

MISS



Other Material Information relating to the MISS Scheme

23 August 2024

Table of Contents

1. General	1
2. Additional information on the Scheme	1
3. Additional information on who is involved?	3
4. Market Indices for the Scheme	5
5. Conflict of interest	6
6. Basis of estimates for fund charges used in the PDS	6
7. Additional information on risk	6
8. Tax	8

1. GENERAL

This 'Other Material Information' document contains information that is considered by the Trustees of the MISS Scheme (the **Trustees**) to be material to the MISS Scheme (the **Scheme**) and that is not contained in the Product Disclosure Statement for the Scheme (the **PDS**). This document is provided to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 (the **FMC Act**) and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014.

On 22 September 2016 the Scheme was renamed the MISS Scheme (previously called the Meat Industry Superannuation Scheme). The Scheme is a restricted workplace savings scheme under the FMC Act.

Further information about the Scheme is contained in the PDS and on the Scheme's offer register entry.

2. ADDITIONAL INFORMATION ON THE SCHEME

The Scheme was established by a trust deed dated 31 July 1991 and is currently governed by a consolidated trust deed dated 18 August 2016 (as amended on 31 October 2017, 19 October 2020 and from time to time) between the Trustees, the New Zealand Meat Workers and Related Trades Union Incorporated (the **Union**) and the Meat Industry Association of New Zealand (Incorporated) (the **Association**) (the **Trust Deed**).

Capitalised terms used but not otherwise defined in this 'Other Material Information' document have the meaning given to them in the Scheme's Trust Deed.

A summary of the key terms of the Scheme, which are not contained in the PDS, are set out below.

Investment

The Trustees invest the assets of the Scheme in accordance with the provisions of the FMC Act and the statement of investment policy and objectives for the Scheme.

Reserve Account

The Trustees have established a Reserve Account which is credited with unclaimed benefits and the amount of any Employer contributions and Investment Returns that are not payable to a Member when the Member leaves service.

An Investment Return, at a rate determined by the Trustees, is credited or debited to the Reserve Account as at 31 March each year and at such other times during the year as the Trustees shall determine. The Trustees have discretion as to how to apply the Reserve Account, including:

- › to meet all or part of Members' contributions on an equitable basis;
- › to meet all or part of each Employer's contributions on an equitable basis;
- › to increase the retirement benefits for all beneficiaries on an equitable basis;
- › to provide benefits other than retirement benefits for all beneficiaries on an equitable basis;

- › in payment of the expenses (including any taxation payable) of the Scheme and of the Trustees in connection with the Scheme;
- › in payment of any insurance premium in respect of any Insured Benefit;
- › in payment of any previously unclaimed benefit which has been forfeited to the Reserve Account; and
- › in any other manner the Trustees consider to be equitable to all beneficiaries of the Scheme.

Termination of membership

Termination of membership of the Scheme occurs on the earliest of:

- › a Member receiving his or her full benefit from the Scheme;
- › a Member dying;
- › a transfer of the Member's benefit to a KiwiSaver scheme;
- › a transfer of the Member's full entitlement to another scheme;
- › a Member failing to re-commence suspended contributions;
- › a Member being deemed to have ceased membership because of changed employment status; and
- › if for any other reason a Member is no longer employed by an Employer (other than if the Member is on Temporary Absence).

Appointment of Trustees

Unless a corporate body is the Trustee, there shall be a minimum of five and a maximum of seven Trustees and at least one Trustee must be a Licensed Independent Trustee.

Unless a corporate body is the Trustee, a minimum of two and a maximum of three Trustees shall be appointed by each of the Union and the Association. The Trustees shall appoint a person as the Licensed Independent Trustee for the purposes of the FMC Act.

As at the date of the PDS, the Trustees have appointed Mr Brian Leonard Mason to be the Licensed Independent Trustee of the Scheme.

The current Trustees of the Scheme are set out in the PDS at Section 7 *Who is involved?*. Further information on the Trustees can be found in Section 3 *Additional information on who is involved?* in this 'Other Material Information' document.

The Trustees may change from time to time.

Appointment of Chairman

The Trustees shall from time to time appoint a Chairman (who need not be one of the Trustees) on such terms as they may think fit and shall determine the period for which such Chairman shall hold office. If that Chairman shall not be present at any meeting, the Trustees shall appoint from amongst those present a Trustee to be the Chairman of that meeting.

As at the date of the PDS, the Trustees have appointed Mr Brian Leonard Mason as the Chairman of the Scheme.

Amendments to Trust Deed

The Trustees may from time to time with the written consent of the Association and the Union revoke, amend or add to all or any of the provisions of the Trust Deed, provided that amendments must be made in accordance with the FMC Act.

The Financial Markets Authority (**FMA**) will need to consent to trust deed amendments (except in limited circumstances). The FMA must not consent to an amendment to the Trust Deed unless either:

- › if the amendment reduces, postpones or otherwise adversely affects members' accrued benefits up to the date the amendment is made, the written consent of all members who would be adversely affected by the amendment is obtained; or
- › the FMA is satisfied that the amendment or replacement does not have a material adverse effect on the beneficiaries.

Winding Up

The Scheme shall be wound up if the Union and the Association recommend that the Scheme be wound up and the Trustees resolve to wind up the Scheme.

However, the Trustees may in their absolute discretion continue the Scheme as a closed plan for the benefit of the existing beneficiaries for so long as the Trustees consider that such continuation is in the best interests of beneficiaries. The Trustees may at any subsequent date resolve to wind up the Scheme.

If the Scheme is wound up, the Trustees will distribute the assets in the following order of priority:

- › to meet the expenses, claims and liabilities of and incidental to the administration and winding up of the Scheme;
- › to provide for each beneficiary who is age 65 or over at the date of winding up a lump sum equal to his retirement benefit (as described in the PDS) or, if applicable, his Retained Benefit, Former Member Benefit or Deferred Benefit (each as described in the PDS);
- › to provide for each beneficiary who is less than age 65 but who has qualified for the following benefits at the date of winding up in the following priorities:
 - the death benefit;
 - the ill health or redundancy benefit;
 - the withdrawal benefit;
- › to provide for each beneficiary, who is less than age 65 at the date of winding up, a lump sum equal to the total balances in the member's Voluntary Account, Member Account, Pre-1 April 2008 Subsidy Account and Post-1 April 2008 Subsidy Account or, if applicable, the beneficiary's Retained Benefit, Former Member Benefit or Deferred Benefit; and
- › any balance remaining shall be distributed to each member who is less than age 65 at the date of winding up, as a lump sum in proportion to the total of the balances in the member's Voluntary Account as at 30 June 1999 (together with any Investment Return to the member's Voluntary Account since 1 July 1999), Member Account, Pre-1 April 2008 Subsidy Account and Post-1 April 2008 Subsidy Account as at the date of winding up.

Trustees' Indemnity

Subject to the indemnity limitations under the FMC Act, a Trustee shall be absolutely indemnified by and out of the funds of the Scheme for and in respect of any loss or liability which such Trustee may sustain or incur by reason of the carrying out or omission of any function duty or power of the Trustees under the Trust Deed.

Under the FMC Act, a Trustee's right to be indemnified is only available in relation to the proper performance of his or her statutory duties under the FMC Act.

3. ADDITIONAL INFORMATION ON WHO IS INVOLVED?

Participating employers

The following employers participate in the Scheme to the extent that some of their employees are contributing Members of the Scheme and the employer makes contributions to the Scheme on behalf of such employees:

- › Affco New Zealand Limited
- › Alliance Group Limited
- › CMP Kokiri Limited (trading as ANZCO Foods Kokiri)
- › CMP Rangitikei Limited (trading as ANZCO Foods Rangitikei)
- › Lowe Corporation Limited
- › New Zealand Meat Workers and Related Trades Union Incorporated
- › Riverlands Eltham Limited (trading as ANZCO Foods Eltham)
- › Riverlands Manawatu Limited (trading as ANZCO Foods Manawatu)
- › Silver Fern Farms Limited

Trustees of the MISS Scheme

Name of location	Position	Experience as a Trustee / Qualifications	Position in the meat industry
Michael Roger Nahu , Te Puke	Trustee (Union appointed)	34 years as a Trustee	National President New Zealand Meat Workers Union
Robin Matthew McGowan , Maitua	Trustee (Union appointed)	23 years as a Trustee	Former employee of Alliance Group Limited Maitua Plant
Sherryl Amelia Haughie , Christchurch	Trustee (Union appointed)	Appointed as a Trustee in August 2021	Finance Manager National Office New Zealand Meat Workers Union
Gary Alan Williams , Havelock North	Trustee (Association appointed)	19 years as a Trustee <i>Relevant qualifications:</i> Bachelor of Technology (Biotechnology), Master of Business Administration	General Manager, Food Quality, Environment and Assurance Silver Fern Farms Limited
Joel William Gabites , Christchurch	Trustee (Association appointed)	Appointed as a Trustee in December 2021	General Manager, Commercial and Business Improvement ANZCO Foods Limited
Brian Leonard Mason , Queenstown	Licensed Independent Trustee and Independent Chairman	Appointed as Licensed Independent Trustee in 2016 Appointed as Independent Chairman in 1999	<i>Other relevant positions and experience:</i> <ul style="list-style-type: none"> › Self-employed Owner and Director of B L Mason & Associates Ltd › 46 years' experience as a Trustee › Trustee of the Meat Industry Superannuation Scheme from inception till July 1999 and Independent Chairman since July 1999

The Trustees may change from time to time without notice to Members. A current list of Trustees is available online at www.miss.org.nz.

Auditor

The Auditor of the Scheme is Deloitte Limited, Chartered Accountant, whose address is 20 Customhouse Quay, Wellington.

4. MARKET INDICES FOR THE SCHEME

Performance for the Scheme and each asset class is measured against the market indices set out in the Scheme's Statement of Investment Policy and Objectives (which is available on the scheme register at www.disclose-register.companiesoffice.govt.nz). More information about these market indices can be found on the following website links:

Asset Class	Index	Website Links for more information on the Index
Australasian Equities	S&P/NZX 50 Index (including imputation credits)	https://nzx.com
International Equities (Unhedged)	MSCI World Index with net dividends reinvested in NZD	https://msci.com/resources/factsheets/index_fact_sheet/msci-world-index.pdf
International Equities (Hedged)	MSCI World Index with net dividends reinvested (100% hedged to NZD on an after tax basis)	https://msci.com/resources/factsheets/index_fact_sheet/msci-world-index.pdf
New Zealand Fixed Interest	Bloomberg NZBond Composite 0+ Year Index	https://www.bloombergindices.com/bloomberg-indices-resources/
International Fixed Interest	Bloomberg Global Aggregate Index (100% hedged to NZD on an after tax basis)	https://www.bloombergindices.com/bloomberg-indices-resources/
Cash and cash equivalents	Bloomberg NZBank Bill Index	https://www.bloombergindices.com/bloomberg-indices-resources/
International Listed Property	FTSE EPRA/NAREIT Global Real Estate Index (with net dividends reinvested) (100% hedged to NZD on an after tax basis)	Listed property <ul style="list-style-type: none"> › http://www.ftse.com/products/indices/epra-nareit
International Listed Infrastructure	FTSE Global 50/50 Infrastructure & Utilities Index (100% hedged to NZD on an after tax basis);	Listed infrastructure <ul style="list-style-type: none"> › http://www.ftse.com/products/downloads/FTSE_Infrastructure_Index_Series.pdf?32

5. CONFLICT OF INTEREST

The Scheme was established by the Association and the Union. As at the date of this 'Other Material Information' document, there are three Union-appointed Trustees and two Association-appointed Trustees. Several of the Trustees are also Members of the Scheme.

Notwithstanding the individual interests of such Trustees as Members, and the interests of the parties who appointed the Trustees generally in the operation and performance of the Scheme, those interests are generally consistent with those of other Members. Further, the Trustees, must act at all times honestly and in the Members' best interests, treat Members equitably and not use Scheme information either for improper advantage or to cause detriment to Members. The Trustees (other than the Licensed Independent Trustee and so long as their profession or business does not include acting as a trustee or investing money on behalf of others) also recognise and acknowledge that they must exercise the care, diligence and skill that a prudent person of business would exercise when exercising any power or performing any duty.

The Scheme uses an Administration Manager and Investment Managers who are independent of the Scheme, the Trustees and the Members. As a result, the interests of Trustees and the parties who have appointed them will not, generally, materially influence the investment decisions of the Scheme.

The Trustees also include one Licensed Independent Trustee, as required by the FMC Act.

Where the Trustees have entered, or enter, into any transaction providing for a related party benefit (as set out in the FMC Act) to be given:

- › that transaction must be in the members' best interest or on arm's length terms (or otherwise comply with the FMC Act related party transactions provisions); and
- › the Trustees, with the consent of the Licensed Independent Trustee, must certify accordingly.

Where any conflicts of interest do arise in relation to the Scheme then the Trustees will identify and record those conflicts and take steps to manage them (as appropriate, such as take independent legal advice) on a case by case basis. This could involve the affected Trustee standing aside from any decisions related to the relevant matter.

6. BASIS OF ESTIMATES FOR FUND CHARGES USED IN THE PDS

Included in the PDS is a total annual fund charge, which includes estimates of the fees and expenses of the underlying funds the Scheme invests in, investment consulting and investment advisory expenses, and other Scheme expenses which are not already covered by the administration fee deducted from Members' Accounts. These estimates have been based on estimates provided by the relevant service providers and the Trustees' experience with the Scheme.

In determining each overall estimate, we have assumed that ongoing charges from the investment related service providers will not differ significantly from the current charges and that Scheme expenses will not materially change from year to year.

7. ADDITIONAL INFORMATION ON RISK

All investments carry risk. There are risks associated with the Scheme that could affect your ability to recover the amount of your contributions or impact on the benefits payable from the Scheme.

It is important to note that events affecting investments cannot always be foreseen.

The below identified risks are additional to those referred to in the PDS in *Section 4 What are the risks of investing?*

Investment risks

- a. **Credit risk:** There is a risk that a borrower or other counterparty defaults. This potentially arises with various securities including fixed interest and mortgage securities or derivatives.
- b. **Derivatives:** Financial instruments known as “derivatives” may be used by the investment managers for the purpose of managing risks (particularly market and currency risk), for portfolio liquidity and for investment purposes. A derivative is a contract with a return that is dependent on or derived from one or more underlying assets or reference items. The most common underlying assets or reference items include shares, bonds, currencies, cash, interest rates, events, entities and market indices. Examples of derivatives include swaps, warrants, structured notes, futures contracts, options and forward rates agreements.

The risks arising out of the use of derivatives include the potential for:

- i. large gains or losses including those arising from the derivatives exaggerating the effect of any increase or decrease in the value of the underlying assets or reference items that their return is dependent upon or derived from; and
- ii. the party with whom the contract is made not meeting its obligations.

As at the date of this Other Material Information document, the Scheme does not directly hold derivatives, but underlying vehicles through which the Scheme invests may use derivatives.

The Trustees manage investment risk by having the Scheme’s assets invested by professional investment managers (see the PDS for details of the Scheme’s investment managers). The investment performance of each investment manager is regularly monitored by the Trustees. The Trustees also regularly review the Scheme’s investment policy and investment objectives.

Other risks

Investment risk	Description
Operational risk	Operational or systems failure may affect the Scheme or financial markets.
Borrowing	The Trustees may borrow money for the purposes of the Scheme. This may exaggerate the effect of any increase or decrease in the value of the Scheme’s assets and increase the risk of insolvency. As at the date of this Other Material Information document, the Trustees are not borrowing any money and do not intend to borrow.
Legislative risk	There is a risk that changes in taxation or other legislation may impact your returns and benefits.
Counterparty risk	Counterparty risk is the risk that a party to a contract (as well as an investment contract that includes an insurance policy, administration agreement, etc) defaults or a third party fails to properly provide services for the Scheme, or fails to complete a transaction, or there is a dispute in relation to a contract, or that such a person becomes insolvent and is placed into receivership, liquidation or statutory management or the Scheme otherwise becomes unable to meet its financial obligations. If this occurs, you may not recover the full amount of your investment in the Scheme.
Contribution risk	Participating employers are responsible for collecting contributions, via deduction from Members’ pay, and passing those contributions to the Scheme along with required Employer contributions. There is a risk that the Employer will fail to deduct and make the required contributions.
Employer ceases to participate	There is a risk the Member’s Employer ceases to be eligible to participate in the Scheme. If the Member’s Employer ceases to participate in the Scheme, the Member will cease to be a Member and the benefit payable is the same as the benefit on retirement. In addition part of the Reserve Account may be payable by the Trustees.
Winding up	The Scheme may be wound up if the Union and the Association recommend that the Scheme be wound up and the Trustees resolve to wind up the Scheme (see Section 2 <i>Additional Information on the Scheme</i> under the heading “Winding Up”).
Changes	Changes may be made to the Scheme from time to time, including changing the Scheme’s investment objectives and policy, benchmark investment mixes and the underlying investment managers.

8. TAX

The treatments described in this section are based on our understanding of New Zealand tax legislation as it applies to the Scheme. Tax legislation, its interpretation and the rates and bases of taxation are subject to change. The application of tax laws depends on a member's individual circumstances. Members are advised to seek their own tax advice from a qualified tax adviser.

Employer contributions

Prior to 1 April 2025, employer contributions are subject to employer superannuation contribution tax (ESCT) at the following rates:

Member's income* in the previous income year	Member's ESCT rate
Up to \$16,800	10.5%
Between \$16,801 and \$57,600	17.5%
Between \$57,601 and \$84,000	30%
Between \$84,001 and \$216,000	33%
\$216,001 and over	39%

ESCT is deducted from employer contributions before they are paid to the Scheme. Member contributions are calculated on a member's before-tax salary but deducted from the member's after-tax salary.

ESCT from 1 April 2025

Based on current legislation, from 1 April 2025, the ESCT thresholds will change. The new thresholds and corresponding rates will be:

Member's income* in the previous income year	Member's ESCT rate
Up to \$18,720	10.5%
Between \$18,721 and \$64,200	17.5%
Between \$64,201 and \$93,720	30%
Between \$93,721 and \$216,000	33%
\$216,001 and over	39%

* 'Income' is a member's gross salary and wages plus employer superannuation contributions, before the deduction of ESCT, in the previous year (or an estimated amount, if the member has worked for less than a year).

Member contributions

A member's own contributions to the Scheme are not tax deductible. However, benefits paid from the Scheme are tax-free.

Tax on the Scheme's investments

As at the date of this document, the Scheme is not a portfolio investment entity (PIE). This means that the Scheme pays tax on its net investment income at a flat rate of 28%.

The Scheme invests primarily in PIE funds of the different investment managers. Gains or losses made by these funds from their investment in New Zealand resident companies and most Australian resident listed companies are not taxable or deductible. However, distributions received from these companies are taxable.

Other foreign shares and funds held by PIE funds that the Scheme invests in are generally taxed under the fair dividend rate (FDR) method of 5% per annum on the average daily market value. Distributions received from investments taxed under this method are not taxable, although foreign tax credits may be available to offset the tax payable on the FDR income. Foreign currency hedges of shares subject to FDR may also be taxed using a version of FDR if the PIE fund has elected to apply this method.

Foreign shares and funds held by PIEs in which the Scheme invests are generally taxed under the comparative value method (that is, on the basis of the annual change in market value plus distributions and any disposal gains) if they:

- › offer guaranteed or fixed rate returns
- › are non-participating redeemable shares
- › are 80% or more invested in financial arrangements or fixed rate shares that are denominated in or hedged to New Zealand dollars
- › are otherwise determined by Inland Revenue to be New Zealand dollar denominated debt in economic terms.

Debt securities and foreign currency hedges (not subject to FDR) held by the Scheme directly and by PIEs in which it invests are taxed under the financial arrangement rules using the IFRS taxpayer method, which aligns taxable income with that recorded for financial reporting purposes.

PIE tax advantages for the Scheme

Investing in a PIE can provide tax advantages for the Scheme relative to direct investment. Capital gains made by the Scheme on most investments in New Zealand shares, and most Australian listed shares, are not taxable irrespective of the level of trading undertaken.

Changes to tax laws

Taxation laws are subject to change. It is your responsibility to determine your own tax position. We recommend that you seek independent professional advice concerning the tax implications for your investment in the Scheme.