

The Police Superannuation Scheme Amended and Restated Trust Deed

Commissioner of Police
PSS Trustees Limited



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Parties

Commissioner

Name The Commissioner of Police pursuant to the Policing Act 2008
Physical Address 180 Molesworth Street, Thorndon, Wellington, New Zealand
Postal Address The Commissioner of Police, PO Box 3017, Wellington 6140
Email Address andrew.coster@police.govt.nz
Attention Andrew Coster, Commissioner of Police

Trustee

Name PSS Trustees Limited
Company Number 6061162
Physical Address Mercer (N.Z.) Limited, Floor 2, 20 Customhouse Quay, Wellington 6011 New Zealand
Postal Address Police Superannuation Scheme, PO Box 2897, Wellington 6140
Email Address derek.vincent@mercero.com
Attention Scheme Secretary, Police Superannuation Scheme

Background

- A The Police Superannuation Scheme (**Scheme**) was established with effect from 20 November 1992 under section 26A of the Police Act 1958 and section 84A of the State Sector Act 1988 and is registered as a restricted workplace savings scheme under the Financial Markets Conduct Act 2013 (**Act**).
- B The Trustee is the sole corporate trustee of the Scheme and acts as the issuer and manager of the Scheme for the benefit of the Members under the terms and conditions of this Deed and the Act.
- C The Commissioner is the Employer under this Deed.
- D The Scheme's trust deed was amended and restated by deed dated 12 September 2016 to make changes necessary or desirable for the Scheme's transition to the Act, to introduce unit pricing and to consolidate all previous unconsolidated amendments. The Scheme's trust deed has been subsequently amended by deeds of amendment dated:
- (i) 15 July 2017 to correct a manifest error in the rule for payment of the death benefit; and
 - (ii) 25 February 2019 to introduce a first home withdrawal benefit.
- E The Scheme's trust deed was also amended and restated by deeds dated:
- (i) 28 June 2019 to introduce provisions to facilitate the Scheme becoming a Portfolio Investment Entity or PIE for the purposes of the Tax Act and consolidate those amendments with the deed of amendments dated 17 July 2017 and 25 February 2019; and
 - (ii) 28 February 2022 to address the repeal of the Trustee Act 1956 and changes brought about under the Trusts Act 2019, address the repeal of the State Sector Act 1988 and

changes brought about under the Public Service Act 2020, and make references to the Commissioner of Police gender neutral (**Current Trust Deed**).

- F Under Rule 26 of the Current Trust Deed, the Trustee may, subject to the Act, at any time by an amending deed and with the written consent of the Employer (such written consent not to be given until consultation by the Employer with the Police Service Organisations) and shall if directed by the Commissioner (provided that the Commissioner shall first consult with the Police Service Organisations) amend all or any of the trusts or provisions of the Current Trust Deed. No amendment shall be made to the Scheme which would result in any of the provisions of paragraphs (a) to (g) of clause 14 of Schedule 8 of the Public Service Act 2020 ceasing to apply to the Scheme.
- G The Trustee now wishes to amend and restate the Current Trust Deed to:
- (i) provide a new Benefit called the "Age 65 Withdrawal" under which Members who have attained the age of 65 and remain in Service may make one or more withdrawals from their Member's Account and Employer's Account subject to such terms and conditions as the Trustee may adopt from time to time (including as to the minimum and maximum amounts a Member may withdraw);
 - (ii) remove provisions, and make certain consequential changes, relating to the Scheme being governed by a board of individual trustees given the Scheme, now that the Scheme has a single corporate trustee;
 - (iii) future-proof the ability of the Scheme to rely on any revised exemption or exemptions from anti-money laundering and countering the financing of terrorism rules resulting from the current review of that regime;
 - (iv) remove provisions relating to the Scheme's historical rules for the vesting of employer contributions which no longer apply;
 - (v) remove the historical age and length of service distinction for elections to remain a Member on ceasing to be in Service which no longer apply; and
 - (vi) clarify that Reserve Account No.1 relates to Standard Sworn Entrants and Special Entrants whereas Reserve Account No. 2 relates to Optional Entrants and Savings Contributors.
- H The Commissioner, as the Employer under the Trust Deed, and having consulted with the Police Service Organisations, wishes to consent to the amendment and restatement of the trust deed by way of this Deed.
- I The Financial Markets Authority has consented to the operative amendments made by this Deed.

Agreed terms

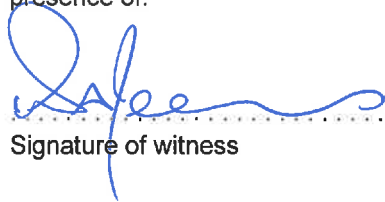
- 1 The Commissioner and the Trustee agree that, with effect from the Effective Date, the Current Trust Deed is amended and restated by rescinding each of the existing clauses of the Current Trust Deed and substituting the clauses of this Deed so that the Current Trust Deed is replaced in its entirety by the clauses of this Deed.

- 2 The superannuation scheme known as the Police Superannuation Scheme (hereinafter called "the Scheme") was established with effect from 20 November 1992 and is managed and administered in accordance with the provisions of this Deed.
- 3 The assets of the Scheme are held on the trusts set out in this Deed and the Rules and the Trustee is designated to manage the Scheme in accordance with the provisions of this Deed, the Rules and the Act.
- 4 The Rules attached to this Deed shall form part of this Deed and have the same force and effect as if set out in the body of this Deed.
- 5 The definition and interpretation provisions contained in the Rules shall apply to the interpretation of this Deed.
- 6 All or any of the trusts and provisions of this Deed and the Rules may be amended in manner provided in the Rules.
- 7 The Commissioner is entering into this Deed in his capacity as the Commissioner of the Police appointed under the Policing Act and not personally such that the liability of the Commissioner and of every person from time to time holding the office of Commissioner of Police shall be limited as provided under the Policing Act and shall not extend to the personal and other assets of that person other than those assets held in that person's capacity as Commissioner of Police.

Signature page

Executed and delivered as a deed.


Signed by **Andrew David Coster** in his capacity
as **The Commissioner of Police** in the
presence of:


Signature of witness

Natalie Deans
Name of witness (print)

Executive Assistant
Occupation of witness

180 Mokesworth St
Address of witness


Signature of Andrew David Coster

Andrew Coster
Name of The Commissioner of Police (print)

PSS Trustees Limited by:


Signature of director

Ian Howard Russon
Name of director (print)


Signature of director

Sarah Louise Graydon
Name of director (print)

Rules

1 Definitions and interpretation

Definitions

1.1 In these Rules and the Deed the following words and expressions shall, unless the context otherwise requires, have the following meanings:

Accounts means each Member's Account, each Employer's No.1 Account, the Reserve Account No 1 and the Reserve Account No 2 and each of them is an Account.

Act means the Financial Markets Conduct Act 2013.

Administration Manager means the person or persons (if any) to whom the Trustee has contracted some or all of the administration of the Scheme.

AML Exemption means any regulatory, class or individual exemption from the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, or any combination thereof, relied on by the Scheme from time to time, including as at the date of this Deed:

- (a) regulation 20A of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011; and
- (b) Part 3 of the Schedule to the Anti-Money Laundering and Countering Financing of Terrorism (Class Exemptions) Notice 2018.

Auditor means a Qualified Auditor appointed as auditor of the Scheme under Rule 7.5.

Benefit means any lump sum, annuity, allowance, refund or other payment arising from membership of the Scheme.

Catch Up Contributions means the Contributions that a Member would have made to the Scheme under Rules 20.1 to 20.4 (inclusive) had the Member continued in Service instead of taking a period of leave listed in Rule 20.11(d).

Class means a class of Units within a Portfolio specified in Rule 8.4.

Commencement Date means the 20th day of November 1992.

Commissioner means the person holding the office of Commissioner of Police for the time being and appointed under the Policing Act and includes any person appointed or deemed to be appointed as acting Commissioner under the Policing Act.

Constable has the meaning given in the Policing Act.

Consumers Price Index means the Consumers Price Index (All Groups) published by the Government Statistician or by such other person or body as may be appointed in that persons' place or such other consumer price index as may be established in place of the Consumers Price Index (All Groups) or where no such index is published such other index or indicator of consumer prices as the Trustee determines to be appropriate.

Contribution means a contribution made to the Scheme by a Member or by the Employer or any other person in respect of a Member.

Deed means the deed of which these Rules form a part as amended from time to time in accordance with the provisions of Rule 26 or as amended in any other manner permitted from time to time by Relevant Law.

Dependant means persons determined by the Trustee to be, or to have been, wholly or partly financially dependent on the Member.

Deputy Commissioner means the person holding the office of Deputy Commissioner of Police for the time being and appointed under the Policing Act.

Derivative has the meaning given in the Act.

Effective Date means 13 November 2023.

Employee means any person who is engaged to work by or works under a contract of service with the Employer.

Employer means the Commissioner or such other person from time to time having all of the rights, duties and powers of an employer in respect of a member or members of the Police and who has agreed to be bound or is by statute bound by the provisions of this Deed.

Employer's No. 1 Account means in respect of each Member the account established in the name of the Member pursuant to Rule 14.1.

Expenses of the Scheme includes the expenses specified in Rule 17.

Financial Markets Legislation has the meaning set out in section 6(1) of the Act.

FMA means the Financial Markets Authority.

FMC Regulations means the Financial Markets Conduct Regulations 2014.

Former Traffic Officer means a person who was immediately prior to the first day of July 1992 a traffic officer appointed or deemed to be appointed pursuant to section 6 of the Transport Act 1962 and whom the Secretary for Transport and the Commissioner determined should transfer to the Police on the 1st day of July 1992 and who pursuant to that determination transferred to the Police on that date and who has not since that date left Service.

Fund means the fund comprising the assets of the Scheme from time to time as defined in Rule 2.

Government Superannuation Fund means the Government Superannuation Fund established under the Government Superannuation Fund Act 1956.

In-house asset has the meaning given in section 176(3) of the Act.

In Service Benefit means the benefit payable under Rule 21.6.

Insured Benefit includes in respect of a Member a sum payable on the Member's death or on the total and permanent disablement of the Member, and which sum is in addition to:

(a) those Benefits arising from the Member's Account and Employer's No.1 Account; and

- (b) any Benefits arising from the application of the Reserve Account No.1 or the Reserve Account No. 2.

Insurer means any insurance company approved for the time being by the Trustee and with which a Policy is effected.

Investment Election means an election made by a Member under Rules 8.11 to 8.14.

Investment Fund means any investment fund made available from time to time by the Trustee or by any registered or unregistered managed investment scheme of which the Trustee has applied for and been granted membership or by an Investment Manager and which Investment Fund is available to or made available by the Trustee for the investment of all or part of the Fund.

Investment Manager means such person or persons (if any) to whom the Trustee has contracted the investment of some or all of the Fund.

Issue Price means in respect of a Portfolio, the issue price of a Unit determined under Rule 12.1.

Issuer Obligations has the meaning given in the Act.

KiwiSaver Act means the KiwiSaver Act 2006.

KiwiSaver Rules means the KiwiSaver scheme rules as defined in section 4 of the KiwiSaver Act.

KiwiSaver Scheme means a KiwiSaver scheme as defined in section 6(1) of the Act.

Leave of Absence means the temporary absence of a Member from Service on fully paid leave and includes:

- (a) Any period that the Member is on Secondment;
- (b) Parental Leave;
- (c) With the permission of the Member's Employer given before, during or after the absence, provided the Member has not resigned or been dismissed:
 - (i) leave without pay approved by the Commissioner as being in the interests of the Police or the Member's career development; and
 - (ii) unpaid study leave approved by the Member's Employer as Leave of Absence;

Notwithstanding anything to the contrary herein contained, the Trustee may deem any period of leave to constitute Leave of Absence on the recommendation of the Commissioner.

Licensed Independent Trustee means a licensed independent trustee under section 131 of the Act whose licence covers the Scheme and who is independent under section 131(3) of the Act.

Master Fund has the meaning given in the Tax Act.

Medical Disengagement means a circumstance where a Member is required to leave the Police under section 74 of the Policing Act or is permitted to leave the Police under section 76 of the Policing Act.

Member means a natural person who has been admitted as a Member of the Scheme and who is or remains entitled to a Benefit under the Scheme.

Member's Account means in respect of each Member the account established in the name of the Member pursuant to Rule 9.

Minimum Savings Contribution means the sum of TWO HUNDRED AND FIFTY DOLLARS (\$250.00) per annum as at the Commencement Date increased at the expiration of each Scheme Year by an amount per annum equivalent to the annual rate of increase in the Consumer Price Index from the base figure as at 30th September 1992.

National Provident Fund means the National Provident Fund established by the National Provident Fund Act 1950.

Net Value means, in respect of a Portfolio, the value of Scheme Property notionally referable to that Portfolio less Scheme Liabilities notionally referable to that Portfolio as determined by the Trustee and less an appropriate proportion of Scheme Liabilities not specifically notionally referable to that Portfolio as determined by the Trustee.

Optional Entrant means a Police Employee who:

- (a) is not a member of the Government Superannuation Fund or National Provident Fund and who is in the Service of the Employer; or
- (b) being a member of the Government Superannuation Fund or National Provident Fund has permanently ceased contributing thereto and in respect of whom the Employer is not required to contribute and is not contributing thereto and who is in the Service of the Employer; or
- (c) is the Commissioner or the Deputy Commissioner.

Parental Leave means parental leave as defined in the Parental Leave and Employment Protection Act 1987.

PDS is a product disclosure statement and has the meaning given in the Act.

Personal Representative means the legal personal representative of a deceased Member and Personal Representatives shall have a corresponding meaning.

PIE or Portfolio Investment Entity has the same meaning as in section YA 1 of the Tax Act.

PIE Tax means the income tax liability or credit for the Scheme as determined in accordance with the Tax Act once the Scheme becomes a PIE.

Police has the same meaning as in the Policing Act.

Police Employee has the same meaning as in section 4 of the Policing Act and (unless indicated to the contrary), a reference in this Deed to a Police Employee does not include a Constable or a Recruit.

Police Service Organisation means a service organisation as defined in section 55 of the Policing Act and any other organisation recognised by the Commissioner as representing a substantial number of all members of the Police and Police Service Organisations shall have a corresponding meaning.

Policing Act means the Policing Act 2008.

Policy means a contract of insurance cover effected with an Insurer in accordance with this Deed.

Portfolio means an investment portfolio specified under Rule 8.1.

Prescribed Investor Rate has the same meaning as in section YA 1 of the Tax Act.

Professional Person means a person equipped by professional training or by experience or by both to fulfil the responsibility of a trustee of the Scheme or a director thereof.

Qualified Auditor has the meaning given in the Act.

Recruit means an employee of the Police training to become a Constable.

Redemption Price means, in respect of a Portfolio, the redemption price of a Unit determined under Rule 13.1.

Redundancy means a Member ceasing to be in Service as a result of redundancy as determined by the Employer taking into account any collective agreements applicable to the Member or the terms of any individual employment agreement entered into or applicable to the Member at the date of such cessation of Service.

Register Entry has the meaning given in the Act.

Registered Scheme means a managed investment scheme that is for the time being registered under the Act as a superannuation scheme, KiwiSaver scheme, or workplace savings scheme.

Related Party has the meaning given in section 172 of the Act.

Related Party Benefit has the meaning given in section 172 of the Act.

Relationship Property Settlement Amount means an amount as determined under Rules 25.6 to 25.11.

Relevant Law means all laws applicable to the Trustee and/or the Scheme at applicable points in time and which may include, without limitation, the Public Service Act 2020 the Financial Markets Legislation, the FMC Regulations, and any methodologies or frameworks issued by the FMA under such legislation.

Reserve Account No 1 means the account established under Rule 15.

Reserve Account No 2 means the account established under Rule 16.

Salary means:

- (a) in respect of a Constable, the annual remuneration paid by the Employer to the Member in respect of or by way of Salary including overtime and penal time but excluding bonuses, allowances, commissions, fees or other like payments;
- (b) in respect of Police Employees the annual remuneration paid by the Employer to the Member in respect of or by way of Salary exclusive of overtime, penal time, bonuses, allowances, commissions fees or other like payments.

Savings Contributor means:

- (a) an Optional Entrant or a Special Entrant who has elected to be a Savings Contributor pursuant to Rule 18.4 and in respect of whom such election remains current; or
- (b) a Savings Entrant who has become a Savings Contributor pursuant to Rule 18.4.

Savings Entrant means a member of the Police who:

- (a) is not a Standard Sworn Entrant; and
- (b) is not an Optional Entrant; and
- (c) is not a Special Entrant.

Scheme means the scheme known as the Police Superannuation Scheme established under the Deed and which is registered on the register of managed investment schemes under the Act as a restricted superannuation scheme.

Scheme Liabilities include at the discretion of the Trustee and without limitation, liabilities, borrowings, accrued costs, charges, expenses and outgoings, contingent liabilities, provisions, liability to Taxation (to the extent not provided for in some other manner), unpaid remuneration, reimbursement or indemnity due to the Trustee and unpaid amounts due and payable out of Scheme Property to Members or others and excluding, where the Scheme is a PIE and where the Trustee in its absolute discretion considers it appropriate to do so, any liability for PIE Tax.

Scheme Property means all property, rights and income of the Scheme.

Scheme Year means the period of 12 months ending on the 31st day of March in any year or on such other date as may be determined by the Trustee from time to time.

Secondment means in respect of a Member the temporary absence of a Member from Service as a result of the Member with the consent of or at the direction of the Commissioner being seconded to serve with any other person including but not by way of limitation any other department of State or Government, the armed services, any overseas police force, armed service or peace keeping force or the United Nations or a Police Service Organisation whilst remaining a member of the Police.

Secretary for Transport means the chief executive of the Ministry of Transport as defined in the Land Transport Act 1998.

Service:

- (a) means continuous uninterrupted full time or part time permanent employment with the Police whether before or after the Commencement Date and, in the case of a Former Traffic Officer, includes any period of continuous uninterrupted full time or part time Service with the Ministry of Transport or any local authority immediately prior to the first day of July 1992 as determined by the Commissioner provided such Service is unbroken as at the date the Former Traffic Officer became a member of the Police; and
- (b) in the case of the Commissioner, includes any period of continuous uninterrupted service in the office of the Commissioner; and
- (c) in the case of a Deputy Commissioner, includes any period of continuous uninterrupted service in the office of Deputy Commissioner; and

- (d) the Member's Service shall include any period of uninterrupted service immediately prior to the date on which the Member's previous service was terminated.

Notwithstanding the foregoing:

- (i) a Member's Service shall not be deemed to have been broken by Leave of Absence.
- (ii) A Member shall not be deemed to have left Service only by reason of leave without pay (not being Leave of Absence) approved by the Commissioner but in such case the period of leave shall not count as Service for the purposes of calculating any Benefit or determining any period of Service.

SIPO means the statement of investment policy and objectives for the Fund in the form and containing the contents required by the Act.

Special Entrant means a Former Traffic Officer who is or becomes a Constable of the Police and who elects to remain and is for the time being a contributing member of the Government Superannuation Fund or the National Provident Fund.

Special Resolution has the meaning given to it in the Act.

Standard Sworn Entrant means a Police Employee who holds the office of Constable, including the Commissioner and Deputy Commissioner, and also including a person in the Service of the Employer who:

- (a) is not a member of the Government Superannuation Fund or National Provident Fund; or
- (b) being a member of the Government Superannuation Fund or National Provident Fund has permanently ceased contributing thereto and in respect of whom the Employer is not required to contribute and is not contributing thereto; and
- (c) for the purposes of the Scheme, is a Recruit.

Superannuation Fund has the meaning given in the Tax Act.

Tax Act means the Income Tax Act 2007.

Taxation includes income tax, land tax, any form of capital gains tax, withholding tax, penalty tax or interest charged in respect of any taxation, goods and services tax and any other tax or duty in respect of the Scheme but does not include income tax payable by the Trustee or other person on fees received by the Trustee or that other person for performing services pursuant to this Deed or, at the discretion of the Trustee, any PIE Tax.

Transaction Cost means such sum (if any) as the Trustee may from time to time determine:

- (a) either generally or in relation to a particular proposed issue of Units, to be a fair fee, in relation to the Units to be issued, to provide for the likely cost of purchasing or developing assets of the relevant Portfolio. The amount of any Transaction Cost payable on the issue of Units in a Portfolio shall be applied by the Trustee in payment of the purchase and development costs and expenses on behalf of that Portfolio. The Trustee shall keep separate accounting and other records in relation to such expenditure; or
- (b) either generally or in relation to a particular proposed redemption of Units, to be a fair fee, in relation to the Units to be redeemed, to provide for the likely cost of selling or

disposing of assets of the relevant Portfolio. The amount of any Transaction Cost payable on the redemption of Units in a Portfolio shall be applied by the Trustee in payment of the sale or disposition costs and expenses on behalf of that Portfolio. The Trustee shall keep separate accounting and other records in relation to such expenditure.

Transfer Value means the amount received or paid pursuant to Rule 22 as the context requires.

Trustee means such person or persons from time to time appointed or holding office as Trustee of the Scheme pursuant to Rule 3.

Trusts Act means the Trusts Act 2019.

Unit means, in relation to a Portfolio, an undivided part or share in the beneficial interest in the relevant Portfolio as described in Rule 10.

Valuation Day means a business day on which a Portfolio is valued under Rule 12.4 and on which Units in a Portfolio may be issued or redeemed.

Interpretation

1.2 In these Rules and the Deed:

- (a) headings are for convenience of reference only and shall not affect the interpretation of these Rules;
- (b) words importing the singular include the plural and vice versa;
- (c) words and expressions defined are indicated by capital letters for convenience. The absence of a capital letter shall not alone imply that the word or expression is used with a different meaning from that given by its definition;
- (d) any reference to a statute (or to any part of a statute) shall, subject to any other provisions of this Deed, include a reference to any regulation made under the statute and to any subsequent modification or re-enactment of the statute or regulation.
- (e) unless the context requires otherwise a reference to a "person" includes a reference to a company, trust, firm, partnership, joint venture, the trustees of another Registered Scheme, the State or an agency of State or government, a state owned enterprise and any other incorporated or unincorporated body (in each case whether or not having separate legal personality).
- (f) This Deed shall be interpreted and administered in accordance with New Zealand law.

2 Constitution of the Scheme

Scheme Assets

2.1 The Scheme shall comprise a fund consisting of:

- (a) the assets of the Scheme from time to time held by the Trustee and subject to the trusts of this Deed;
- (b) Contributions paid to the Scheme by Members pursuant to Rule 20;

- (c) Contributions paid to the Scheme by the Employer pursuant to Rule 20;
 - (d) Transfer Values received by the Trustee pursuant to Rule 22; and
 - (e) other receipts, property, income, dividends or gains received, derived, acquired or earned or held by the Trustee from time to time for the purposes of the Scheme.
- 2.2 The Fund shall be reduced from time to time by the payment of money out of the Fund as provided in this Deed and by any realised losses (and any unrealised losses recognised by the Trustee in its absolute discretion) on the investments or property of the Scheme.

3 Trustee — appointment and removal

- 3.1 The Commissioner and the Police Service Organisations agree to jointly appoint a sole corporate Trustee as Trustee of the Scheme. Such corporate Trustee shall hold office until removed by notice in writing signed by or on behalf of both the Commissioner and the Police Service Organisations. A Trustee ceasing to hold office pursuant to this Rule shall be eligible for reappointment.
- 3.2 If a body corporate is appointed to act as sole Trustee in the manner provided in Rule 3.1 then the board of directors of that sole Trustee must include at least one Licensed Independent Trustee.
- 3.3 The office of Trustee shall become vacant if:
- (a) an order is made or an effective resolution is made for the winding up of the Trustee (other than for the purposes of reconstruction or amalgamation); or
 - (b) the Trustee is placed in liquidation or receivership or under statutory management; or
 - (c) the Trustee is removed from office by the party or parties which appointed the Trustee in the manner provided in this Deed; or
 - (d) the Trustee ceases to hold office in the manner provided in that Rule 3.1; or
 - (e) the Trustee is substituted by the court under the Act.
- 3.4 A Licensed Independent Trustee may not:
- (a) be removed or resign in accordance with this Deed unless:
 - (i) all functions and duties of the position have been performed; or
 - (ii) another Licensed Independent Trustee has been appointed, and accepted appointment, in its place; or
 - (iii) the court consents; or
 - (b) (despite anything to the contrary in this Deed) be removed under this Deed without the FMA's consent.
- 3.5 If the Scheme does not, for any reason, have a Licensed Independent Trustee then provisions of the Act shall apply in relation to the temporary appointment of a person to fill the vacancy in the office until a substitute appointment may be made under this Deed.

3.6 The expenses and fees of the sole corporate Trustee appointed under Rule 3.1 shall be paid out of the Fund.

4 Trustee powers and discretions

4.1 The Trustee, as manager of the Scheme, has responsibility for those functions and duties of a manager under the Act unless the Act or the FMC Regulations otherwise provide.

4.2 Any default duties under the Trusts Act, which are applicable to the Trustee of the Scheme, are excluded to the maximum extent permitted by the Trusts Act.

4.3 The Trustee is responsible for performing the following functions:

- (a) offering membership of the Scheme;
- (b) accepting Members into the Scheme;
- (c) managing the Scheme Property and investments; and
- (d) administering the Scheme.

4.4 The Trustee must:

- (a) act honestly and in good faith in acting as a manager; and
- (b) in exercising any powers or performing any duties as a manager:
 - (i) act in the best interests of the Members; and
 - (ii) treat Members equitably; and
- (c) not make use of information acquired through being the manager in order to:
 - (i) gain an improper advantage for itself or any other person; or
 - (ii) cause detriment to the Members.

4.5 The Trustee must also carry out the functions of a manager in accordance with this Deed, the SIPO, and all other Issuer Obligations.

4.6 Subject to Rule 4.4 a Trustee must in exercising any powers or performing any duties, exercise the care, diligence, and skill that a prudent person of business would exercise in the same circumstances.

4.7 A Licensed Independent Trustee must, in exercising any powers, or performing any duties, exercise the care, diligence, and skill that a prudent person engaged in that profession would exercise in the same circumstances.

4.8 The Trustee shall have the powers, authorities and discretions generally to do all such acts and things as the Trustee considers necessary or expedient for the management, administration, maintenance, investment and preservation of the Scheme and the Fund or otherwise for the performance of its obligations under this Deed and subject to the Act may exercise all the powers over and in respect of the Scheme and the Fund as if it were the absolute owner thereof including not by way of limitation but by way of example only the power:

- (a) to retain the services of professional advisers in relation to the operation, management, administration or investment of the Scheme including in relation to the proper exercise by the Trustee of its powers and discretions;
- (b) to pay out of the Fund the Expenses of the Scheme;
- (c) to give such undertakings and incur such obligations relating to the Scheme and the Fund and the investment of the Fund as the Trustee in its discretion thinks fit;
- (d) to employ such agents, nominees or managers (including but without limitation any corporate or other Trustee holding office as Trustee from time to time or any subsidiary of such corporate or other Trustee or other company or organisation associated with such corporate Trustee) as reasonably thought fit by the Trustee in the transaction of any business of the Scheme or the administration of the records of the Scheme or the payment of Benefits and any valid receipt given by such nominee, agent or manager shall be good and sufficient discharge to the Trustee;
- (e) without prejudice to the powers conferred upon trustees under general law or by Rules 4.8(a) and 4.8(d) to:
 - (i) subject to Rule 4.9, appoint and remove one or more Investment Managers to the Fund on terms to be agreed between the Trustee and the Investment Manager;
 - (ii) appoint and remove from office a custodian trustee in respect of the whole or any part of the assets of the Scheme on such terms and with such duties, powers and discretions as may be agreed between the Trustee and the custodian trustee;
 - (iii) appoint and remove one or more Administration Managers to the Scheme on terms and conditions to be agreed between the Trustee and the Administration Manager; and
 - (iv) to apply for membership of any other Registered Scheme;
- (f) from time to time to delegate a committee of the directors of the Trustee or any Professional Person or Persons the carrying out of the trust purposes, powers, authorities and discretions. The Trustee in making any such delegation shall agree the terms and conditions of such delegation with such committee or Professional Person or Persons as the Trustee sees fit. Any delegation pursuant to the provisions of this Rule shall continue for such period (if any) as may be specified by the Trustee by giving such delegates 5 days' notice in writing of such revocation by registered letter addressed to the last known address or place of business of the delegates or delivered to the delegates personally;
- (g) to borrow money for the purposes of paying any Benefit or for the purpose of administration or management of the Scheme or for the purposes of making any investment in the Scheme upon such terms and conditions as thought fit by the Trustee and to charge all or any part of the Fund or the investments thereof with repayment and payment of interest on any moneys so borrowed;
- (h) to obtain and rely upon any advice the Trustee considers appropriate for the purposes of properly administering the Scheme directly or indirectly from any person as shall in the opinion of the Trustee be qualified to advise the Trustee and the Trustee shall not be responsible for any loss occasioned thereby;

- (i) to settle, compromise or to submit to arbitration any claim or matters relating to the provisions of this Deed or the payment of any Benefit;
 - (j) to insure any risks or contingencies affecting or with the potential of affecting the Scheme including but without limitation any trustee, directors and officers or professional indemnity insurance or other insurance that the Trustee in its sole discretion deems desirable for the protection of the past, present and future Trustees, Trustee directors and officers or the Members;
 - (k) at the Trustee's sole discretion and subject to the investment strategy determined by the Trustee from time to time to advance moneys to Members from time to time by way of mortgage finance to assist Members in the purchase or upgrading of residential properties. For the sake of clarity it is declared that this power is enabling only and is not intended to confer any rights on Members;
 - (l) where required by section 77 of the Policing Act, to approve health practitioners nominated from time to time by the Commissioner under sections 74 and 76 of the Policing Act and for determining the eligibility of a member of the Police for a Medical Disengagement Benefit; and
 - (m) in addition to the powers which the Trustee might by law have and which are otherwise granted to it by this Deed, the Trustee shall have the power to enter into, perform, close out and alter Derivatives, and to authorise, subject to this Deed and to such other terms and conditions the Trustee thinks fit, any person exercising the power of investment, to enter into, perform, close out or alter Derivatives.
- 4.9 Any appointment by the Trustee of an Investment Manager must be in writing. The Trustee must comply with the requirements of the Act where it contracts out all or some of its functions as manager of the Scheme. The Trustee may include provisions to protect and assist those dealing with any Investment Manager in the terms of appointment as the Trustee sees fit. An Investment Manager may be a related party of the Trustee or any of the Trustee's directors or shareholders. The Trustee may appoint brokers or dealers appropriate for carrying out transactions in relation to the assets of the Scheme. The terms of appointment of an Investment Manager may include rights to be indemnified for liabilities or expenses incurred in relation to the performance of the Investment Manager's contracted functions. The Trustee remains liable for the acts or omissions of an Investment Manager.
- 4.10 Nothing in this Deed shall be construed as empowering the Trustee to act in a manner which would contravene any of the provisions of the Act.
- 4.11 Nothing in this Deed shall be construed as empowering the Trustee to act in a manner which would contravene any provision of the Trusts Act unless this Deed expressly modifies or excludes a provision in the Trusts Act as permitted by the Trusts Act.
- 4.12 The Trustee may at any time (but subject to the prior written consent of the Commissioner) and shall if directed by the Commissioner:
- (a) close the Scheme to the admission of new Members who are Standard Sworn Entrants;
 - (b) close the Scheme to the admission of new Members who are Police Employees and/or Savings Entrants;
 - (c) close the Scheme to new Contributions by or in respect of Police Employees and/or Constables; and

- (d) re-open the Scheme or such part of the Scheme that is closed from time to time to the admission of new Members or to new Contributions.
- 4.13 The Trustee may exercise or enforce all of the authorities, discretions and powers vested in it from time to time and at any time and may refrain from exercising all or any such powers.
- 4.14 The Trustee shall hold the Scheme Property in one of the following ways:
- (a) by a body corporate that is the sole corporate Trustee of the Scheme appointed pursuant to Rule 3.1 ; or
 - (b) by a body corporate to whom the Trustee has contracted the holding of the Scheme Property and which:
 - (i) is a body corporate that the Trustee believes, on reasonable grounds, to be appropriate to hold, and safeguard the Scheme Property; and
 - (ii) is not the same person as, or associated with, the Trustee (other than by virtue of the custodianship).
- 4.15 Subject to Rule 4.14(b), the Trustee may contract out the holding of the Scheme Property to another person provided that the Trustee:
- (a) takes all reasonable steps to:
 - (i) ensure that the function is performed by that person in the same manner and subject to the same duties and restrictions as if that person were performing it directly; and
 - (ii) monitor the performance of that function; and
 - (b) is jointly and severally liable with that person (and any other person who has contracted out the function) for the performance of that function in accordance with Rule 4.15(a).
- 4.16 The Trustee must, in accordance with Relevant Law, prepare and provide to the FMA reports that contain the information that is required by the FMC Regulations.
- 4.17 If the Trustee has reasonable grounds to believe that they have contravened, may have contravened or are likely to contravene any of their Issuer Obligations in a material respect then the Trustee must, as soon as practicable:
- (a) report the contravention or possible contravention to the FMA; and
 - (b) advise the FMA of the steps (if any) that the Trustee has taken or intends to take in light of the contravention or possible contravention and the date by which the steps were taken or are to be taken.

5 Trustee — limitation of liability and indemnity

- 5.1 Subject to the Act and Rules 5.3 and 5.4, neither the Trustee nor any director or officer of the Trustee shall be liable for:
- (a) any losses other than those arising from the Trustee's (or the director's or officer's) own fraudulent acts, omissions, wilful neglect or breach of trust;

- (b) any fraudulent acts, omissions, wilful neglect or breach of trust of a co-director or officer;
 - (c) any act done or omitted to be done bona fide and conforming with the decisions of the Trustee hereunder;
 - (d) subject to Rules 4.9 and 4.15, the acts or defaults of any manager, actuary, solicitor, banker, accountant, broker, adviser or other agent or any person employed or appointed in good faith by the Trustee; and
 - (e) any payment made to any person whom the Trustee bona fide believed to be entitled thereto notwithstanding it may subsequently be found that the person was not so entitled.
- 5.2 Subject to the Act, the Trustee shall use its best endeavours to arrange and maintain (on such terms that it considers appropriate) a trustee, directors and officers or professional indemnity cover or other insurance cover in respect of past, present and future Trustees, Trustee directors and officers or Members against any liability attaching to the exercise by the Trustee of the Trust's powers and discretions conferred on the Trustee by this Deed. However, the Trustee shall not be obliged to arrange or maintain such insurance it determines in good faith that is impracticable or inappropriate to do so.
- 5.3 Subject to the Act, each of the Trustee and its directors and officers shall be indemnified out of the Fund against all expenses and liabilities incurred in the proper performance of the Trustee's duties under this Deed and the Act (including, for the avoidance of doubt, PIE Tax).
- 5.4 Without limiting the generality of Rule 5.3 the indemnity provided shall apply to any payment made on the death of a Member to any person whom the Trustee bona fide believed to be entitled to such payment.
- 5.5 The Trustee shall have a lien on the Fund for the above indemnities.
- 5.6 A director or officer of the Trustee being a Member may retain for their own benefit all moneys and benefits accruing to or in respect of that person as a Member, and no decision of the Trustee shall be invalidated on the ground that any director or officer of the Trustee had a direct or personal interest in the result of any such decision or in the exercise of a power or discretion under this Deed.
- 5.7 Subject to Rule 3.6 the Trustee (or any subsidiary) shall be entitled to receive and retain all reasonable fees and other payments properly chargeable or payable in respect of such business in the same manner as such Trustee would have been entitled to do if the Trustee had not been the Trustee of the Scheme to the intent that any rule of law to the contrary is hereby negated or excluded to the fullest extent permitted by law.
- 5.8 Subject to Rule 3.6 the Trustee or Professional Person is hereby authorised to charge and be paid and to retain for its own benefit all reasonable fees, administration fees and other fees charged by that Trustee or Professional Person for business done by it in relation to the Scheme in the same manner as if the Trustee or Professional Person had not been a Trustee or taken on the role of Professional Person in respect of the Scheme.
- 5.9 No party to this Deed may take any action against a Licensed Independent Trustee by reason of the Licensed Independent Trustee having made a report or disclosure to the FMA under the conditions of the Licensed Independent Trustee's licence.

6 Trustee procedures

- 6.1 The Trustee shall cause proper records of all its resolutions and proceedings to be kept and entered in a book provided for that purpose.
- 6.2 The Trustee shall keep and maintain or cause to be kept and maintained a register of Members of the Scheme showing their full names and addresses, the particulars of each Member's Account, Employer's No. 1 Account, Reserve Account No. 1, Reserve Account No. 2 and payments in respect of Members. The register of Members of the Scheme shall be kept in the form and in the manner required by the Act. The Trustee shall cause the register of Members of the Scheme to be audited at annual intervals by the Auditor or as required by and in accordance with the provisions of the Act.
- 6.3 Any power authority or discretion vested in the Trustee hereunder may be exercised on its behalf by its directors as a board and that board may, subject to Financial Markets Legislation, appoint such of the employees or agents of the company as it thinks fit to exercise for or on behalf of the company all or any of the powers authorities and discretion exercisable by the Trustee under this Deed.

7 Financial information

Accounting records

- 7.1 The Trustee shall ensure that there are kept at all times accounting records that:
- (a) correctly record the transactions of the Scheme;
 - (b) will enable the Trustee to ensure that the financial statements of the Scheme comply with generally accepted accounting practice and any prescribed requirements; and
 - (c) will enable the financial statements of the Scheme to be readily and properly audited.
- 7.2 In keeping or causing to be kept the accounting records under Rule 7.1:
- (a) the Trustee must have appropriate systems of control and oversight;
 - (b) the Trustee must keep such accounting records at a suitable location accessible to the Trustee, the Auditor, and the FMA; and
 - (c) the provisions of Part 7 of the Act must be complied with.

Financial Statements

- 7.3 Subject to Relevant Law, the Trustee must ensure that within 4 months after the end of each Scheme Year, financial statements that comply with generally accepted accounting practice are:
- (a) completed in relation to the Scheme and that Scheme Year; and
 - (b) dated and signed on behalf of the Trustee.

Audit

- 7.4 The Trustee shall ensure that, within 4 months after the end of each Scheme Year:

- (a) the Scheme's financial statements for that Scheme Year are audited and reported on by the Auditor in accordance with the requirements of the Act; and
- (b) those financial statements, together with the Auditor's report on those financial statements, are delivered to the Registrar of Financial Service Providers for lodgement.

The Auditor

7.5 A person or firm selected by the Trustee must be appointed Auditor of the Scheme provided that such person or firm is a Qualified Auditor and meets the requirements of Relevant Law.

Annual Report

7.6 The Trustee must:

- (a) within 4 months after the end of each Scheme Year, prepare an annual report on the affairs of the Scheme during that Scheme Year; and
- (b) within 28 days after the annual report is prepared:
 - (i) send to every Member:
 - (A) a copy of the annual report; or
 - (B) a notice containing the statements required by the FMC Regulations; and
 - (ii) lodge the annual report with the Registrar of Financial Service Providers.

8 Investment provisions

Establishment of Portfolios

8.1 The Trustee may, from time to time, specify one or more investment portfolios (consisting of specified kinds of assets in specified proportions) each of which corresponds to a particular investment strategy.

No segregation of Portfolios

8.2 A Portfolio is not a separate fund and the Trustee is not required to hold property of the Scheme which is referable to a Portfolio as a separate fund.

Termination of Portfolios

8.3 The Trustee may, subject to Relevant Law generally and Rule 8.1 in particular determine that a Portfolio (the **Terminating Portfolio**) shall terminate with effect from a particular date (the **Termination Date**), in which event:

- (a) all Members affected by such determination shall be notified by the Trustee in writing of the determination;
- (b) any Member referred to in Rule 8.3(a) shall be given the option to elect to transfer, on the Termination Date, that part of any Account established in the name of that

Member invested in the Terminating Portfolio to such other Portfolio or Portfolios as the Trustee may offer to such Member; and

- (c) the whole or the part of an Account in respect of which any Member fails to sign and return a valid transfer election under Rule 8.3(b) prior to the Termination Date shall, with effect from the Termination Date, cease to be invested in the Terminating Portfolio and shall be invested in such manner as the Trustee may determine and notify to the Member, as appropriate.

Division of Portfolios into Classes

8.4 The Trustee may, if it so determines, divide the beneficial interests in the Fund represented by Units in a Portfolio into more than one Class, each Class being referable to Members with the same Prescribed Investor Rate, for the purpose of enabling Units in that Portfolio to be issued with different Issue Prices reflecting the different Prescribed Investor Rates applicable to Members in respect of whom those Units are issued (as advised by the relevant Members). The Trustee may do anything necessary or expedient for the establishment and administration of different Classes of Units in relation to a Portfolio, including:

- (a) dividing the Portfolio into notional pools of assets and liabilities, each notional pool being referable to a particular Class of Units provided that such a division shall not prevent the Portfolio from being a single Portfolio under Rule 8.1;
- (b) applying the unitisation, Unit valuation, Unit issue and pricing and Unit redemption methodologies in Rules 11, 12 and 13 to each notional pool of assets and liabilities, with references to "Portfolio" in each of those clauses (and associated defined terms) being references instead to the relevant Class of that Portfolio, references to "Scheme Property" and "Scheme Liabilities" being references to such notional pools of assets and liabilities and with such adjustments as are required to achieve the objectives set out in this Rule 8.4;
- (c) allocating Units of a particular Class to a Member by reference to the Prescribed Investor Rate advised by the Member; and
- (d) replacing Units of a Class with Units of another Class in relation to a Member as and when required (including when the Member advises a change of their Prescribed Investor Rate).

Limit breaks

8.5 The Trustee must report to the FMA any material breaches of any limits under a SIPO to the extent required by Relevant Law.

Pricing errors

8.6 The Trustee must report to the FMA in relation to any material error in the calculation of a Unit price or material non-compliance with any methodology for pricing managed investment products set out in this Deed or notices issued by the FMA, and must correct such error or non-compliance and take any prescribed steps, to the extent required by Relevant Law.

8.7 Subject to Relevant Law, for the purpose of Rule 8.6 a "material error" (unless the Trustee and the Commissioner agree otherwise from time to time) is an error that equals or exceeds:

- (a) 0.05%, in relation to any Portfolio that predominantly comprises cash; or
- (b) 0.30% in any other case.

"Cash" for the purpose of this clause includes funds on call or short term bank deposits (generally less than seven days) at a registered bank.

- 8.8 If, under Relevant Law, reimbursement and compensation is payable to a Member or former Member, the Trustee must comply with all its obligations under those requirements except that the Trustee may, in consultation with the Commissioner, choose not to pay any reimbursement or compensation to a Member or former Member for an amount less than \$20 (or such other amount as the Trustee and the Commissioner may agree from time to time).

Statement of investment policy and objectives

- 8.9 All money belonging to the Scheme and available for investment shall be invested in accordance with the SIPO, provided that if the Scheme is a PIE the Trustee will ensure that the Scheme's investments are of such a type, and they should produce income of such a type, that they shall not result in the Scheme breaching the eligibility requirements for PIE status under the Tax Act.
- 8.10 Without limiting the Trustee's powers under Rule 8.9 the Trustee and any Investment Manager so authorised by Trustee may (and shall to the extent required at law) invest the Fund or any part thereof in any Investment Fund and for this purpose may apply for membership of any Investment Fund in which the Trustee determines in its absolute discretion (or is required at law) to invest all or any part of the Fund.

Investment elections

- 8.11 The Trustee may at its absolute discretion invite any Member to give to the Trustee an Investment Election in respect of amounts held in Accounts established in the name of that Member and available for investment, such Investment Election to become operative and to apply to such amounts available at such time or times as the Trustee may at its absolute discretion determine after the delivery of the Investment Election to the Trustee. The Trustee may withdraw any invitation made to a Member pursuant to this Rule and notwithstanding such Investment Election may have been actioned in full or in part.
- 8.12 Upon commencement of the Trusts Act, an Investment Election by a Member pursuant to Rule 8.11, is a modification to the Trustee's general power to invest in section 58 of the Trusts Act.
- 8.13 Except where the Trustee has not invited the Member to make an Investment Election or have withdrawn such invitation the Trustee shall invest all amounts subject to the Investment Election in accordance with the Investment Election.
- 8.14 A Member may at any time with the consent of the Trustee in such form as the Trustee may prescribe vary or amend an Investment Election and that Investment Election as varied or amended shall become operative in accordance with and be subject to Rule 8.1 and may be subject to such reasonable terms and conditions as the Trustee may impose in consenting to the variation or amendment.
- 8.15 The Trustee shall have an absolute discretion as to which Investment Funds and/or Portfolios are made available from time to time for the purposes of a Member's Investment Election and may from time to time exclude an Investment Fund and/or Portfolio from those made available for the purposes of a Member's Investment Election or the investment of amounts available for investment in respect of the Member or any part thereof.
- 8.16 Where a Member has not been invited to make an Investment Election or has only been invited to make an Investment Election in respect of part of the amounts available for investment in respect of the Member or having been invited to make an Investment Election fails to make an Investment Election or where the Trustee withdraws any Investment Fund and/or Portfolio for the purposes of a Members Investment Election or the investment of

amounts available for investment or an Investment Fund and/or Portfolio is closed and no amendment or variation of the Member's Investment Election has been made by the Member, Contributions made by the Member or that part of the amounts available for investment or both or in respect of which the Investment Election is unable to be actioned or is not available shall be invested by the Trustee in a manner permitted by this Deed.

- 8.17 Any investment of amounts available for investment in respect of the Member in an Investment Fund and/or Portfolio pursuant to an Investment Election shall be subject to this Deed and the relevant SIPO and, if applicable, the governing documents of the Investment Fund is made available and any fees, switching fees or other charges made in respect of the investment of the amounts held in respect of the Member and available for investment in any Investment Fund and/or Portfolio pursuant to an Investment Election or the withdrawal or switching of such investments may (except to the extent they are deducted from the earnings of the Investment Fund or are reflected in any unit price applicable in respect of such Investment Fund or in the price of the Units in respect of such Portfolio) be debited against the accounts held in respect of the Member (including the Member's Account) in such proportions as the Trustee determines to be appropriate.
- 8.18 Subject to the provisions of this Rule 8, any Investment Manager appointed pursuant to Rule 4.8(e) may be given such powers and duties in relation to the investment of the Fund or any part thereof including the powers to determine and to make particular investments in accordance with provisions of Rule 8 as the Trustee determines. The Investment Manager may be authorised by the Trustee to hold any investment in the Investment Manager's own name and/or in the name of the Investment Manager's nominee in trust for the Scheme.

9 Accounts

Member's Account (to which the Member's Contributions are allocated)

- 9.1 The Trustee shall establish and maintain in the records of the Scheme an account in the name of each Member to be known as the Member's Account.
- 9.2 A Member's Account shall be denominated in Units and shall comprise Units created and issued in respect of:
- (a) contributions paid by the Member;
 - (b) any distribution from a Reserve Account directed to be paid to the Member's Account;
 - (c) any Transfer Value received in respect of the Member and directed to be paid to the Member's Account; and
 - (d) any other amounts that the Trustee determines to credit (or which are required to be credited) to the Member's Account in terms of this Deed,

less Units redeemed in respect of:

- (e) any Benefits payable to or in respect of the Member from the Member's Account in accordance with this Deed;
- (f) any amounts in the Member's Account forfeited or paid to a Reserve Account pursuant to the provisions of this Deed;

- (g) such part of any insurance premiums in respect of a Policy effected in respect of the Member to the extent the same are unable to be met from the Employer's No. 1 Account;
- (h) in the case of a Savings Contributor such share of the Expenses of the Scheme as the Trustee determines from time to time that it is equitable to allocate to the Member's Account pursuant to Rule 17; and
- (i) any other amounts that the Trustee determines to debit (or which are required to be debited) to the Member's Account in terms of this Deed.

10 Units

Accounts to be divided into Units

- 10.1 Each Account may be divided into Units on the basis of the Portfolios by reference to which the Account is invested.

Fractional Units

- 10.2 The Trustee may create, issue, redeem and cancel fractions of Units, calculated to the fifth decimal place, which will be dealt with for all purposes of these Rules as Units, but in the proportion that the fraction bears to a whole Unit.

Classification of Units

- 10.3 Except in the case of a fraction of a Unit and subject to Rule 8.4, all Units referable to a Portfolio are of one Class and confer identical rights and interests. An Account which is invested by reference to only one Portfolio will, subject to Rule 8.4, accordingly be constituted by Units of one Class only, but an Account which is invested by reference to more than one Portfolio will be constituted by Units of different Classes.

Rights in Units exclusive

- 10.4 No Member shall have any claim on the Units into which any Account other than an Account established in the name of that Member has been divided.

Transfer of Units

- 10.5 Units are not transferable.

No interest in Scheme Property

- 10.6 A Unit does not confer any interest in particular assets forming part of the relevant Scheme Property.

11 Valuations

Trustee may obtain valuations

- 11.1 The Trustee may instruct a valuer or other expert to value any Scheme Property. The costs of those valuations must be paid out of the Scheme.

Valuation of listed property

- 11.2 Subject to Rules 11.8, 11.9, and 11.10, in the case of Scheme Property which is listed on any stock exchange the value must be determined by reference to:
- (a) the last listed sale price on the day upon which the valuation is being made;
 - (b) if no sale price was listed for that day, then the last bid or buying price on that day; or
 - (c) at the option of the Trustee, the amount certified by a firm of stockbrokers or other dealers in the relevant market.

Valuation of deposits

- 11.3 For any deposit, the value must be determined by reference to the principal amount of the deposit.

Valuation of unlisted schemes

- 11.4 For interests in a collective investment scheme not listed on a stock exchange, the value must be determined by reference to the amount obtained by multiplying the redemption price of each such interest by the total number of interests of that class comprised in the collective investment scheme.

Valuation of policies of life insurance

- 11.5 For policies of life insurance held by the Scheme for investment purposes, the value must be determined by reference to the amount obtained by multiplying the surrender price of each interest in the policy by the total number of interests of that class comprised in the policy.

Valuation of derivatives contracts

- 11.6 For any interest under a derivatives contract, the value must be determined by reference to the net profit or loss (after allowing for deposits, margin calls, costs and other disbursements in respect of the acquisition or disposal of the derivatives contract as estimated by the Trustee) which would have been realised in respect of that derivatives contract by executing a transaction at the official closing quotation of a derivatives market on that day in respect of equivalent contracts.

Valuation of put options

- 11.7 For any put option granted to the Scheme, the value must be determined by reference to the excess (if any) of the price receivable upon exercise of the put option or upon the sale of the put option (if such sale is permitted by the terms), whichever is the greater, over the sum of all costs and expenses incurred in entering into or holding the put option and the fair value of the property the subject of the put option as determined by a valuer.

Valuation of call options

- 11.8 For any call option granted to the Scheme, the value must be determined by reference to the excess (if any) of the fair value of the property the subject of the call option, as certified by a valuer, over the sum of all costs and expenses incurred in entering into or holding the call option and the price payable upon exercise of the call option.

Valuation of other property

- 11.9 For bills of exchange, promissory notes, negotiable certificates of deposit, and any other property not otherwise dealt with in this Rule 11, the value must be determined by reference to the cost of acquisition.

Trustee may use alternative valuation principles

- 11.10 Where the Trustee considers in its absolute discretion that the application of the principles of valuation set out in this clause should not, or do not, apply to the valuation of any Scheme Property, the Scheme Property must be valued by reference to any other principles as determined by the Trustee, provided that the valuation method used is applied on a consistent basis over time.

12 Unit issue and pricing

Determination of issue price

- 12.1 Subject to Relevant Law and on each Valuation Day, the Trustee shall calculate the Issue Price at which a Unit referable to a Portfolio may be created and issued by the Trustee (other than a Unit issued before the first Valuation Day of the relevant Portfolio) in accordance with the following formula:

$$IP = (NV-TC)/U$$

Where:

IP = the Issue Price of the relevant Unit

NV = the Net Value of the relevant Portfolio as at the relevant Valuation Day

TC = any Transaction Cost

U = the aggregate of the number of Units in issue referable to the relevant Portfolio as at the relevant Valuation Day (excluding, for the avoidance of doubt, any relevant Units being created and issued by the Trustee at the Issue Price)

Issuing of Units

- 12.2 Upon amounts being credited to an Account, Units referable to the relevant Portfolio must be created and issued by the Trustee in relation to that Account at the relevant Issue Price at which Units are issued on that day.
- 12.3 The number of Units issued and created in respect of each contribution or transfer referable to a Portfolio is the number calculated by dividing the amount of that transfer or contribution to be invested in that Portfolio by the appropriate Issue Price, and shall be issued to the relevant Member.

Calculation of Net Value

- 12.4 The Trustee will calculate the Net Value of each Portfolio at least once a week (or more frequently as the Trustee may consider necessary or desirable), on the basis of the most recent valuation of each item of Scheme Property and determination of Scheme Liabilities. The net income of any Portfolio shall be capitalised and retained as an asset of the Portfolio.

The Trustee will include such amount as it determines to be the net income of the relevant Portfolio in each calculation of the Net Value of the Portfolio.

First issue of Units

- 12.5 Units issued before the first Valuation Day of a Portfolio will be priced at \$1.00 per Unit.

Bonus Units

- 12.6 The Trustee may in lieu of making a payment out of a Portfolio issue bonus Units referable to the Portfolio not exceeding in value the amount of the payment which would have otherwise been made from that Portfolio and credit any bonus Units so issued to a particular Member. All bonus Units shall be issued in accordance with Rule 12.2.

13 Unit redemption

Determination of Redemption Price

- 13.1 Subject to Relevant Law and on each Valuation Day, the Trustee shall calculate the price at which a Unit referable to a Portfolio will be redeemed and cancelled by the Trustee in accordance with the following formula:

$$RP = (NV-TC)/U$$

Where:

RP = the Redemption Price of the relevant Unit

NV = the Net Value of the relevant Portfolio as at the relevant Valuation Day

TC = any Transaction Cost

U = the aggregate of the number of Units in issue referable to the relevant Portfolio on the relevant Valuation Day (including, for the avoidance of doubt, the relevant Units to be redeemed and cancelled by the Trustee at the Redemption Price)

Redemption of Units

- 13.2 Upon amounts being debited to an Account, Units referable to the relevant Portfolio must be redeemed and cancelled at the Redemption Price at which Units are redeemed on that day.
- 13.3 The number of Units redeemed and cancelled in respect of each redemption referable to a Portfolio is the number calculated by dividing the amount of the redemption by the appropriate Redemption Price.

14 Employer's accounts

Employer's No. 1 Account

- 14.1 The Trustee shall establish and maintain in the records of the Scheme an account in the name of each Member known as the Employer's No. 1 Account.

14.2 The Employer's No. 1 Account shall be denominated in Units and shall comprise Units created and issued in respect of:

- (a) contributions paid by the Employer;
- (b) any distribution from a Reserve Account directed to be paid to the Employer's No. 1 Account;
- (c) any Transfer Value received in respect of the Member and directed to be paid to the Employer's No. 1 Account; and
- (d) any other amounts that the Trustee determines to credit (or which are required to be credited) to the Employer's No. 1 Account in terms of this Deed,

less Units redeemed in respect of:

- (e) such share of the Expenses of the Scheme as the Trustee determines from time to time to allocate to the Employer's No. 1 Account pursuant to Rule 17;
- (f) any Benefits payable to or in respect of the Member from the Employer's No. 1 Account in accordance with the Deed;
- (g) any amounts in the Employer's No. 1 Account forfeited or paid to a Reserve Account pursuant to the provisions of this Deed;
- (h) any insurance premiums in respect of a Policy effected in respect of the Member as the Trustee determines from time to time to allocate to the Employer's No. 1 Account; and
- (i) any other amounts that the Trustee determines to debit (or which are required to be debited) to the Employer's No. 1 Account in terms of this Deed.

15 Reserve Account No. 1 (relating to Standard Sworn Entrants and Special Entrants)

15.1 The Trustee shall establish an account known as the Reserve Account No. 1 which shall be denominated in Units and shall comprise Units created and issued in respect of:

- (a) all Benefits and amounts forfeited by Standard Sworn Entrants and Special Entrants pursuant to the terms of this Deed; and
- (b) other moneys or amounts not allocated to a Member's Account or to an Employer's No. 1 Account and which in the opinion of the Trustee (whose decision shall be final) are applicable to Standard Sworn Entrants and Special Entrants and which are not required for the payment of Benefits,

less Units that may be redeemed at the Trustee's discretion and that shall be redeemed at the direction of the Commissioner in:

- (c) meeting any of the Expenses of the Scheme;
- (d) meeting all or part of the Employer's Contributions to the Scheme in respect of Standard Sworn Entrants and Special Entrants;

- (e) providing Benefits other than retirement Benefits for all Members who are Standard Sworn Entrants or Special Entrants on an equitable basis;
- (f) increasing the Member's Accounts or Employer's No. 1 Accounts of all Members who are Standard Sworn Entrants or Special Entrants on an equitable basis having regard inter alia to the amounts in those accounts as at the date of distribution;
- (g) paying all or part of any insurance premiums incurred in respect of the Scheme and related to Standard Sworn Entrants and Special Entrants; and
- (h) such other manner as the Trustee may from time to time consider appropriate and is not prohibited by Relevant Law.

15.2 The Trustee shall, from time to time, determine the Portfolio or Portfolios to which the Reserve Account No. 1 is referable.

16 Reserve Account No. 2 (relating to Optional Entrants and Savings Contributors)

16.1 The Trustee shall establish an account known as the Reserve Account No. 2 which shall be denominated in Units and shall comprise Units created and issued in respect of:

- (a) all Benefits and amounts forfeited by Optional Entrants and Savings Contributors pursuant to the terms of this Deed; and
- (b) other moneys or amounts not allocated to a Member's Account or to an Employer's No. 1 Account and which in the opinion of the Trustee (whose decision shall be final) are applicable to Optional Entrants or Savings Contributors and which are not required for the payment of Benefits,

less Units that may be redeemed at the Trustee's discretion and that shall be redeemed at the direction of the Commissioner in:

- (c) meeting any of the Expenses of the Scheme;
- (d) meeting all or part of the Employer's Contributions to the Scheme in respect of Members who are Optional Entrants or Savings Contributors;
- (e) providing Benefits other than retirement Benefits for all Members who are Optional Entrants or Savings Contributors on an equitable basis;
- (f) increasing the Member's Accounts or Employer's No. 1 Accounts of all Members who are Optional Entrants or Savings Contributors (other than Standard Sworn Entrants and Special Entrants) on an equitable basis having regard inter alia to the amounts in those accounts as at the date of distribution;
- (g) paying of all or part of any insurance premiums incurred in respect of the Scheme and relating to Members who are Optional Entrants or Savings Contributors;
- (h) such other purpose as the Trustee may from time to time consider appropriate and is not prohibited by Relevant Law;
- (i) notwithstanding the foregoing provisions of this Rule 16.1 (but only to the extent that the Trustee determines amounts in the Reserve Account No. 2 arise from benefits or amounts forfeited to the Reserve Account No. 2 by Optional Entrants or Savings

Contributors), applying such amounts in respect of Savings Contributors in manner provided in Rules 16.1(e), 16.1(f), 16.1(g), and 16.1(h).

- 16.2 The Trustee shall, from time to time, determine the Portfolio or Portfolios to which the Reserve Account No. 2 is referable.

17 Expenses of the Scheme

- 17.1 The costs, charges and expenses of the promotion, management, administration, investment and operation of the Scheme and the Fund including but without limitation any Trustee's fees or charges, management or investment charges, commissions, valuation fees, bank charges, stamp duty, transaction fees or custodial fees, Taxation and the costs of obtaining any professional or other advice, the cost of any professional, trustee or other indemnity insurance; in respect of any real property comprised in the fund any management or valuation fees, insurance premiums, costs of repair and maintenance and cleaning and other outgoings, taxes, levies, rates or charges relating to such property, and any fees or charges made or incurred by the Trustee of whatsoever nature shall be paid out of the Fund as the Trustee may from time to time determine and may be debited against:

- (a) the Reserve Account No. 1 or the Reserve Account No. 2; or
- (b) each Employer's No. 1 Account on a fair and equitable basis; or
- (c) each Member's Account to the extent the Trustee in its absolute discretion determines such costs and expenses to relate to an Investment Election made by the Member or to any investments or realisation of investments made pursuant to or consequent on such Investment Election or which are not reflected in the Issue Price or Redemption Price of a Unit;
- (d) in respect of Savings Contributors to the Member's Account on a fair and equitable basis,

or such one or more of them as the Trustee from time to time determines.

- 17.2 The Trustee shall be paid reasonable fees for its services. The fees and expenses payable to the Trustee shall be agreed from time to time by the Trustee in consultation with the Commissioner and Police Service Organisations.

Transfer of Expenses

- 17.3 If the Scheme invests some or all of the Fund in another Superannuation Fund or in a Master Fund then the Trustee may, to the extent permitted by the Tax Act, transfer any expenditure incurred by the Scheme to that Superannuation Fund or Master Fund in accordance with the provisions of the Tax Act.

18 Membership

Offers of Membership

- 18.1 The Trustee must not make a regulated offer of membership of the Scheme unless:
- (a) the Scheme is registered under the Act;

- (b) a PDS has been prepared and registered with the Registrar of Financial Service Providers in respect of the Scheme;
- (c) Register Entries containing all information required by the Act have been uploaded on the public register in respect of the Scheme; and
- (d) if the Scheme is a PIE, the offer will not result in the Scheme becoming ineligible as a PIE or will not operate to threaten any such eligibility.

Conditions of Entry

- 18.2 Each person who is a Standard Sworn Entrant and who is required by the Commissioner or the person's Employer to join the Scheme shall on being required by the Commissioner or the person's Employer join the Scheme and become a Member:
- (a) in the case of a person who became or becomes a member of the Police on or after the first day of July 1992 from the date on which such person commences Service or the Commencement Date whichever is the later;
 - (b) in the case of a person who was a member of the Police prior to the 1st day of July 1992 from the date on which that person is required by the Commissioner or the Employer to join the Scheme.
- 18.3 An Optional Entrant, or a Special Entrant, or a Savings Entrant, or a Standard Sworn Entrant who is a Former Traffic Officer may on being invited by the Employer and entering into an agreement to be bound by the provisions of this Deed in such form as the Trustee may from time to time prescribe become a Member provided that an Optional Entrant or a Special Entrant or a Savings Entrant who was previously a Member and elected to withdraw from the Scheme may only reapply to become a Member with the permission of the Commissioner. An Optional Entrant, or a Special Entrant, or a Savings Entrant, or a Standard Sworn Entrant who is a Former Traffic Officer (as the case may be) shall become a Member from the date such agreement is entered into provided that in respect of Optional Entrants and Special Entrants (but for the purposes of Rule 20.8(d) only) any Member who was a Police Employee as at the first day of July 1992 or who became a Police Employee after the 1st day of July 1992 but before the 30th day of June 1993 shall be deemed to have commenced membership of the Scheme as a Police Employee on the 1st day of July 1992 or the date on which the Member became a Police Employee whichever is the later. For the avoidance of doubt from the 31st of March 2008, all permanent Police Employees (including part-time employees) shall be entitled to be an Optional Entrant provided that are not currently contributing to the Government Superannuation Fund or the National Provident Fund, and shall be deemed to have been invited by the Employer to join the Scheme in accordance with this Rule 18.3.
- 18.4 An Optional Entrant or a Special Entrant may on joining the Scheme or on the commencement of any Scheme Year by notice in writing to the Trustee elect to become a Savings Contributor or having made such election to revoke the same and to become again an Optional Entrant or a Special Entrant as applicable to the Member. A Savings Entrant shall on joining the Scheme become a Savings Contributor.
- 18.5 Each Member shall furnish to the Trustee such information as the Trustee shall require in order to fulfil their duties under this Deed including but not limited to satisfactory proof of age.
- 18.6 Each person shall on becoming a Member authorise the Employer to deduct the Member's regulation Contributions to the Scheme from the Member's Salary.

19 Termination of membership

- 19.1 A Member shall cease to be a Member when the Member or the Member's Personal Representatives have received all Benefits payable to or in respect of the Member from the Scheme.

20 Contributions

- 20.1 Subject to Rule 20.11 each Member being a Standard Sworn Entrant shall subject to the provisions of this Rule and whilst in Service contribute to the Scheme at the rate of 7.5% of Salary.
- 20.2 Subject to Rule 20.11:
- (a) each Member being an Optional Entrant who has elected pursuant to Rule 20.8(d) for the Employer's Contribution to be at 9.2% of Salary and who is not for the time being a Savings Contributor shall subject to the provisions of this Rule and whilst in Service contribute to the Scheme at the rate of 6.5% of Salary.
 - (b) each Member being an Optional Entrant who has not elected pursuant to Rule 20.8(d) for the Employer's Contribution to be at 9.2% of Salary and who is not for the time being a Savings Contributor shall subject to the provisions of this Rule and whilst in Service contribute to the Scheme at the rate of 6.0% of Salary.
- 20.3 Subject to Rule 20.11:
- (a) each Member being a Special Entrant (other than a Savings Contributor) and a member of the Government Superannuation Fund shall, subject to the provisions of this Rule and whilst in Service, contribute to the Scheme at the rate of 1% of Salary.
 - (b) each Member being a Special Entrant (other than a Savings Contributor) and a member of the National Provident Fund shall, subject to the provisions of this Rule and whilst in Service, contribute to the Scheme at a rate of 2.5% of Salary.
- 20.4 Subject to Rule 20.11 and Rule 20.6 each Savings Contributor shall contribute whilst in Service at the rate of 2% (or, in respect only of Savings Contributors who join the Scheme after 1 April 2008, 4%) of Salary or (except where the Trustee agrees to waive such requirement in all or in part) at an amount per annum equivalent to the Minimum Savings Contribution whichever is the larger.
- 20.5 Contributions under Rules 20.1 to 20.4 (inclusive) shall be made by way of deduction from the Member's Salary as the same becomes due and payable and the Member shall execute all necessary authorities to enable the Employer to make such deductions.
- 20.6 A Member who is in Service may from time to time make additional voluntary lump sum or regular contributions to the Scheme in such amounts or at such rates as the Member may decide subject to:
- (a) the Member giving to the Trustee written notice in this regard; and
 - (b) such minimum requirements as to amounts and rates of Contribution and maximum number of such Contributions per annum and such other conditions as the Trustee may in its absolute discretion impose from time to time; and

- (c) all Contributions made under this Rule 20.6 not exceeding 10% per annum of the Member's Salary or otherwise being made at such times and in such manner as ensures compliance with the AML Exemption.
- 20.7 The Employer's Contributions shall be paid to the Trustee at such times and in such manner as the Member's Salary becomes due and payable and provided that all Employer Contributions comply with the AML Exemption.
- 20.8 Subject to Rule 20.11, the Employer shall contribute to the Scheme in respect of each Member:
- (a) being a Standard Sworn Entrant at a rate equal to 15.2% of the Member's Salary;
- (b) who is for the time being a Special Entrant (other than a Savings Contributor) and a member of the Government Superannuation Fund (General Fund) at a rate equal to the difference between:
- (i) the rate of Contribution specified in Rule 20.8(a); and
- (ii) the rate which the Trustee determines the Employer is required to contribute to the Government Superannuation Fund (General fund) for the time being in respect of the Member.
- (iii) If the rate in Rule 20.8(b)(ii) at any time exceeds the rate in Rule 20.8(a) the Employer's Contribution shall be nil.
- (iv) As at the date of this Deed the level of the Employer's Contribution pursuant to this Rule is 6%.
- (c) who is for the time being a Special Entrant (other than a Savings Contributor) and a member of the National Provident Fund at a rate equal to the difference between:
- (i) the rate of Contribution specified in Rule 20.8(a); and
- (ii) the rate which the Trustee determines the Employer is required to contribute to the National Provident Fund for the time being in respect of the Member.
- (iii) If the rate in Rule 20.8(c)(ii) at any time exceeds the rate in Rule 20.8(a) the Employer's Contribution shall be nil.
- (iv) Such rate will vary on a case by case basis but, as at the date of this Deed, the level of the Employer's Contribution pursuant to this Rule is either 10.2% of the Member's Salary (if the Employer is contributing 5% to the National Provident Fund) or 7.95% of the Member's Salary (if the Employer is contributing 7.2% of the National Provident Fund).
- (d) being an Optional Entrant (other than a Savings Contributor) at the rate of 12.5% of the Member's Salary except that no contributions shall be payable by the Employer in respect of the Member's first three years of membership of the Scheme as a Police Employee if that Optional Entrant became a Member before 1st April 1999 provided that in respect of an Optional Entrant (other than a Savings Contributor):
- (i) who was a member of the Government Superannuation Fund or the National Provident Fund or any other Registered Scheme approved by the Commissioner and in respect of whom the Employer was making Contributions to such scheme or fund, or who was immediately prior to

becoming a Police Employee, a Member of the Scheme and a Constable who continues to be a Member of the Scheme; and

- (ii) who being a member of the Government Superannuation Fund or National Provident Fund or other Registered Scheme approved by the Commissioner elects on joining the Scheme as a Police Employee to cease contributing to or to withdraw from the Government Superannuation Fund or the National Provident Fund or other Registered Scheme (as the case may be); and
- (iii) in respect of whom no Contributions are payable to the Government Superannuation Fund or the National Provident Fund or other Registered Scheme (as the case may be) by the Employer;

the Member may elect on joining the Scheme as a Police Employee that the Employer's Contributions in respect of that Member be set at 9.2% (in lieu of 12.5%) of Salary in which case the Employer's Contribution shall be 9.2% of Salary and shall commence on the date the Member joins the Scheme as a Police Employee;

- (e) being a Savings Contributor Nil.

20.9 Subject to Relevant Law, the Trustee shall at the direction of the Commissioner (after consultation with the Police Service Organisations) amend the Deed to provide for reduced Contributions by the Employer in respect of Members or any category of Members who join the Scheme subsequent to the date of the amendment.

20.10 The rates of Employer's Contribution specified in Rule 20.8 are gross rates. Any Taxation payable in respect of the Employer's Contributions shall be deducted from the Employer's Contributions and the net amount remaining shall be paid to the Scheme.

20.11 Notwithstanding anything contained elsewhere in this Rule 20 and provided that any Contributions made under this Rule 20.11 are made at such times and in such manner which ensures compliance with the AML Exemption, where applicable:

- (a) If a Member is granted a period of leave without pay then subject to Rule 20.11(d) the Employer's Contributions in respect of that Member shall unless and to the extent the Employer otherwise determines cease for the period of leave without pay.
- (b) Where a Member is on leave with reduced pay the Employer's Contributions and Member's Contributions shall be assessed on that part of the Member's reduced Salary paid by the Employer during the period of leave.
- (c) A Member on leave without pay may elect to continue Contributions but shall not be obliged to do so.
- (d) A Member on:
 - (i) Parental Leave, or
 - (ii) with permission of the Employer study leave without pay; or
 - (iii) leave without pay which has been recognised by the Commissioner as being in the interests of the Police or the Member's career development,

may elect to:

- (iv) continue to make Contributions to the Scheme during such period to be paid by the Member in the same amount and at the same time as deductions

would have been made from the Member's Salary pursuant to Rule 20.5 had the Member's Salary continued to be paid by the Employer unaltered from the commencement of the period of leave in which case the Employer shall continue to make Contributions on behalf of the Member; or

- (v) commence paying in to the Scheme at any time within 12 months of recommencing paid Service an amount equal to the Member's Catch Up Contributions, in which case the Employer shall contribute, in respect of the Member, an amount equal to the Contributions that the Employer would have made to the Scheme in respect of the Member had the Member not been granted such period of leave. All Catch Up Contributions must be made by the relevant Member within 24 months of recommencing paid Service and no further Catch Up Contributions shall be accepted by the Scheme after this time.

- 20.12 The Employer's Contributions shall cease on the date the Member ceases to be in Service.
- 20.13 A Member on ceasing to be in Service may elect to remain a Member but no further Contributions shall be paid in to the Scheme by or in respect of the Member.
- 20.14 If a Member is on paid Secondment the Member's Contributions and the Employer's Contributions shall continue to be payable provided however that the Employer's Contributions (which shall be based on the Salary paid to the Member by the Employer (or at the direction of the Employer the Salary payable to the member by the person to whom the Member is seconded as if such person for the purposes of the definition of "Salary" was the Employer)) may by agreement between the Employer and the person to whom the Member has been seconded be paid by the person to whom the Member is seconded in lieu of payment by the Employer. All payments shall be in New Zealand currency.
- 20.15 A Member (other than a Standard Sworn Entrant) who in the opinion of the Employer is suffering hardship may with the consent of the Trustee suspend the Member's Contributions to the Scheme for such period as the Member and the Employer agree. During any period that the Member's Contributions are suspended the Employer shall not be required to contribute to the Scheme in respect of the Member.
- 20.16 Any Member who became a Constable during the period commencing on the 1st day of July 1992 and ending on the Commencement Date and in respect of whom the Employer was not during such period contributing to either the Government Superannuation Fund or the National Provident Fund may with the consent of the Commissioner elect to pay in to the Scheme on the date the Member joins the Scheme an amount equivalent to the Contributions that the Member would have made to the Scheme had the Commencement Date been the 1st day of July 1992 and had the Member joined the Scheme on becoming a Constable, in which event the Employer shall contribute in respect of the Member an amount equivalent to the Contribution that the Employer would have made to the Scheme in respect of the Member had the Commencement Date been the 1st day of July 1992 and had the Member joined the Scheme on becoming a Constable. This Rule 20.16 shall not apply to a Member who joins the Scheme after the 30th day of June 1993.
- 20.17 Any Member who was either:
- (a) Constable prior to the 1st day of July 1992 who is required by the Commissioner or the person's Employer to join the Scheme and who was not a member of the Government Superannuation Fund on the 1st day of July 1992 and who has not ceased Service since the 1st day of July 1992; or
 - (b) a Former Traffic Officer in respect of whom Rule 20.16 does not apply,

may elect to pay in to the Scheme on the date the Member first joins the Scheme an amount equivalent to the Contributions that the Member would have made to the Scheme had the Commencement Date been the 1st day of July 1992 and had the Member joined the Scheme on that date, in which event the Employer shall contribute in respect of the Member an amount equivalent to the Contribution that the Employer would have made to the Scheme in respect of the Member had the Commencement Date been the 1st day of July 1992 and had the Member joined the Scheme on that date. This Rule shall not apply to a Member who joins the Scheme after the 30th day of June 1993.

21 Benefits

Benefits on cessation of Service (or withdrawal from the Scheme in the case of Members who are not Standard Sworn Entrants)

21.1 If a Member shall leave Service the Member shall be entitled to a Benefit equal to the sum of the balance of:

- (a) the Member's Account, and
- (b) the Employer's No. 1 Account,

as at the date the Member elects to withdraw.

21.2 If a Member, other than a Standard Sworn Entrant, elects whilst in Service to withdraw from the Scheme, the Member shall be entitled to a Benefit equal to the Benefit payable to that Member under Rule 21.1 as at the date of withdrawal from the Scheme as if the Member had ceased Service as at the date of withdrawal from the Scheme.

Death Benefit

21.3 If a Member dies in Service the Member's Personal Representatives shall be paid a death Benefit. The death Benefit shall be an amount equal to the amount of the Member's Account, and the Employer's No. 1 Account in the name of the Member as at the date the death Benefit is paid with any Insured Benefit payable on the death of the Member.

Benefit on Medical Disengagement

21.4 If a Member who is a Standard Sworn Entrant or a Special Entrant ceases to be in Service by reason of Medical Disengagement having been a Member of the Scheme for not less than 3 years the Member shall be entitled to a Medical Disengagement Benefit provided that at the discretion of the Commissioner a Medical Disengagement Benefit may be paid to the Member who has completed less than three years of Scheme membership. The Medical Disengagement Benefit shall be an amount equal to the amount of the Member's Account, and Employer's No. 1 Account in the name of the Member together with any Insured Benefit payable on the Member's Medical Disengagement.

Benefit on Redundancy

21.5 If a Member ceases to be in Service by reason of Redundancy the Member shall be entitled to a Redundancy Benefit. The Redundancy Benefit shall be an amount equal to the balance of the Member's Account, and Employer's No. 1 Account as at the date of the Member's Redundancy.

In Service Benefit

- 21.6 A Member who has completed twenty (20) years' Service or who has attained the age of 45 years and who remains in Service shall on giving notice in writing to the Trustee be entitled to receive a once only In Service Benefit equivalent to an amount specified in the Member's notice of up to the balance of the Member's Account as at the date of the Member's notice as the Trustee shall in its absolute discretion determine.
- 21.7 The In Service Benefit shall be paid as soon as practical after the Member's notice and the Member's Account shall be reduced accordingly.
- 21.8 If prior to the payment of the In Service Benefit a Member becomes entitled to another Benefit the Member shall cease to be entitled to the In Service Benefit.

Hardship Benefit

- 21.9 A Member shall on giving notice in writing to the Trustee be entitled to a hardship Benefit subject to the Trustee in its absolute and sole discretion satisfying itself that the Member has suffered or is suffering financial hardship. The amount of the hardship Benefit shall be determined by the Trustee in its absolute and sole discretion and shall not exceed the amount to which the Member would have received if he or she had been entitled to a cessation of Service Benefit under Rule 21.1 at the date of the Member's notice.

Insured Benefit

- 21.10 Subject to Relevant Law, the Trustee shall have the power to offer Insured Benefits to Members over and above those Benefits arising from their Member's Account and Employer's No. 1 Account.
- 21.11 All Insured Benefits shall be provided by an Insurer. The Trustee shall effect with an Insurer a Policy on such terms and conditions as the Trustee considers appropriate to provide the Insured Benefits. The Trustee shall decline to provide an Insured Benefit to a Member in the event they are unable to secure a Policy in respect of the Member and may decline to offer Insured Benefits if to do so would affect the tax status of the Scheme.
- 21.12 Where the Trustee offers Insured Benefits and a Member applies for an Insured Benefit the Member shall supply such additional information as the Trustee or any Insurer may request in order for the Member to obtain the Insured Benefit.
- 21.13 In the event of an Insurer requesting any further information in respect of the Member this shall be supplied to the Insurer by or on behalf of the Member and in the event of an Insurer refusing to meet a claim in full or in part in respect of a Member for whatever reason then the Member shall not be entitled to receive the Insured Benefit or such part thereof as is declined by the Insurer.

Partial Withdrawals

- 21.14 Subject to Rules 21.15 and 21.16, a Member who has completed three (3) years of Service and who remains in Service shall on giving notice to the Trustee be entitled to make one (1) withdrawal in any Scheme Year of an amount up to the balance of the Member's Account at the end of the last Scheme Year plus any contributions that have been made to and less any expenses and other amounts that have been deducted from the Member's Account since that date.
- 21.15 If, in the opinion of the Trustee, the availability of the partial withdrawal Benefit under Rule 21.14 would jeopardise the Scheme's registration under the Act, the Trustee may suspend this Benefit.

- 21.16 The Trustee may from time to time in its sole and absolute discretion specify minimum and maximum partial withdrawal amounts which a Member may make in any Scheme Year.

Age 65 Withdrawal

- 21.17 A Member who has attained the age of sixty-five (65) years and who remains in Service shall on giving notice to the Trustee be entitled to a Benefit up to and including an amount equal to the sum of balances of the Member's Account and the Employer's No.1 Account, less any expenses and other amounts entitled to be deducted from such Benefit. A Member's entitlement to an age 65 withdrawal under this Rule may be exercised from time to time and on one or more occasions.
- 21.18 If, in the opinion of the Trustee, the availability of the age 65 withdrawal Benefit under Rule 21.17 would jeopardise the Scheme's registration under the Act, the Trustee may suspend this Benefit.
- 21.19 The entitlement of a Member to make an age 65 withdrawal under Rule 21.17 is subject to any terms and conditions that the Trustee may from time to time determine, including but not limited to minimum and maximum withdrawals that a Member may make.
- 21.20 The age 65 withdrawal under Rule 21.17 is not available to those Members who are entitled to a deferred Benefit under Rule 21.21.

Election to remain a Member on ceasing to be in Service

- 21.21 Notwithstanding any other provision of this Rule, a Member who ceases to be in Service may at the date of ceasing to be in Service make an election to continue as a Member. No further Contributions shall be paid by or in respect of the Member and, other than in accordance with Rules 21.23 to 21.25, no Benefit shall be paid to the Member at that time. Such Member will, on withdrawal from the Scheme, be entitled to a deferred Benefit comprising the balance of the Member's Account and the Employer's No. 1 Account.
- 21.22 Notwithstanding any other provision in Rule 21.21, any person who ceased to be in Service between 27 November 1998 and 1 July 1999, and who elected to remain a Member of the Scheme, shall, on leaving the Scheme at any time after 27 November 1998, be entitled to a Benefit calculated in accordance with Rule 21.1 as if that Rule, as amended by the Deed of Amendment to the Trust Deed dated 30 June 1999, had been amended on 27 November 1998.

Partial Withdrawals

- 21.23 Subject to Rules 21.24 and 21.25, a Member who has made an election under Rules 21.21 and 21.22 will, on giving notice to the Trustee, be entitled to make one or more withdrawals in any Scheme Year of an amount up to the Benefit to which they are entitled under Rules 21.21 and to 21.22, less any expenses and other amounts entitled to be deducted from such Benefit.
- 21.24 If, in the opinion of the Trustee, the availability of the partial withdrawal Benefit under Rule 21.23 would jeopardise the Scheme's registration under the Act, the Trustee may suspend the operation of Rule 21.23.
- 21.25 The entitlement of a Member to make a partial withdrawal under Rule 21.23 is subject to any terms and conditions that the Trustee may from time to time determine, including but not limited to minimum and maximum withdrawals that a Member may make.

Purchase of annuities

- 21.26 On a Benefit becoming payable the Trustee shall if directed by the Member apply all or part of the Benefit to purchase an annuity for the Member from any person authorised at law to issue annuities on such terms and conditions as the Member and the Trustee and the provider of the annuity agree provided that if the purchase of the annuity would not in the opinion of the Trustee provide a reasonable annual amount the Trustee need not purchase such annuity.

Unclaimed Benefits

- 21.27 The Trustee shall exercise reasonable diligence in tracing Members and Dependants entitled to Benefits from the Fund but in the event of there being unsuccessful any monies payable out of the Fund which are not claimed within six years after the date on which they become due shall (unless the Trustee otherwise directs) be forfeited and the proceeds shall become part of the Fund assets.

Satisfaction of claims

- 21.28 When a Benefit in respect of a Member has been paid in accordance with this Deed the Member and the Member's heirs, executors and administrators shall cease to have any claim on the Fund in respect of the Benefit paid.

Benefits not grounds for increasing any claim for damages

- 21.29 The Benefits to which a Member might claim to be entitled under this Deed shall not be used as grounds for increasing, or as a means of assessing damages in any claim made or action brought by a Member or former Member against the Employer or the Commissioner.

Receipts for Benefits

- 21.30 Any person to whom a Benefit is payable or in respect of whom a Transfer Value is paid shall, if requested, furnish the Trustee with a receipt and release in the form from time to time required by the Trustee.

Limitation on Benefits

- 21.31 Notwithstanding any other provision of this Deed, the sum of all Benefits payable from the Scheme in respect of any Member shall not exceed the sum of:
- (a) the Redemption Price of the Units held in an Account established in the name of that Member; and
 - (b) any allocations to the Member from the Reserve Accounts; and
 - (c) the amount paid in respect of that Member from any Policy effected for the benefit of the Member.

First Home Withdrawal Benefit

- 21.32 Subject to Rule 21.33, if the Trustee is satisfied (based on whatever evidence it may reasonably require) that a Member intends to purchase an estate in land in circumstances specified in Rule 21.33 then the Member may, at the Member's election, withdraw a benefit equal to all or part of the balance of:
- (a) the Member's Account; and
 - (b) the Employer's No. 1 Account,

as at the date the Member elects to withdraw and less the total of any amounts:

- (c) specified in Rule 8 of the KiwiSaver Rules; or
- (d) claimed against the Trustee pursuant to an alienation of the Member's rights under Rule 25.1.

21.33 It is a condition of Rule 21.32 that:

- (a) a Member may only elect to make a withdrawal of a Benefit pursuant to Rule 21.32 where, treating membership of the Scheme as membership of a KiwiSaver Scheme, the withdrawal would be permitted under or pursuant to Rule 8 of the KiwiSaver Rules. For the purposes of the KiwiSaver Rules and this Rule 21.33, any withdrawal from a KiwiSaver Scheme shall be disregarded if such withdrawal is in respect of the same purchase of an estate in land as contemplated by Rule 21.32; and
- (b) any withdrawal made under Rule 21.32 must be paid in accordance with Rule 8(7) of the KiwiSaver Rules.

21.34 The Trustee may, at its discretion, vary any terms or conditions of Rules 21.32 and 21.33 to ensure that the Benefit is payable in a manner consistent with the first home withdrawal payable under Rule 8 of the KiwiSaver Rules.

22 Transfer from or to another Scheme

22.1 Subject to Relevant Law, if a Member is entitled to benefits under another superannuation scheme the value of the Member's benefit in such superannuation scheme shall with the approval of the Member, be transferred into the Scheme and credited to the Member's Account, or to the Employer's No. 1 Account, or to the Reserve Account No. 1 or the Reserve Account No. 2 or to any of them in such manner as the Trustee shall decide subject to the agreement of the Member. The Trustee may with the consent of the Employer grant a period of additional service to be counted as Service in respect of any amount transferred into the Scheme in accordance with this Rule 22.1.

22.2 Subject to Relevant Law, if a Member on leaving Service (or not being a Standard Sworn Entrant on withdrawing from the Scheme) becomes a member of another Registered Scheme, the Trustee shall, if the Member so directs and the Trustee of the other Registered Scheme agrees, transfer to such other Registered Scheme the amount which would otherwise be payable for the benefit of the Member under this Deed provided that the Trustee shall not be required to transfer the amount to the other Registered Scheme until permitted so to do in terms of the Act.

22.3 Subject to Relevant Law, if the Employer establishes or has established another Registered Scheme for the benefit of its Employees then Members who are Employees of the Employer may subject to the consent of the Employer or the Commissioner cease to be Members and become members of such other Registered Scheme. Such Members shall have transferred to such other Registered Scheme on such terms and conditions as shall be agreed amongst the Employer, the Trustee and the Member an amount in respect of each transferring Member equal to the amount which would have been payable to the Member had the Member been entitled to a Redundancy Benefit as at the date of transfer provided that no Member shall so transfer without the Trustee first obtaining the consent in writing of the Member to such transfer. The Trustee may in its absolute discretion and with the written consent of the Employer also transfer to such other Registered Scheme a portion of the Reserve Account No. 1 in respect of Standard Sworn Entrants and Special Entrants or the Reserve Account No. 2 in respect of Optional Entrants and Savings Contributors determined by the Trustee but not exceeding in each case that proportion of the appropriate Reserve Account which the

aggregate amount held in Member's Accounts and Employer's Accounts relating to such transferring Members bears to the aggregate amount of all Member's Accounts and Employer's No. 1 Accounts in the Scheme save that in respect of Savings Contributors the provisions of Rule 16.1 shall apply mutatis mutandis.

- 22.4 No transfer to another Registered Scheme can be effected unless, at the discretion of the Trustee, any PIE Tax payable in respect of the Member's Benefit has been paid and/or any adjustment made under Rule 23.2, and unless the Member has paid all duties, taxes (including goods and services tax but excluding PIE Tax at the discretion of the Trustee) and other commissions, fees and charges in respect of the transfer of the Benefit.

23 PIE tax

- 23.1 The Trustee may elect that the Scheme be a PIE or that the Scheme ceases to be a PIE at its discretion and may allocate the costs of being a PIE, as it considers appropriate. The Trustee shall ensure that any PIE Tax is attributed to Members taking into account such matters as the Trustee considers appropriate.
- 23.2 Subject to the requirements of the Tax Act, the Trustee has the power and discretion, for as long as the Scheme is a PIE, to:
- (a) make any elections or choices as to the method of calculation for the attribution of any income, PIE Tax or other amounts as it thinks fit;
 - (b) take all steps necessary to ensure that the Scheme is eligible or continues to be eligible as a PIE or otherwise to comply with the requirements of the Tax Act relevant to PIEs, including but not limited to, redeeming all or some of a Member's Units, crediting or debiting a Member's Account and divesting any investment;
 - (c) elect to offset tax liabilities and credits or losses in respect of the Scheme and/or Member and make such adjustments as the Trustee considers appropriate;
 - (d) allocate any tax credit received for tax credits or tax losses in respect of Members or former Members among the Members or former Members in such manner as the Trustee in its complete discretion considers appropriate;
 - (e) make any such tax elections or choices that the Trustee thinks fit, such as an election for the Scheme to be a foreign investment zero-rate or variable rate PIE;
 - (f) adjust Members' Accounts (by crediting or debiting amounts (as applicable)), or withdraw or withhold any amount payable to a Member to the extent necessary to account for payments or credits of any tax or other amounts payable or receivable from time to time, as the Trustee reasonably considers appropriate; and
 - (g) exercise, or decline to exercise, any power or discretion relevant to PIEs granted under any enactment as the Trustee considers appropriate.

24 Termination

- 24.1 The Scheme shall be wound up if the Employer shall cease to exist (except for the purposes of reconstruction) or if the Commissioner resolves that the Scheme be wound up or the court directs that the Scheme shall be wound up pursuant to section 211 of the Act. The date of winding up shall be the date on which the Employer ceases to exist or the date specified in the Commissioner's resolution.

24.2 From the date of winding up:

- (a) no further persons shall be admitted as Members;
- (b) no further Contributions shall be payable;
- (c) no further Benefits shall be payable except as provided in this Rule; and
- (d) the assets of the Scheme shall be realised in an orderly manner.

24.3 The Trustee shall after deducting the costs and expenses of winding up and any other Scheme Liabilities, including PIE Tax and whether currently payable or anticipated to become payable, distribute any monies remaining thereafter in respect of the Fund to Members so far as the amount remaining permits with the following priorities:

- (a) first in payment of any Benefits which fell due prior to the date of winding up but which had not been paid as to the date of winding up;
- (b) second in respect of each Member the payment to the Member of the amount then standing to the credit of the Member's Account as at the date of winding up;
- (c) third in respect of each Member other than a Standard Sworn Entrant or a Special Entrant and in respect of each Standard Sworn Entrant and Special Entrant who as at the date of winding up had completed three (3) years of Service the payment to the Member of the amount standing to the credit of the Employer's No. 1 Account as at the date of winding up;
- (d) fourth in respect of each Standard Sworn Entrant and Special Entrant who as at the date of winding up had not completed three (3) years of Service the payment to the Member of the amount standing to the credit of the Employer's No. 1 Account as at the date of winding up;
- (e) fifth in respect of any balance of the Reserve Account No. 1 then remaining unexpended the same may subject to the prior consent of the Commissioner and to the extent the Commissioner determines be applied as the Trustee in its absolute discretion decide after consultation with the Commissioner in augmenting the Benefits under Rules 24.3(b) to 24.3(d) inclusive to Members who are Constables other than Savings Contributors on an equitable basis;
- (f) sixth in respect of any balance of the Reserve Account No. 2 then remaining unexpended the same may subject to the prior consent of the Commissioner and to the extent the Commissioner determines be applied as the Trustee in its absolute discretion decide after consultation with the Commissioner in augmenting the benefits under Rules 24.3(b) to 24.3(d) inclusive to Members who are Police Employees or Savings Contributors on an equitable basis provided that if there are no such Members the same may be applied in manner provided in Rule 24.3(e); and
- (g) any balance of the Fund remaining after application of Rules 24.3(e) and 24.3(f) may subject to the prior written consent of the FMA revert to the Employer provided that if the FMA does not consent to the balance of the Fund then remaining or any part thereof reverting to the Employer then such balance or part thereof in respect of which consent has not been given shall be dealt with in the manner provided in Rules 24.3(e) and 24.3(f) save that the consent of the Employer shall not be required.

24.4 The Trustee shall to the extent required by Relevant Law:

- (a) Within 10 working days after a winding up or a partial winding up resolution or an order by the court that the Scheme be wound up is made, give a copy of any order or resolution to the FMA;
- (b) Within four months after the date on which the winding up takes effect, ensure that the final financial statements of the Scheme as at the date on which the winding up takes effect, are prepared in accordance with generally accepted accounting practice and audited;
- (c) Within 20 working days after the final financial statements have been audited ensure that:
 - (i) a copy of those financial statements are sent to the FMA and to every person who was a Member of the Scheme immediately before it was wound up; and
 - (ii) advise the FMA and the Members in writing as to the manner in which the remaining assets of the Scheme (if any) are to be distributed; and
- (d) Shall inform the FMA of the date on which the distribution of the assets is completed.

24.5 Each person who was a Member immediately before the winding up shall continue to have the right, upon request:

- (a) to look at, at any reasonable time, a copy of the Trust Deed; and
- (b) to receive, upon payment of a reasonable fee, a copy of the Trust Deed.

25 General provisions

Alienation of Member's rights permitted in certain circumstances

25.1 A Member may assign, charge, alienate or borrow against the security of Benefits which may become payable to a Member pursuant to the provisions of this Deed, only if the agreement to assign, charge or alienate Benefits contains a term to the effect that no assignee, chargeholder, alienor or lender shall be entitled to make any claim against the Trustee until a Benefit has become payable to such a Member pursuant to the provisions of the Deed. Benefits may not be assigned, charged or alienated in any other circumstances.

Incapacity of Member

25.2 In the event of a Member becoming physically mentally or otherwise incapable of managing the Member's own affairs the Trustee shall pay the Member's benefits in accordance with the decision of an attorney appointed under an enduring power of attorney in terms of the Protection of Personal and Property Rights Act 1988 or of any committee duly appointed to manage the affairs of the Member or in the event of no such attorney or committee being appointed the Trustee shall apply the benefits for the maintenance, support or otherwise for the benefit of the Member or such of the Member's Dependants as the Trustee may in its discretion determine.

Tax on payments

25.3 The Trustee shall be entitled to deduct from any payment payable under this Deed a sum equal to the amount of any income tax or other tax, duty, impost or charge imposed by a Government or administrative body for which the Trustee may directly or indirectly be or become liable in respect of the Member or in consequence of such payment.

Currency of Fund

- 25.4 The Fund shall be a New Zealand currency fund and nothing herein shall require the Trustee to make any payments other than in New Zealand and in New Zealand currency.

Benefits not grounds for increasing any claim for damages

- 25.5 Nothing in the Deed shall in any way restrict the rights of the Employer to terminate the employment of a Member at any time and the Benefits to which a Member might claim to be entitled under this Deed shall not be used as grounds for increasing, or as a means of assessing damages in any claim or action brought by a Member or former Member against the Employer.

Relationship property settlement

- 25.6 Where a Member is required (including under any contract or agreement) to make a relationship property settlement with his or her spouse or civil union partner or de facto partner, the Member may request the Trustee to pay to that Member a Relationship Property Settlement Amount.
- 25.7 The Trustee shall have full discretion whether to grant a request for payment of a Relationship Property Settlement Amount and may, without limitation, require such request to be evidenced by an order of the court under the Property (Relationships) Act 1976.
- 25.8 Subject to Rules 25.9 and 25.10 below, the Trustee shall have full discretion to determine the sum payable as a Relationship Property Settlement Amount.
- 25.9 Where the Member is required to make a relationship property settlement pursuant to an order made under the Property (Relationships) Act 1976, the Relationship Property Settlement Amount shall be a sum not exceeding the Benefit the Member would have received if he or she had been entitled to a cessation of Service Benefit under Rule 21.1 at the date of the applicable relationship property settlement.
- 25.10 In any other case, the Relationship Property Settlement Amount shall be a sum not exceeding one half of the Benefit the Member would have received if he or she had been entitled to a cessation of Service Benefit under Rule 21.1 at the date of the applicable relationship property settlement.
- 25.11 Where the Trustee grants the Member's request for payment of a Relationship Property Settlement Amount, that Member's Account and Employer's No. 1 Account shall be reduced by such amounts and in such proportions as the Trustee shall determine.

Related Party Benefits

- 25.12 Subject to Rule 25.13, the Trustee (and any Investment Manager, administration manager or other person to whom the Trustee has contracted out some or all of its functions as manager) must not enter into a transaction that provides for a Related Party Benefit to be given.
- 25.13 Rule 25.12 does not apply to a transaction or series of transactions if one of the following applies and the Trustee (with the consent of the Licensed Independent Trustee) certifies to that effect:
- (a) the transaction or series of transactions are in the best interests of the Members; or
 - (b) section 174 of the Act applies to the transaction or transactions or all Related Party Benefits to be given; or

- (c) the transaction or series of transactions are approved by or contingent on approval by a Special Resolution of the class of Members affected or potentially affected by the transaction or transactions.

25.14 Subject to Relevant Law, the Trustee (or any person to whom the Trustee has contracted out some or all of its functions as a manager) must not acquire any new In-house asset if, as a result of the acquisition, the Scheme would have, or increase, an In-house asset ratio of 5% or more in relation to any Related Party or Member.

Meetings

25.15 When required by Relevant Law, the Trustee shall call a meeting of Members in the manner and on the basis set out in the Act and the FMC Regulations. A meeting of Members shall be conducted in accordance with Relevant Law.

26 Amendments

26.1 Subject to the Act, the Trustee may at any time by an amending deed and with the written consent of the Employer (such written consent not to be given until consultation by the Employer with the Police Service Organisations) and shall if directed by the Commissioner (provided that the Commissioner shall first consult with the Police Service Organisations) amend all or any of the trusts or provisions of this Deed.

26.2 If the Commissioner shall give a direction as aforesaid then subject to the provisions of the Public Service Act 2020 and the Act, the Trustee shall take all reasonable steps to amend the Deed in accordance with the direction.

26.3 No amendment shall be made to the Scheme which would result in any provision of paragraphs (a) to (g) of clause 14 of Schedule 8 of the Public Service Act 2020 ceasing to apply to the Scheme.