duties or the High Court gives its approval.
- (d) Money received by us as the Manager in respect of contributions must be held in a separate account. Investments made with assets of a Fund may be held by a person nominated by the Trustee on the Trustee’s behalf.
- (e) The Trust Deed expressly provides that we are required to act in the best interests of the members at all times, that we have the same liability for our acts and omissions as a trustee, and that we must exercise the care, skill and diligence required of a trustee when exercising our power to make investments. Limitation of liability provisions do not exempt or indemnify us, or the Trustee, for failing to meet the specified standards of care.

More information about the above amendments can be found in an information document that is available to you, free of charge, as set out below. The information document also contains information about certain other amendments to the Trust Deed.

Information Document

You are entitled to a copy of the information document, free of charge. Please contact us to request a copy.

Kiwibank Investment Management Limited

Level 1, New Zealand Post House
7 Waterloo Quay
Wellington 6011

Postal address:

Kiwibank Investment Management Limited
Private Bag 39888
Wellington Mail Centre
Lower Hutt 5045

Telephone: 0800 11 33 55
From overseas: +64 4 473 11 33
Fax: (04) 462 7996
Email: service@kiwibank.co.nz

In addition, a copy of the information document will be available, free of charge, on our website www.kiwibank.co.nz.