

Part B: Terms and Conditions



Effective from 1 April 2019

This part of the Client Agreement sets out the terms and conditions on which we will provide advice and services, and is arranged as follows:

- Section A:** Broking Service Terms and Conditions
- Section B:** Custodial Service Terms and Conditions
- Section C:** Private Portfolio Management Terms and Conditions
- Section D:** General Terms and Conditions
- Section E:** Basis of Service, Principal Benefits and Risks of Investing, and Financial Advice

Capitalised terms have the meanings set out in the Interpretation and Jurisdiction section of Section D or otherwise set out in the NZX Rules, and in accordance with New Zealand law. You can view the NZX Rules on the NZX website www.nzx.com.

You unconditionally agree to be bound by the Terms and Conditions set out in this Client Agreement as amended from time to time. If you are an Institutional Client, these Terms and Conditions replace any Terms and Conditions for Institutional Clients previously provided to you.

Section A: Broking Service Terms and Conditions

1. Our Broking Services and Obligations

1.1 This Section A applies when you instruct us to buy or sell Securities or otherwise provide broking services to you.

1.2 You acknowledge and agree that you and all broking services we undertake on your behalf will be subject to Applicable Laws.

1.3 You acknowledge and agree that:

(a) to the extent that there is any inconsistency between any Applicable Laws and the remainder of these Terms and Conditions, those requirements will prevail and these Terms and Conditions shall be deemed to be amended so that they are consistent with the Applicable Laws and will apply as if we and you had agreed and entered into an agreement consistent with those requirements; and

(b) any action taken by us or omitted to be taken by us to comply with any Applicable Laws (including, but not limited to, suspending or placing a hold on your trading account or any assets we hold on your behalf) will be deemed as being in accordance with these Terms and Conditions and will override any inconsistent provision contained in these Terms and Conditions.

1.4 You acknowledge that, except where permitted by Applicable Laws, we will not be able to act on any instructions received from you until we have received a signed Client Agreement and verified the relevant information.

1.5 When we first act for you in dealing with your investments and we agree to accept you as a client, we will open an account for you in your name. In return you agree to take personal responsibility for any actions in respect of trading through this account, and to guarantee payment of any amounts owing under this account either to us, NZX, or any Recognised Securities Exchange.

1.6 You acknowledge and agree that:

(a) all information provided by you to us in the Client Agreement, the Client Profile or from time to time is complete and correct and is not misleading.

(b) you are authorised to ask us to carry out all buying, selling or other instructions and Orders that you or your Authorised Persons give us.

(c) in entering into any transactions with us, you will comply with all laws and regulations, including but not limited to, the "market manipulation" and "insider trading" provisions of the Financial Markets Conduct Act 2013.

(d) you will use your own account with us only for trading on your own account.

(e) if you undertake transactions on behalf of any other person (including a Company or a Trust) you will advise us and ask us to set up an account for that person.

(f) we may ask you for a guarantee or a security against liabilities in respect of any account for which you are responsible, or we may, at our discretion, refuse to open or discontinue any account at any time.

2. When We Purchase Securities on Your Behalf

2.1 When we purchase Securities to your Order, we will send you a Contract Note no later than the business day following the purchase of those Securities.

2.2 You agree to pay us all brokerage, commission and fees charged by us and all applicable fees, taxes and duties, and the purchase price of Securities that we buy in fulfilling your Order immediately upon you receiving our Contract Note and within the applicable Payment Period.

2.3 Where you ask us to purchase on your behalf any Securities which are quoted in foreign currency, and you

ask us to bill you in New Zealand dollars, your request is irrevocable. We will advise you, on the Contract Note or invoice, of the New Zealand dollar amount, which must be paid within the applicable Payment Period. We may take a margin on the exchange rate at which the foreign currency purchase price is converted, in which case the exchange rate disclosed on the Contract Note will be marked-up or marked-down from the exchange rate at which we contract with the relevant bank.

2.4 Until we receive your payment, we will hold those Securities for you as soon as they are transferred from the seller, but subject to all our rights under Applicable Laws and under this or any other agreement with you.

2.5 In the case of NZX listed Securities that will not be held in our Custodial Service you agree to provide us with your Common Shareholder Number (CSN) at the time of the Order.

2.6 If we do not receive your CSN at the time of the Order (if applicable) and your payment within the applicable Payment Period, you agree that we may (at our option) either offset the amount owing against the credit balance on your account (if any) or your Forsyth Barr Cash Management account (if any), or sell the Securities and offset the sale proceeds against the amount owing.

2.7 If any Recognised Securities Exchange (in New Zealand or overseas) has requirements which are different from the procedures described in this clause 2, you agree to comply with those requirements when we notify them to you.

2.8 Securities that we purchase to your Order on the NZX or another Recognised Securities Exchange in New Zealand may either be registered into your name or the name of a person nominated by you, or, at your request, held in our Custodial Service. Securities that we purchase to your Order on a Recognised Securities Exchange outside New Zealand will be held under our Custodial Service, unless otherwise agreed with you. Please refer to Section B – Custodial Service Terms and Conditions.

3. When We Sell Securities on Your Behalf

3.1 When we sell Securities to your Order, we will send you a Contract Note (and a Securities transfer form, if applicable) no later than the business day following the sale of those securities.

3.2 You agree to pay us all brokerage, commission and fees charged by us and all applicable fees, taxes and duties in fulfilling your Order immediately upon you receiving our Contract Note and within the applicable Payment Period.

3.3 You acknowledge that the sale proceeds may be made payable to the registered Securities holder, in the event that your name differs from that of the registered Securities holder.

3.4 For Securities listed on overseas exchanges, we will generally only accept sell Orders for Securities that are held in our Custodial Service.

3.5 Where you ask us to sell on your behalf any Securities which are quoted in foreign currency, and you ask us to pay you in New Zealand dollars, your request is irrevocable. We will advise you on the Contract Note of the New Zealand dollar amount. We may take a margin on the exchange rate at which the foreign currency sale price is converted, in which case the exchange rate disclosed on the Contract Note will be marked-up or marked-down from the exchange rate at which we contract with the relevant bank.

3.6 We will hold the Securities for you until payment is received from the buyer, and until we have paid you the sale price of the Securities (after deducting the amounts referred in clause 3.2 above) we will hold the proceeds of the sale for you, but subject to all our rights at law, under applicable law, any rules of NZX or any applicable

- Recognised Securities Exchange, and under this or any other agreement with you.
- 3.7 In the case of NZX listed Securities that are not held in our Custodial Service you agree to provide us with your Common Shareholder Number (CSN) and Authorisation Code at the time of the Order (for information on Authorisation Codes refer clause 7).
- 3.8 If applicable, you agree to send the relevant documents of title and the signed Securities transfer forms to us so that we will receive them within the applicable Payment Period. If we do not receive your CSN and Authorisation Code at the time of the Order and completed documentation (if applicable) within the applicable Payment Period, NZX may buy-in the Securities and impose penalties upon you. Alternatively, we may repurchase the Securities.
- 3.9 If any Recognised Securities Exchange (in New Zealand or overseas) has requirements which are different from the procedures described in this clause 3, you agree to comply with those requirements when we notify them to you.
- 4. Orders**
- 4.1 You agree that you will be liable for all fees, costs, and charges relating to an Order and will not make Orders that will breach, or are likely to cause us to breach, any of the NZX Rules or any other Applicable Laws.
- 4.2 You acknowledge that it is your responsibility to ensure that all details relating to your Orders are accurate, including without limitation the name of the Security, the volume of the Security and the total value of the Order. Where you submit an Order through electronic channels, you agree to provide with that Order all information necessary for the Order to be entered into the trading system in compliance with the rules of the NZX, ASX or applicable Recognised Securities Exchange and any relevant regulations, procedures or guidance.
- 4.3 If you wish to amend or cancel an Order, you must do so by giving specific instructions to us for the amendment or cancellation of that Order. In the event that part of your Order is filled prior to the amendment or cancellation instruction being effected, you will be liable to settle the partially filled Order.
- 4.4 You acknowledge that all Orders received outside Trading Hours will not be implemented until the commencement of the next Trading Day. Each Order shall remain current until such Order is completed or cancelled by you or us.
- 4.5 Instructions and Orders from clients to purchase or sell Securities shall be attended to by us in the order in which they are received and entered into the Trading System. If Orders are transferred into a pool account prior to the allocation of Securities, then the Securities will be allocated at the average price of the applicable Orders.
- 4.6 We may withdraw a fixed limit Order if we consider it is in your best interests to do so (for example, if you have a fixed limit Order to buy a Security that is about to go ex-dividend). NZX may also withdraw fixed limit Orders in accordance with the NZX Rules. It is your responsibility to maintain sufficient contact with us while you have a fixed limit Order outstanding to enable you to identify and resubmit any order that is withdrawn. While we may, at our discretion, endeavour to notify you of a withdrawn order, we accept no responsibility for any Loss incurred by you directly or indirectly as a result of a withdrawal of a fixed limit Order.
- 4.7 Where foreign exchange transactions are arranged at your discretion we may take a margin on the exchange rate. The exchange rate disclosed on the Contract Note will be marked-up or marked-down from the exchange rate at which we contract with the relevant bank.
- 5. Listed Entity Directorships**
- 5.1 If any person who is signing this Client Agreement is a director or officer of an entity that has Securities listed on any Recognised Securities Exchange, you agree that you/they will not place any Orders for your account relating to that entity's Securities without the requisite authorisation from the entity to transact in those Securities, and that you/they will at all times comply with all Applicable Laws, including the "insider trading" provisions of the Financial Markets Conduct Act 2013 and equivalent provisions of overseas laws.
- 6. Irregularities in Account or Statement**
- 6.1 You must notify us as soon as you become aware of and within 10 business days of receiving a Contract Note if you become aware of any irregularities in your account, and must also notify the Registrar within 10 business days of receiving a Statement from the Registrar if you become aware of any irregularities in that Statement. If you do not notify us of an irregularity in your account within 10 business days of receiving a Contract Note, our aggregate liability to you in connection with the irregularity is limited to the liability (if any) that would have resulted had you notified us within the 10 business day period.
- 6.2 Where we accept and execute an Order for you, any inadvertent or accidental failure on our part to send you a Contract Note shall not release you from any of your obligations in respect of the resulting Transaction or otherwise under this Client Agreement.
- 7. Authorisation Codes**
- 7.1 Where you provide us with your Authorisation Code, we will encrypt it as soon as reasonably practicable. Unless we are prevented at law, we will delete any unencrypted Authorisation Code from any document on which it is recorded, such that the Authorisation Code is not legible.
- 7.2 Unless you instruct otherwise, you authorise us to hold the encrypted Authorisation Code. Where you instruct that we are not authorised to hold or continue to hold the encrypted Authorisation Code, we will delete it as soon as reasonably practicable.
- 7.3 We will hold the encrypted Authorisation Code on our computer system. We may use the Authorisation Code to:
- (a) transfer any of your Securities, when applicable, and in accordance with this Client Agreement.
 - (b) verify that your Authorisation Code is correctly matched to your Common Shareholder Number.
- 7.4 You acknowledge that in the event that a person obtains the Authorisation Code that you provide us prior to encryption or decodes the encrypted Authorisation Code that we hold, there is the risk that the person may:
- (a) use your Authorisation Code to fraudulently transfer any of your Securities to another person.
 - (b) disclose the Authorisation Code to another person who then does the above.
- 7.5 You acknowledge that, if we hold your encrypted Authorisation Code and your Common Shareholder Number, we will have unlimited ability to transfer Securities to other persons.
- 7.6 We undertake that we will at all times use reasonable endeavours to protect your Authorisation Code from unauthorised use and unauthorised access.
- 7.7 We are not liable for any Losses you may suffer in connection with unauthorised use of or unauthorised access to your Authorisation Code where we have taken reasonable endeavours to protect your Authorisation Code from such unauthorised use and unauthorised access.
- 8. Bringing Orders to Market**
- 8.1 Unless you instruct otherwise, we will implement your Orders by placing them to the market in such manner as we consider appropriate having exercised this discretion with care. This means we may:**
- (a) accumulate or bundle Orders coming to market;
 - (b) delay executing your Orders; or
 - (c) delay Orders to facilitate Crossings.
- 8.2 You may at any time give us an instruction either generally, or in relation to a particular transaction, as to how you wish an Order to be implemented.**

8.3 We reserve the right to refuse to execute or delay execution of an Order in the circumstances set out in Section D, clause 14.2.

9. Client Clearing and Settlement Disclosure

9.1 This statement is made pursuant to Rule 15.8.1 of the NZX Rules:

- (a) Forsyth Barr Limited, whose registered address is Forsyth Barr House, The Octagon, Dunedin 9054, (03) 477 7464, settles trades on behalf of you.
- (b) Forsyth Barr Limited carries out the settlement obligations for all trades implemented for you in accordance with the C & S Rules and the Depository Rules. You must settle (or pay) as principal with Forsyth Barr Limited or the relevant counterparty. You therefore owe your settlement obligations directly to Forsyth Barr Limited.
- (c) If you fail to pay an amount due in respect of a trade, or fail to complete a contract, Forsyth Barr Limited has direct rights against you including the right to sell or purchase the Securities relating to that trade, the subject of that trade or contract.
- (d) You agree with Forsyth Barr Limited to the terms set out in this disclosure statement and an agreement is deemed to come into existence immediately upon any instruction by you to purchase or sell Securities.

9.2 You agree and acknowledge that:

- (a) CHO will act as the central counterparty to each Transaction subject to clearing on the Clearing House. The Clearing and Settlement Terms of any relevant Transaction will be novated in accordance with the C & S Rules;
- (b) it is intended that we will be the Clearing Participant which carries out the clearing and settlement of Trades executed for you in accordance with the C & S Rules and the Depository Rules. However, we reserve the right to use a third party Clearing Participant. If we do use a third party Clearing Participant, we will advise you of that Clearing Participant's name, telephone number, main business address and any other details of which we have to advise you under the Participant Rules;
- (c) in relation to each Transaction executed on your behalf which is subject to clearing on the Clearing House:
 - (i) the Clearing and Settlement Terms for such Transaction will be novated to the extent required in accordance with the C & S Rules;
 - (ii) the Clearing Participant will become principal in the resulting Relevant Settlement Transaction and take on all of the Clearing and Settlement Terms for that Relevant Settlement Transaction; and
 - (iii) you consent to this novation, pursuant to, and on the terms and conditions provided for under the C & S Rules, to the full extent required by law.
- (d) your rights and obligations in relation to the clearing and settlement of a Relevant Settlement Transaction will be limited to any rights against, and obligations to, us and you will not have any rights against, or obligations to:
 - (i) a third party Relevant Clearing Participant (if any); or
 - (ii) CHO, in relation to the clearing and settlement of the Relevant Settlement Transaction.
- (e) the liability of CHO, CDO, the Depository Nominee, New Zealand Clearing and Depository Corporation Limited and NZX to any person (including you) is limited or excluded by, and is subject to, the provisions of section 8 of the C & S Rules and section 9 of the Depository Rules;

- (f) you grant us, at all times, full and exclusive rights, power and authority to bind you under the C & S Rules and to authorise the application of your Client Assets in accordance with Rule 18.10 of the Participant Rules;
- (g) you may not assert against CDO or the Depository Nominee or any person acting on behalf of CDO or the Depository Nominee (or both of these), any proprietary, equitable, contingent, future or partial interest in any funds or securities held in a Settlement Account or a Depository Account or any other right except our beneficial right of ownership;
- (h) under the Depository Rules:
 - (i) CDO and the Depository Nominee must recognise us as the sole beneficial owner of Securities or funds held in our Depository Account;
 - (ii) CDO and the Depository Nominee must not, except as ordered by a court of competent jurisdiction or as otherwise expressly provided by the Depository Rules, be liable for, bound by or compelled in any way to:
 - (a) see to the execution of any trust or equity affecting the ownership of, or incidental rights to, any funds or securities held in a Depository Account;
 - (b) recognise us as holding any funds or Securities held in a Depository Account on trust; nor
 - (c) recognise any proprietary, equitable, contingent, future or partial interest in any funds or securities held in a Depository Account or any other right, except our beneficial right of ownership.

10. Money Handling Procedures

These disclosures are made on behalf of Forsyth Barr Limited, its directors and principal officers who act for and on behalf of Forsyth Barr Limited jointly and severally. Please see clause 5 of Section D for procedures in relation to payments by you.

10.1 Security Certificates

Security certificates or any other valuable property or documents should be posted or delivered to Forsyth Barr Limited, 9th Floor, Forsyth Barr House, The Octagon, Private Bag 1999, Dunedin, telephone (03) 477 7464, or other Forsyth Barr offices. If relevant documents are not delivered by the settlement date prescribed for a transaction, you may incur late delivery penalty fees as set down by NZX or any Recognised Securities Exchange.

10.2 Investment Money

Investment money received from you or on your account will be held for you on trust in our Client Funds Account until it has been disbursed to settle transactions or otherwise distributed in accordance with your instructions. In the process of transactions, investment money may be held by Forsyth Barr Limited and/or Forsyth Barr Limited's agents in other countries pending delivery of Securities or settlements. You may choose to invest any investment money, sale proceeds, or money payable to you into your Forsyth Barr Cash Management account(s), which is available to settle security transactions.

With the following exceptions, Forsyth Barr Limited cannot use investment money or property for the benefit of anyone other than you:

- (a) Investment money paid to us by you or investment money held by us for your pending investment, reinvestment, payment to you, or for any other reason, may attract interest from the bank where it is deposited. Such interest will be retained by us. This does not apply to Forsyth Barr Cash Management accounts.
- (b) The payment of fees as agreed with you.

- (c) If you fail to pay any fees and charges owed by you to us, we may use your investment money held in our Client Funds Account for you, your Forsyth Barr Cash Management account or the proceeds of any sale of your Securities to satisfy those fees and charges.
- (d) Where investment money is to be paid out by Forsyth Barr Limited, payments are made to a bank account in the registered name of the seller or transferee, or by non-transferable cheque in the registered name of the seller or transferee posted to the registration address.
- 10.3 Holding of Property**
- Any investment property you require Forsyth Barr Limited to hold on your behalf should be delivered to Forsyth Barr Limited's offices at Forsyth Barr House, The Octagon, Dunedin 9054. Any investment property held by Forsyth Barr Limited cannot be used for the benefit of Forsyth Barr Limited, any Forsyth Barr Investment Adviser, or any other person except you.
- Once buy transactions have been settled, as described in clause 2.8, Securities will either be registered in your name or on your request in the name of a person nominated by you, or in the name of a custodian company.
- When you request us to sell Securities we will not transfer those Securities until they have been sold and a sale Contract Note is generated in your favour. The proceeds from your sale transactions are held on trust for you in our Client Funds Account until they are disbursed in accordance with your instructions.
- Investment property received from you will be held on trust for you until it is disbursed in accordance with your instructions.
- 10.4 NZX Inspection**
- Forsyth Barr Limited is an NZX Firm. NZX Firms are governed by the NZX Rules to ensure that client assets are not placed at risk from the business activity of NZX Firms. We are required to report to NZX daily. We are also subject to regular and/or random visits by NZX Inspectors. CHO and CDO also have investigatory powers and may also conduct regular and/or random visits by their staff.
- 10.5 Record Keeping**
- Forsyth Barr Limited keeps a full set of records showing the receipt and disbursement of all funds and the movement of all Securities. You may request details of your own transactions, investment money and property at any time. Information for the current and preceding year is usually available on the same day. Information prior to this may take up to 10 business days to be available from storage. A fee may be charged for requests involving information retrieved from storage.
- 11. Forsyth Barr Cash Management**
- 11.1** We will send you statements for the Forsyth Barr Cash Management service quarterly. Please advise if you prefer to receive these monthly instead.
- 11.2** When you instruct us, we will arrange for your Funds to be held by Forsyth Barr Cash Management Nominees Limited (the "Cash Management Nominee") on your behalf in Pooled Cash Management Account(s) with a Cash Management Bank. We may in the future replace Forsyth Barr Cash Management Nominees Limited as the Cash Management Nominee, in which case the Terms and Conditions in this clause 11 apply in relation to the new Cash Management Nominee with all necessary amendments. We will not appoint a new Cash Management Nominee unless we are satisfied on reasonable grounds that the entity is appropriate to hold and safeguard client money. There may be different Cash Management Banks for different currencies held and these banks may change from time to time. You may obtain details of the current Cash Management Banks from your Forsyth Barr Investment Adviser or at www.forsythbarr.co.nz. Neither we nor the Cash Management Nominee are registered banks.
- 11.3** Funds held on your behalf in the Pooled Cash Management Account(s) will be recorded in our systems in Cash Management Account(s) in your name. There is a separate Cash Management Account in your name and a separate Pooled Cash Management Account for each currency held. Your Cash Management Account(s) may not go into overdraft.
- 11.4** The Cash Management Nominee is an affiliate of Forsyth Barr Limited. There are additional risks in using a nominee that is associated with the entity that provides you with broking or other financial services, including the risk that the nominee may act in the best interests of the associated entity rather than in your best interests. We manage these risks through a range of means, including through processes and controls designed to ensure that staff involved in providing the Forsyth Barr Cash Management service operate and are physically located separately from Forsyth Barr broking staff, by ensuring that the board of the Cash Management Nominee is chaired by an independent director and that the board has only one non-independent director, and by ensuring that the Cash Management Nominee is subject to annual assurance reviews by a qualified auditor. You may request a copy of the most recent assurance report from your Forsyth Barr Investment Adviser.
- 11.5** The Pooled Cash Management Account(s) are unsecured debt securities of the relevant Cash Management Bank.
- 11.6** Legal title to the Pooled Cash Management Account(s) will be in the name of the Cash Management Nominee. Funds held on your behalf in the Pooled Cash Management Account(s) are held in a bare trustee capacity. You retain beneficial ownership of the Funds held in the Pooled Cash Management Account(s) on your behalf. Such beneficial interest will be recorded in your Cash Management Account(s). Funds held on your behalf in the Pooled Cash Management Account may be commingled with Funds held on behalf of other clients using the Cash Management service and, as a result, no client shall obtain an interest in any particular monies within the Pooled Cash Management Account.
- 11.7** The Cash Management Nominee's activities will be limited to holding and administering investments on behalf of Forsyth Barr clients. The Cash Management Nominee will not transfer, exchange, exercise rights attached to or otherwise deal with the Funds held on your behalf in the Pooled Cash Management Account(s) except as follows:
- pursuant to the Client Agreement;
 - where required by law; or
 - on your instructions, the instructions of an Authorised Person or Forsyth Barr Limited acting on your instructions.
- 11.8** Where instructed by you, you appoint the Cash Management Nominee or its Agent to hold your Funds in the Pooled Cash Management Account(s), as recorded in your Cash Management Account(s), on your behalf as bare trustee until we transfer the Funds in accordance with your instructions, the instructions of an Authorised Person or the Client Agreement, and we agree to provide you with Cash Management Account services in accordance with the Client Agreement. Certain instructions may be required to be in writing. The Cash Management service facilitates the deposit of your Funds in a Pooled Cash Management Account with a Cash Management Bank. Should we wish to change one or more of the registered banks appointed as Cash Management Banks, we will only transfer your Funds from the Pooled Cash Management Account with a Cash Management Bank to a Pooled Cash Management Account with a new Cash Management Bank if we have received prior positive confirmation from you that you wish such a transfer to occur or the Cash Management Bank from which your Funds are to be transferred does not require a positive confirmation from you and we have given you prior notice of the transfer.

- 11.9 Interest on your Cash Management Account(s) is calculated daily and credited (or, if the applicable interest rate is negative, debited) monthly or at such other times the relevant Cash Management Bank determines in respect of the Pooled Cash Management Account(s).
- 11.10 Interest rates are reviewed regularly and are based on rates determined by each Cash Management Bank for the relevant Pooled Cash Management Account(s), subject to reduction by an amount corresponding to the management fee paid to Forsyth Barr Limited in respect of your Cash Management Account(s) as outlined in clauses 11.11 to 11.15 below. Interest rates may vary as a result of the base interest rate(s) set and calculated at the discretion of the Cash Management Banks for the Pooled Cash Management Account(s) and as a result of the management fee paid to Forsyth Barr Limited in respect of your Cash Management Account(s), and may be negative. Further information on the current rates applicable to your Cash Management Account(s) may be obtained from your Forsyth Barr Investment Adviser.
- 11.11 Cash Management Account(s) do not have any entry, exit, transaction or monthly account fees.
- 11.12 Forsyth Barr Limited receives a management fee in respect of administration services (pursuant to a management agreement with the Cash Management Nominee) provided in relation to the Cash Management service. The Cash Management Nominee arranges the deduction of a margin from the base interest that would otherwise be payable to it by the Cash Management Bank, which is paid to Forsyth Barr Limited as a management fee.
- 11.13 The gross interest paid to you on the Cash Management Account(s) reflects the reduction from the base interest rate(s) set and calculated by each Cash Management Bank resulting from the management fee received by Forsyth Barr Limited in respect of your Cash Management Account(s).
- 11.14 The amount of the management fee Forsyth Barr Limited receives in respect of your Cash Management Account(s) depends on the balance of your Cash Management Account(s).
- 11.15 You consent to Forsyth Barr Limited receiving a management fee through the Cash Management Nominee arranging the deduction of a margin from the base interest that would otherwise be paid by the Cash Management Banks depending on the balance of your Cash Management Account(s). Further information on the management fee is available in your Forsyth Barr Investment Adviser's Disclosure Statement which can be obtained from your Forsyth Barr Investment Adviser.
- 11.16 If not already deducted by a Cash Management Bank, the Cash Management Nominee will deduct resident withholding tax or non-resident withholding tax from the gross amount of interest received by you at the applicable rate as required by law. If you are a non-tax resident, the Cash Management Nominee is lawfully able to pay approved issuer levy in respect of payments of interest to you as a non-tax resident and you elect for the Cash Management Nominee to do so. The Cash Management Nominee shall pay any approved issuer levy to the appropriate authority and deduct an equivalent amount from the relevant payment due to you, as an alternative to the payment of any non-resident withholding tax which would otherwise be payable in relation to the relevant payment.
- 11.17 Where you direct the Cash Management Account(s) to be used for the purpose of settlement of Transactions on your Account and the payment of all fees due under the Client Agreement, you authorise us to debit the Cash Management Account(s) for the purpose of payment of Securities bought by you and the payment of any such fees. In respect of this authority, we agree to credit the Cash Management Account(s) with available proceeds in respect of sale Transactions on your Account.
- 11.18 Cash Management Account transaction statements and account balances (showing the Funds recorded in the account(s) held for you) are produced on a quarterly basis. An end of year summary detailing resident withholding tax and non-resident withholding tax will be sent to you.
- 11.19 Where you direct, dividends, interest and other receipts will be deposited directly into Pooled Cash Management Account(s) and credited to your Cash Management Account(s).
- 11.20 The Cash Management Nominee is entitled at any time and in its absolute discretion to appoint an Agent to hold any part of the Funds held on your behalf in the Pooled Cash Management Account(s). The provisions of the Client Agreement will apply to any such appointment with all necessary modifications.
- 11.21 The Cash Management Nominee may, where it has reasonable grounds to do so, refuse to:
- accept (in whole or in part) any deposit of Funds in relation to your Cash Management Account(s); and
 - continue to hold (in whole or in part) any Funds in relation to your Cash Management Account(s) and if so, will repay such Funds to you.
- 11.22 You hereby irrevocably direct that, if you are indebted to us or if the applicable interest rate is negative and there is accrued but un-debited interest in respect of your Cash Management Account(s), we may direct the Cash Management Nominee to pay any amount standing to the credit of your Cash Management Account to us in satisfaction of such debt or un-debited interest.
- 11.23 This agreement to provide you with the Cash Management Account(s) may be terminated at any time by you or us. If you or we terminate this agreement to provide you with the Cash Management Account(s) or the Client Agreement for any reason under clause 2 of Section D (General Terms and Conditions) of Part B of the Client Agreement, then as soon as reasonably practicable after the termination, the Cash Management Nominee shall repay the Funds held on your behalf in your Cash Management Account(s) less any amounts paid in accordance with clause 11.22 of this section of the Client Agreement to you. Upon termination of the Client Agreement or closing any of your Cash Management Account(s):
- any interest accrued is only required to be paid upon receipt into the Pooled Cash Management Account(s) from the relevant Cash Management Bank;
 - we may (but are not obliged to) pay you the amount of any interest accrued (but which remains unpaid) in respect of your Cash Management Account(s) to the date of repayment prior to receipt of the same from the relevant Cash Management Bank. If we do so, you hereby irrevocably direct that you have no interest in the amount of interest subsequently received from the relevant Cash Management Bank in respect of that accrued (but unpaid) interest and that such accrued (but unpaid) interest shall be paid to us.
- 11.24 You acknowledge that you waive any liability any Cash Management Bank may have arising out of a breach of trust by the Cash Management Nominee (or any of its employees, agents, or representatives).
- 11.25 You acknowledge that each Cash Management Bank is entitled to rely and act on any instruction provided by the Cash Management Nominee in accordance with the agreements entered into between (amongst others) Forsyth Barr Limited, the Cash Management Nominee, and those banks, without any further enquiry or liability.
- 11.26 You agree that where you make regular scheduled contributions via direct debit, we will notify you at the outset of our intention to debit your account as you have instructed until further notice and not on each initiation of the direct debit.
- 11.27 The provisions of this clause 11 are binding on both us and the Cash Management Nominee, and are enforceable at the instance, and for the benefit, of the

Cash Management Nominee for the purposes of the Contract and Commercial Law Act 2017.

12. Disclosure of Interests

- 12.1 Forsyth Barr Limited, its directors and employees and certain persons associated with them are defined by the Participant Rules to be Prescribed Persons. The Participant Rules require us to maintain procedures to identify and manage conflicts of interest between Prescribed Persons and clients. Those procedures require us to disclose to you certain conflicts of interests that may arise in the course of our business.
- 12.2 In particular, you should be aware that:
- (a) one or more Prescribed Persons may have an interest in a Security recommended to you by a Forsyth Barr Investment Adviser or by Forsyth Barr Limited, which you buy or sell, or in which you are otherwise interested;
 - (b) Forsyth Barr Limited may be Acting as Principal in any Transaction you carry out to buy or sell a Security or in which you are otherwise interested; and
 - (c) Forsyth Barr Limited may be acting for both the buyer and seller in a Transaction and may be earning fees from both parties to that transaction.
- 12.3 You acknowledge that we and our employees, related companies and affiliated persons, and parties with whom we have a business relationship, may from time to time provide broking, investment banking, underwriting, advisory or other financial services to companies and other entities in relation to whose Securities we may give you advice or deal on your behalf. The provision of such services does not affect our obligations to you or any advice provided by us to you.

13. Independent Trustee - Limitation of Liability

- 13.1 If you are an Independent Trustee, we agree that in exercising our powers under this Client Agreement, you will have no personal liability under this Client Agreement and we will not have any recourse to assets that are not trust assets. However, this limitation on our rights will not apply if:
- (a) you are in wilful or negligent breach of the trust or have acted negligently or dishonestly;
 - (b) you lack the power or authority to sign this Client Agreement in your capacity as trustee;
 - (c) any representations or acknowledgements you have made are untrue or incorrect; or
 - (d) you have signed this Client Agreement in your personal capacity as well as your trustee capacity,
- and in such case you will have full personal liability under this Client Agreement and we may have recourse to your personal assets as well as to the trust assets.
- You are an 'Independent Trustee' for the purposes of this clause if you have signed the Client Agreement as trustee and none of your Related Persons:
- (e) is a beneficiary (discretionary or otherwise) of the trust; or
 - (f) has a power of appointment of additional beneficiaries under the trust (whether the power is exercisable alone or jointly with one or more other persons), unless that power cannot be used to appoint any of your Related Persons as beneficiaries.

Your 'Related Persons' for the purposes of this clause are (if you are an individual) you and any spouse (de facto or otherwise), civil union partner, child or grandchild, or (if you are a company) your directors and shareholders and each of their respective Related Persons.

Section B: Custodial Service Terms and Conditions

1. Custodial Service

- 1.1 This Section B applies where you have requested us, and we have agreed, to procure the provision to you of Custodial Services.
- 1.2 Unless you otherwise direct us in writing, you agree that Securities which we may buy or sell on your behalf, or that are transferred to us to be held on your behalf, shall be held by Forsyth Barr Custodians Limited (the "Custodial Company"). The Securities and any documents of title will be held either directly by the Custodial Company or, in the case of overseas securities, may be held on behalf of the Custodial Company through an arrangement with a Sub-Custodian.
- 1.3 Securities held under the Custodial Service are held in a pooled account with the Securities of other clients using the service. Your individual holdings are identified in the Custodial Company's records and reflected in reporting to you.
- 1.4 The Custodial Company's only activity is to hold Securities on behalf of clients and accordingly it has contracted Forsyth Barr Limited to provide any services required for it to act as a custodian or otherwise meet its obligations to clients. The Terms and Conditions in this Section B are binding on both us and the Custodial Company, and are enforceable at the instance, and for the benefit, of the Custodial Company for the purposes of the Contract and Commercial Law Act 2017.
- 1.5 When we provide you with Custodial Services, we will open a Forsyth Barr Cash Management Account in your name. This account will be used to hold any monies arising in connection with the provision of the Custodial Services to you. The terms of the Forsyth Barr Cash Management service are set out in Section A, clause 11 of these Terms and Conditions.

- 1.6 We may in the future and without notice to you replace Forsyth Barr Custodians Limited as the Custodial Company or appoint an additional Custodial Company, in which case the Terms and Conditions in this Section B apply in relation to the new or additional Custodial Company with all necessary amendments. We will not appoint a new or additional Custodial Company unless we are satisfied on reasonable grounds that our legal obligations will be met and the entity is appropriate to hold and safeguard client money and Securities.

2. Risk Warning

- 2.1 You acknowledge that in using the Custodial Service, you are exposed to the risk that:
- (a) we, the Custodial Company, or a Sub-Custodian do not deal with Securities in accordance with your instructions;
 - (b) one of our employees or any other person fraudulently deals with Securities (or moneys derived from them) held by the Custodial Company on your behalf; and/or
 - (c) in the event of our insolvency or the default of a Sub-Custodian, actions by third parties such as receivers, liquidators regulators or creditors result in delays in you being able to transfer, realise or otherwise deal with your Securities. In the event that a default of a Sub-Custodian leads to a shortfall, all clients in the affected Security will share pro rata in that shortfall.

We manage these risks through a range of means, including by maintaining a comprehensive control environment for our custodial services and by ensuring that the Custodial Company is subject to annual assurance reviews by a qualified auditor. You may request

- a copy of the most recent assurance report from your Forsyth Barr Investment Adviser.
- 2.2 The Custodial Company is an affiliate of Forsyth Barr Limited. There are additional risks in using a custodian that is associated with the entity that provides you with broking or other financial services, including the risk that the custodian may act in the best interests of the associated entity rather than in your best interests. We manage these risks through a range of means, including through processes and controls designed to ensure that staff involved in providing custodial services operate and are physically located separately from Forsyth Barr broking staff, by ensuring that the board of the Custodial Company is chaired by an independent director and that the board has only one non-independent director, and by ensuring that the Custodial Company is subject to annual assurance reviews by a qualified auditor.
- 2.3 You acknowledge that you understand these risks and the potential consequences of using the Custodial Service under this Client Agreement.
- 3. General terms of Custodial Service**
- 3.1 The Custodial Company will hold all relevant Securities on your behalf and will only deal with such Securities as permitted by this Client Agreement, where required by law, or in accordance with your instructions, the instructions of an Authorised Person or Forsyth Barr Limited acting on your instructions.
- 3.2 The Custodial Company undertakes that it will not trade or engage in any commercial activity on its own behalf and that its only activity will be to hold Securities on behalf of clients. The Custodial Company does not participate in stock lending, which means that it will not lend your Securities to a third party or borrow money on behalf of clients or any other person using those Securities as collateral.
- 3.3 To the extent there are any moneys or interest outstanding and due to us pursuant to the Client Agreement or otherwise, you authorise us to sell any Securities held on your behalf by the Custodial Company and apply the proceeds to meet those obligations.
- 3.4 Distributions in respect of Securities held through the Custodial Service may be subject to withholding or other taxes based on the residency of the Custodial Company or any relevant Sub-Custodian, and the Custodial Company and any relevant Sub-Custodian may themselves be required by law to deduct tax from those distributions. Neither we, the Custodial Company nor any relevant Sub-Custodian accepts any liability in relation to your tax position in any jurisdiction.
- 3.5 When you instruct us or the Custodial Company to subscribe for any Securities on your behalf, it is your responsibility to ensure that, and you represent that, you are eligible to subscribe for those Securities in compliance with all applicable laws.
- 3.6 You agree that we have a security interest in any Securities or funds held by the Custodial Company on your behalf for any moneys and interest outstanding and due to us.
- 3.7 Dividends, interest, and other forms of distributions will not be paid out to you unless we receive a specific request in writing from you.
- 3.8 When funds are available we will retain them in your Forsyth Barr Cash Management Account, unless otherwise instructed. If there is no bank account in the relevant currency available under the Forsyth Barr Cash Management service, we will convert the relevant funds to New Zealand dollars before transferring them to your Forsyth Barr Cash Management Account.
- 3.9 Neither we nor the Custodial Company is required to incur any obligation on your behalf unless satisfied that you have made appropriate arrangements to meet that obligation.

4. Exercise of Rights and Corporate Actions

- 4.1 You may at any time instruct us to exercise rights over Securities held by the Custodial Company on your behalf (for example, voting rights). You may do this by contacting your Forsyth Barr Investment Adviser.
- 4.2 We will, as soon as practicable, where we consider it to be in your best interests and at our discretion, notify you of any relevant corporate actions relating to Securities held by the Custodial Company on your behalf and which involve a financial commitment or transaction on your part or require action on your part that directly affects the terms or value of the Security. Examples of such corporate actions include calls of unpaid capital, rights issues, exchange or takeover offers, redemption or conversion rights, and voting rights relating to corporate restructurings such as schemes of arrangement. For Securities where the relevant registry is overseas, we will only notify you of takeover offers, rights offers, off-market buyback or tender offers, share purchase plans, schemes of arrangements and share sale facilities.
- 4.3 We are not required to notify you of corporate actions or other opportunities to exercise rights over Securities held by the Custodial Company on your behalf other than those described in clause 4.2.
- 4.4 You must instruct us within 3 business days after being notified by us of a corporate action (or such shorter period as may be required by the relevant corporate action) as to how you would like to proceed. We are not responsible for any omission or act on your part including either an omission to, or a decision to take up rights, exercise voting rights, convert any Securities, subscribe for Securities, or deal with takeovers or any other offers where:
- (a) we did not receive instructions from you in accordance with this clause; or
 - (b) if relevant, the required funds are not immediately available in your account or an account accessible by us, or, if applicable, from money held to your credit in your Forsyth Barr Cash Management account(s) (if any).
- 4.5 If no instruction is received from you in accordance with clause 4.4 or we reasonably consider that the instruction is deficient or ambiguous we will not take any action in relation to the corporate action in respect of the Securities held by the Custodial Company on your behalf.
- 4.6 You acknowledge that:
- (a) for Securities where the relevant registry is overseas, restrictions in the relevant overseas countries and/or delays in our receipt of notice of corporate actions may mean that you are unable to participate in corporate actions or other opportunities to exercise rights over any such Securities held by the Custodial Company on your behalf;
 - (b) as Securities held in the Custodial Service will not be held in your name, you may not receive incentives or benefits that by their terms accrue only to registered holders, or be able to exercise rights that are only exercisable in respect of a registered holder's entire holding (such as minority buy-out rights under the Companies Act 1993); and
 - (c) in cases of corporate actions involving pro-rata entitlements to Securities, we may round down your entitlement to the nearest whole number of Securities.
- We are not responsible or liable for any Loss you may suffer as a result of not being able to participate in those opportunities, receive those incentives or benefits, exercise those rights, or receive those fractional entitlements.
- 4.7 You will at all times immediately pay or reimburse us all amounts for which we, or the Custodial Company, may be liable to pay in respect of Securities held on your behalf.

- 4.8 You authorise us to debit such amounts owed or interest charged to your account or any other account accessible by us or, if applicable, to money held to your credit in your Forsyth Barr Cash Management account(s) (if any).
- 4.9 In the absence of our negligence, fraud or dishonesty, we shall not be liable to you for any Loss or damage suffered by you as a result of any failure or delay in the communication to you of corporate actions due to any breakdown or failure of transmission or communication facilities or for any other cause or causes beyond our reasonable control or anticipation.
- 5. Reporting**
- 5.1 We and/or the Custodial Company will make reports available to you not less than six monthly or such lesser period as may be required by applicable law or the Participant Rules, or agreed by you and us.
- 5.2 Such reports will provide the information required by applicable law and the Participant Rules and by any agreement between you and us.
- 5.3 Reports produced pursuant to clause 5.1 will be made available to you within the time period stipulated by applicable law and the Participant Rules, unless agreed otherwise in writing between you and us.
- 6. Fees**
- 6.1 Fees for the procurement of Custodial Services under this Client Agreement are payable to us, and are as agreed with you or as notified to you pursuant to clause 6.2. Fees are payable quarterly in arrears and will accrue from day to day. Such fees will be debited to your account and may be paid by us from any money held to your credit in any other account accessible by us, or if applicable, from money held to your credit in your Forsyth Barr Cash Management account(s) (if any).
- 6.2 Fees may be altered by us at any time following not less than 10 business days' written notice to you.
- 6.3 You acknowledge that all the usual commissions in transactions or costs relating to or resulting from acquiring and/or disposing Securities held on your behalf are payable to us and will be deducted from your account and may be paid by us from any money held to your credit in any other account accessible by us, or if applicable, from money held to your credit in your Forsyth Barr Cash Management account(s) (if any).
- 6.4 Where the Custodial Company holds managed funds on your behalf that are managed by us or Forsyth Barr Investment Management Limited, we may rebate to you all or part of the management or other fees we or Forsyth Barr Investment Management Limited receive in relation to those funds. These rebates may be altered by us at any time without notice to you.
- 7. Termination**
- 7.1 Notwithstanding clause 2.1 of Section D, the Custodial Service may be terminated by either party by giving not less than 2 business days notice to the other party.
- 7.2 On termination of the Custodial Service, we will as soon as reasonably practicable take steps to:
- (a) in relation to Securities held by the Custodial Company on your behalf:
- (i) electronically transfer Securities into your name or otherwise as agreed with you, in the case of Securities able to be transferred electronically;
- (ii) in all other cases, if applicable, deliver to you forms of transfer duly executed by the Custodial Company or Sub-Custodian (as applicable) and any certificates or other documents of title required to transfer the Securities; and
- (iii) where a Security is not able to be transferred in accordance with the above (for example, where a Security is a wholesale product that cannot be transferred in accordance with your directions), contact you to discuss other options, such as sale of the Security, transfer to another custodian, or retention of the Security in our Custodial Service.
- (b) in relation to Securities where we hold the relevant certificates or other documents of title (if any), deliver to you as soon as practicable those certificates or documents of title; and
- (c) pay you any cash held by us for you as at the date of termination and any interest earned (if applicable) to the date of payment.
- 7.3 You agree to pay all costs and expenses incurred by the Custodial Company, any Sub-Custodian, or other third party that result from delivery, payment or transfer by us under clause 7.2.
- 7.4 Our and the Custodial Company's obligations to you under this Client Agreement in relation to the Custodial Service will be discharged in full upon payment, delivery or transfer by us under clause 7.2.
- 8. Indemnities and Limitation of Liability**
- 8.1 You agree to be liable for and to indemnify, keep indemnified and hold harmless each of Forsyth Barr Limited and the Custodial Company from all Losses paid, suffered or incurred directly or indirectly in connection with:
- (a) the provision of Custodial Services under this Client Agreement;
- (b) the Securities being registered in the name of a Custodial Company or Sub-Custodian; or
- (c) any liability for taxes of any nature relating to the Custodial Service provided under this Client Agreement,
- to the extent that the relevant Losses arise in the relation to the proper performance of Forsyth Barr Limited or the Custodial Company's obligations to you in providing the Custodial Services.
- 8.2 Neither we nor the Custodial Company shall be liable for any Loss you suffer that arises in relation to the proper performance of our obligations to you in providing the Custodial Services.
- 8.3 Neither Forsyth Barr Limited nor the Custodial Company shall be under any personal liability, nor shall resort be had to any of our or the Custodial Company's assets other than assets held on your behalf, for the satisfaction of any obligation or claim arising out of or in connection with any contract or other obligation properly entered into or incurred by us or the Custodial Company on your behalf pursuant to this Client Agreement.
- 8.4 If, contrary to the provisions of clause 8.3, Forsyth Barr Limited or the Custodial Company is held liable to any other person in respect of any debt, liability or obligation incurred by you or properly incurred on your behalf, Forsyth Barr Limited or the Custodial Company, as applicable, shall be entitled to full indemnity and reimbursement from you forthwith upon demand.
- 8.5 The indemnities and limitations of liability in this clause 8 apply in addition to any other applicable indemnities and limitations of liability in other sections of this Client Agreement.
- 9. Provision of Information**
- 9.1 You will at all times immediately provide us and the Custodial Company with such information as we may require to satisfy our legal obligations in respect of Securities held on your behalf or in your name, and authorise us to release that information if we consider ourselves bound to do so.

Section C: Private Portfolio Management Terms and Conditions

1. Scope

- 1.1 This Section C applies in relation to the provision of Private Portfolio Management to you. It does not apply when you trade Securities that are not subject to Private Portfolio Management or we advise you in relation to such Securities.
- 1.2 Private Portfolio Management is provided by Forsyth Barr Investment Management Limited, an affiliate of Forsyth Barr Limited. References to “we”, “us” and “our” in this Section C refer to Forsyth Barr Limited and/or Forsyth Barr Investment Management Limited, as the context requires.
- 1.3 Broking services in connection with Private Portfolio Management are provided by Forsyth Barr Limited under Section A of this Client Agreement. Section D of this Client Agreement also applies to the provision of Private Portfolio Management (with references to Forsyth Barr Limited read as including a reference to Forsyth Barr Investment Management Limited where applicable). In the event of any inconsistency between this Section C and the other sections of this Client Agreement, this Section C will prevail (but only in relation to Private Portfolio Management).
- 1.4 We do not, nor do any of our directors, officers, agents or employees, guarantee the repayment of capital, payment of income or the performance of any investment made by us on your behalf under Private Portfolio Management.

2. Investment Authority

- 2.1 You authorise us to act on your behalf by investing and subsequently managing any funds and Securities that you provide to us for management under Private Portfolio Management (your “Portfolio”). This authority is called the “Investment Authority” and provides for matters such as the nature or type of investments that we may make on your behalf, and any limits on the proportion of each type of asset invested in. The Investment Authority is subject to any limits, restrictions or other instructions that you and we agree in writing are part of your Investment Authority. Any other investment preferences or instructions that you may raise with us are not part of your Investment Authority.
- 2.2 We will invest and manage your Portfolio with due care, diligence and skill, and in accordance with the Investment Authority. Cash in your Portfolio will be held in the Forsyth Barr Cash Management service (see Section A, clause 11).
- 2.3 You may amend the Investment Authority at any time by agreeing new limits, restrictions or other instructions with us in writing.
- 2.4 You do not have a right to be consulted on or to countermand any investment decisions that we make under the Investment Authority. You may, however, give specific instructions in writing regarding the purchase, sale or retention of a particular Security. If we accept those instructions, they become part of your Investment Authority. If we do not accept them, we will notify you accordingly.
- 2.5 If you are investing as a trustee, you acknowledge and agree that you and any co-trustees have the power under the trust deed to grant the Investment Authority and invest the trust funds in Private Portfolio Management, and confirm you and any other trustee have provided us with a copy of the provisions in the trust deed permitting such investment and confirming any person’s authority to act on behalf of the trust.
- 2.6 If you became a Private Portfolio Management client before 31 October 2015, this Section C replaces the Terms and Conditions in the Private Portfolio Management Agreement you entered before that date. We have since sent you a written notice documenting the limits, restrictions and other instructions that we consider to be part of the Investment Authority. The Investment Authority set out in the notice applies from the date of the

notice until you and we agree a new Investment Authority in writing, or Private Portfolio Management is terminated in accordance with clause 5.

3. Custody and exercise of rights

- 3.1 Unless we agree with you otherwise, all investments will be held under our Custodial Service on the terms set out in Section B of this Client Agreement. However, as we are responsible for managing your Portfolio, you are not entitled to instruct us to exercise rights over Securities held on your behalf, and we are not required to notify you of any relevant corporate actions.
- 3.2 For any investments that we agree are to remain in your name(s), you appoint the directors of the Custodial Company jointly and severally as your authorised representatives. For any such investments that are in a superannuation scheme, you agree to indemnify the trustee of that scheme in respect of any liability arising from that appointment except where such liability arises from the intentional default, dishonesty, breach of trust or negligence of the trustee.

4. Reporting

- 4.1 We will make reports available to you every 3 months or such lesser period as we may elect, or is agreed by you and us. Such reports will provide the information required by applicable law, the Participant Rules and by any agreement between you and us.
- 4.2 You have the right to request that the details of total costs incurred on purchases and sales for the reporting period be shown separately in respect of each purchase or sale.
- 4.3 When we trade Securities on your behalf, Contract Notes will be generated by our systems but will not be sent to you. Instead, you authorise us to hold all such Contract Notes on your behalf. You have the right to request these Contract Notes at any time and upon such request(s), we will immediately issue and send the Contract Note(s) to you. You may revoke your consent not to be provided with Contract Notes, in which case we will immediately commence sending Contract Notes to you upon effecting transactions on your behalf.
- 4.4 You authorise us to send any report that we produce to any person that you specify is to receive a copy.

5. Termination

- 5.1 You may terminate the investment authority and Private Portfolio Management at any time without penalty, and we may terminate Private Portfolio Management at any time, by giving the other party 2 business days’ written notice. On termination, investments held under our Custodial Service will be dealt with in accordance with Section B, clause 7. Section D, clause 2 also applies.

6. Fees/Expenses

- 6.1 You will be charged a portfolio fee for the custody and administration and the investment management of your Portfolio. The portfolio fee is payable quarterly in arrears. We will advise you of the applicable quarters.
- 6.2 The custody and administration component of the portfolio fee is expressed as a percentage of the value of your Portfolio. The investment management component may vary according to the mix of assets in, and value of, your Portfolio. Your Forsyth Barr Investment Adviser will establish and confirm the portfolio fee with you and fee payments will be itemised in your portfolio reports.
- 6.3 You will also incur brokerage and other applicable expenses, charges, duties and levies associated with any purchases, sales or transfers of Securities for your Portfolio. You acknowledge that we may receive commissions resulting from transactions on your Portfolio, and fees and margins earned from investing your Portfolio in financial products and providing services relating to the Portfolio.

- 6.4 We will deduct the above fees and expenses from your Portfolio. You authorise us to use any funds held by us to meet the fees and expenses. Where no cash funds

are available you acknowledge and agree that we may sell Securities in your Portfolio to meet those fees and expenses.

Section D: General Terms and Conditions

1. Scope and Service Standard

- 1.1 This Section D applies to all services that we provide you and to all parts of this Client Agreement. In the event of inconsistency between a provision of this Section D and another provision of this Client Agreement, that other provision prevails.
- 1.2 We undertake to perform all services with reasonable care and skill. We are a NZX Firm and we are bound by its Participant Rules, C & S Rules, Depository Rules and associated procedures.

2. Suspension and Termination

- 2.1 We may suspend our services to you at any time if you fail to provide to our satisfaction any information required under clause 24.1 or that we otherwise reasonably request in connection with your account.
- 2.2 This Client Agreement may be terminated at any time by either you or us giving 2 business days' written notice to that effect to the other party.
- 2.3 Any such termination shall not relieve a party from any liability incurred or obligation undertaken prior to the giving of such notice.
- 2.4 On termination of this Client Agreement, we shall deliver to you as soon as reasonably practicable thereafter the scrip or the certificates of title in respect of your investments registered in your name, any cash held as at the date of termination and held by us or a custodian, along with interest earned (if applicable) to the date of payment less any fees owing to us.

3. NZX Rules

- 3.1 If there are any changes to the NZX Rules, C & S Rules and Depository Rules which affect the terms of this Client Agreement (and in particular affect the obligation that we owe to third parties), the terms of this Client Agreement will be deemed to have been altered to reflect those changes. We may advise you of such changes either directly or by amending the Contract Note details that we provide to you on sale or purchase of any Securities.

4. Orders and Instructions

- 4.1 Subject to the terms of this Client Agreement, we will in good faith act on all or any Orders or instructions which we reasonably believe to have been authorised by you or an Authorised Person whether provided by letter, telephone, facsimile, email or any other medium in connection with the operation of your account. However we accept no responsibility or liability for the accuracy or authenticity of those Orders or instructions or for any Losses that may result or you may suffer as a result of us acting or refusing to act on those Orders or instructions or of us cancelling any instruction or Order or restricting or prohibiting you from trading in Securities.
- 4.2 If you provide instructions in writing, the instructions are deemed to have been received when those instructions are acted on.
- 4.3 You acknowledge that electronic channels of communications such as email may not be secure, and that by choosing to communicate with us through those channels, you take the risk that a third party is able to send us unauthorised instructions or Orders, or interfere with your instructions or Orders, in such a manner that it reasonably appears to us that the instructions or Orders we receive have been authorised by you or an Authorised Person.

- 4.4 We may not be able to act on an Order where any services and systems necessary to place, execute or settle the Order (including CHO or CDO) are for any reason unavailable at any relevant time, whether those services and systems are provided by us or another person. We accept no responsibility for ensuring that those services and systems are available when required, or for any Losses that may result or that you may suffer as a result of us being unable to act on any affected Orders.

5. Payments by you

- 5.1 Unless otherwise advised at the time of the Transaction, payments should be made by direct credit or debit to our bank account or otherwise in cleared funds, in the currency requested. We reserve the right to refuse payment by you where such payment is tendered in cash. Should we accept an amount tendered in cash, you accept that any bank charges which we incur may be charged to your account.
- 5.2 For the purposes of this Client Agreement, any recall of an electronic payment or dishonour or other non-clearance of a payment or instrument tendered in settlement of a Transaction will be treated as non-payment by you by the due date.
- 5.3 Where any amount owing from you to us in relation to your account is overdue, we may at our option charge you interest on the net amount owing in your account at the rate of 2% per annum above the overdraft rate charged by our bankers, accruing on a daily basis from the date the amount becomes overdue down to the date of actual payment.
- 5.4 All money received by us for your credit will be applied firstly in payment of any interest you owe us and secondly in payment of any indebtedness to us before being applied to your general benefit.

6. Multiple Account Holders

- 6.1 If there is more than one account holder, these Terms and Conditions bind each account holder jointly and severally.
- 6.2 If both individual and joint accounts are opened, the account holders will be bound by the Terms and Conditions of this Client Agreement as both individual and joint account holders.

7. Amendments to Client Agreement

- 7.1 We may vary any of the Terms and Conditions in this Client Agreement by notice to you, and thereafter the Terms and Conditions as varied by the notice shall apply and take effect as if originally incorporated. Such notice to you may be either by direct communication with you by telephone, by email, by post, by facsimile, or by noting on our website, or by any other medium that we may choose.
- 7.2 The effective date of the variation will be at least 10 business days after the date of the notice, unless we give you the notice at the same time that you agree to these Terms and Conditions for the first time.
- 7.3 You may request a copy of our latest Terms and Conditions by contacting your local Forsyth Barr branch or your usual Forsyth Barr Investment Adviser.
- 7.4 Use of any of our services will constitute an acceptance of any amendments for which notice has been given in accordance with clauses 7.1 and 7.2.

8. Notices, reports and communications

- 8.1 You agree that, if you have supplied us with an email address or have registered on our website, to the extent permissible by law we may provide any notice, report or

- communication in connection with this Client Agreement to you by sending it to you at that email address or making it available for you to view through that website (as applicable).
- 8.2 Any notice, report or other communication we give in connection with this Client Agreement is deemed served or received at the following times:
- when given personally, upon delivery;
 - when sent by post (other than airmail) or document exchange, 3 business days after posting;
 - when sent by airmail outside New Zealand, 5 business days after posting;
 - when sent by facsimile or email, on the day it is sent by facsimile or email to the facsimile number or email address you have supplied; or
 - if you have registered on our website, when the notice, report or communication is available to be viewed through that website.
- 8.3 Any notice that has been served on a Saturday, Sunday or public holiday is deemed to be served on the first business day after that day.
- 9. Our Liability**
- 9.1 We are not liable for any Losses that you suffer which arise in relation to the proper performance of our obligations to you under this Client Agreement, including any such Losses:
- suffered by you in respect of any advice or recommendation given by us or on our behalf to you;
 - arising from any delay or omission in the implementation of instructions or Orders due to any breakdown or failure of transmission or communication facilities or any other cause or causes beyond our reasonable control or anticipation;
 - arising from the failure of any email, fax or other electronic communication to reach the intended recipient; or
 - arising from any cause outside our control or the control of our employees or agents.
- 9.2 To the maximum extent permitted by law, we are not liable for Losses that you suffer which are related to loss of profit or revenue or are indirect or consequential Losses.
- 9.3 You acknowledge that our advice or decisions may be based on information provided to us by other people. We may not verify or investigate that information where it is reasonable to do so and are to the maximum extent permitted by law are not liable to you where we rely in whole or in part on such information.
- 9.4 We do not, nor do any of our directors, officers, agents or employees, guarantee repayment of capital or payment of income in respect of any investment made by us on your behalf.
- 9.5 If we incur any liability to you as a result of a failure by NZX, CHO, CDO or any other Affected Person, our liability to you will be limited to the amount of compensation or other monetary amount we actually recover from NZX, CHO, CDO or any other Affected Person as the case may be in relation to the Transaction undertaken on your order.
- 9.6 We accept no responsibility or liability for the failure of any email, fax or other electronic communication to reach the intended recipient. Due to the nature of electronic mail (Contract Note, email, fax or other electronic communication), circumstances beyond our control could at times inhibit the delivery of electronic mail. In such cases we will when applicable endeavour to despatch a hard copy to you. We accept no responsibility for the consequences of undelivered electronic mail.
- 9.7 The provisions of this clause 9 apply in addition to any other limitations or exclusions of liability set out in this Client Agreement.
- 10. Your Liability**
- 10.1 Where you fail to settle or complete a contract or fail to pay any amount due in respect of an Order, instruction or Transaction, we have direct rights against you, including the right to sell the Securities relating to the contract, Order, instruction or Transaction.
- 10.2 Where you fail to meet a payment or delivery obligation to us, we shall have the right to pass on to you, and you shall have the obligation to meet, any charge or levy incurred by us or compensation payable by us as a result of your failure to make payment or delivery within the time needed to enable us to meet the time limits imposed by the C & S Rules. Any payment made to us will be used to offset our brokerage and fees, then to any charges incurred in settling the contract, including debt recovery and finally to the settlement of the Securities. Any Losses incurred will be to your account.
- 10.3 You agree to indemnify us against all costs, expenses and Losses incurred by us as a result of your failure to deliver to us the relevant Securities, certificates, security holder information, any requested item or payment due within the applicable Payment Period or anything else that causes us to incur liability under the Participant Rules, C & S Rules or Depository Rules including, but not limited to:
- brokerage and administration fees and stamp duty;
 - any costs, expenses and Losses incurred as a result of us becoming, or potentially becoming, a Non-Performing Clearing Participant, including from actions taken in relation to Relevant Collateral; and/or
 - any costs, expenses and Losses incurred as a result of a Potential Credit Event occurring or continuing in respect of us.
- 10.4 You agree to be liable for and to indemnify us, keep us indemnified and hold us harmless from all Losses paid, suffered or incurred directly or indirectly in connection with:
- undertaking or refusing to undertake your instructions in respect of any purchase or sale of Securities; or
 - any failure by you to strictly comply with this Client Agreement,
- to the extent that the relevant Losses arise in relation to the proper performance of our obligations to you under this Client Agreement.
- 10.5 Every exemption or limitation of liability, defence or immunity, or indemnity, available to us shall to the maximum extent permitted by law extend to each of our affiliates and our and their employees, agents and contractors and to all entities which are authorised to distribute our publications. Those parties are intended to take a benefit under this Client Agreement for the purposes of the Contract and Commercial Law Act 2017.
- 11. Tax**
- 11.1 We are not tax advisers. You should seek professional tax advice before investing. The impact of taxation will vary depending upon each person's individual circumstances. We do not accept any responsibility for any taxation liabilities you may incur.
- 12. Security Interest and Set-off**
- 12.1 Without prejudice to our rights under the NZX Rules, at law or otherwise, we shall have a security interest in respect of or over all Securities, other documents and monies held by you or by us, the Custodial Company or the Cash Management Nominee on behalf of or in respect of you for or in relation to any account or matter whatsoever for all monies, interest and damages now or at any time hereafter owing or payable by you to us on any account whatsoever.
- 12.2 If any amount owing or payable by you to us is not paid by the due date for payment thereof then, without prejudice to our rights under the NZX Rules or otherwise, we may

apply any monies held by us or the Custodial Company or the Cash Management Nominee on your behalf for or in relation to any account or matter whatsoever in reduction of your liability to us and without being responsible for any Loss or damage occasioned to you thereby. If there are insufficient monies available to satisfy your indebtedness to us, you authorise to sell any Securities held by us or the Custodial Company on your behalf and apply the proceeds on the basis set out in the preceding sentence.

13. Death

13.1 If you are an individual, in the event of your death this Client Agreement remains valid and binds your estate. You agree that, where we believe it is reasonable to do so, we may act on the instructions of any person claiming to intend to apply, or to have applied, for probate or letters of administration in relation to money or Securities held on your behalf. This clause is binding on your personal representatives and successors in title. You (through your estate) agree to hold us harmless for acting on any such instruction.

13.2 Where you are a joint holder, subject to clause 13.3 in the event of your death or the death of a joint holder you agree that we shall transfer all joint security holdings into the name(s) of the surviving joint holder(s), in which case the Client Agreement will remain valid for the surviving security holder(s).

13.3 Where you are a joint holder, if all joint holders instruct us (in a form acceptable to us) to, in the event of your death or the death of a joint holder, transfer the security holding of the deceased person to that person's estate, we will act in accordance with such instruction.

14. Discretions

14.1 You acknowledge that we are not obliged to accept you as a client, nor to provide you with any explanation for refusing your application, where a decision is made to do so.

14.2 You and any Authorised Person(s) may instruct us to deal in Securities or provide you with Securities advice. Where we consider we have reasonable grounds to do so, we may at any time, and at our sole discretion, decline your instructions or cancel any Order or generally prohibit or restrict you from trading in Securities, without the need to provide any reason for our decision. In particular, we may decline to act on your behalf and/or cancel the relevant Order where:

- (a) the original Order is more than one calendar month old;
- (b) trading in the relevant Securities has been suspended or halted for any reason whatsoever and you have not reconfirmed instructions;
- (c) we consider that the Order is likely to:
 - (i) breach the NZX Rules or the rules or regulations of any other Recognised Securities Exchange we may utilise, or any applicable law;
 - (ii) be inappropriate, unethical or likely to negatively impact on our reputation and integrity within the market; or
 - (iii) create a disorderly market in the Securities.
- (d) we reasonably consider that you are unlikely to be able to settle the Order within the applicable Payment Period;
- (e) you or an Authorised Person appear to be a Prescribed Person.

14.3 You agree that we are not liable for any financial consequence or inconvenience arising from circumstances where we use our discretion to cancel an order or transaction or refuse to accept an instruction from you.

15. Electronic Messages

15.1 The Unsolicited Electronic Messages Act 2007 requires us to obtain your permission to send "commercial" messages to you. By executing this Client Agreement, you

authorise us to communicate to you from time to time, when appropriate, by email or other electronic means.

15.2 If you want to change your email address you must give us written notice of the changes and you must sign the notice.

15.3 The Electronic Transactions Act 2002 requires us to obtain your permission to send information requiring a signature with an electronic signature. By executing this Client Agreement, you authorise us to use electronic signatures, when appropriate.

15.4 You agree, pursuant to section 11(2) of the Unsolicited Electronic Messages Act 2007, that electronic messages (including emails) we send to you need not include a functional unsubscribe facility, and that, if a functional unsubscribe facility is included in an electronic message we send to you, it will only operate to the extent set out in that electronic message and may not unsubscribe you from all communications from us or our affiliates. You understand that if you wish to unsubscribe from all electronic messages from us or our affiliates then you will need to speak with your Forsyth Barr Investment Adviser.

15.5 You acknowledge that where you have confirmed that you reside in New Zealand, then we only intend to send electronic messages to you in circumstances where you are physically present in New Zealand when the message is accessed.

16. Minors

16.1 If a Minor applies to become a client, then we require the Minor and one of the Minor's parents or the Minor's guardian to be party to this Client Agreement.

16.2 Any reference to "you" in this Client Agreement is a reference to the relevant parent or guardian of the Minor and, where appropriate, to the Minor.

16.3 Any Securities that the parent, guardian or any Authorised Person instructs us to purchase will be registered into the name of the Minor or otherwise as directed in accordance with the Client Agreement.

17. Capacity to Sell

17.1 You represent and warrant that all Securities you instruct us to sell or hold on your behalf are legally or beneficially owned by you free of any security interest, assignment or other impediment.

18. Written Notification

18.1 You agree to notify us in writing within 2 business days of any change in circumstances that has resulted in the details that you have previously provided us being incomplete, inaccurate, or misleading (including by omission), including, without limitation, changes relating to a change in your beneficial ownership, the nature and purpose of your relationship with us, and your directors (if you are a company) or your trustees (if you are a trust), and if you become a Prescribed Person of another NZX Market Participant.

18.2 Where you notify us of changes under clause 18.1 we may request further information or details from you (including, without limitation, details of any new beneficial owner, director, or trustee). You agree to provide us with any information or documentation we request from you, including, without limitation, information or documentation we may require in order to verify the details provided by you.

19. Authority in relation to Account and Client Agreement

19.1 You agree that, unless we receive written instructions to the contrary, each of the following persons is authorised to give any instructions on your account (including changing contact details, payment instructions, and settlement instructions, adding or removing Authorised Persons or agreeing to or amending an Investment Authority) and issue Orders on the account:

- (a) any account holder;
- (b) if you are a company or other body corporate, any directors or officers named in the Client

Agreement (or otherwise notified to us in writing by an authorised person as being so authorised).

Where we consider it reasonable to do so, we may require particular instructions to be authorised by all account holders or, in the case of a company or other body corporate, two or more directors or officers.

19.2 You agree that:

- (a) where you are a body corporate, you have been and are duly formed under the laws of the place of your incorporation and have the necessary power and authority to enter into the Client Agreement and the person(s) executing the Client Agreement has the full power and authority to execute the Client Agreement on your behalf.
- (b) where you are the partners of a partnership or the trustees of a trust, you have the necessary power and authority to enter into the Client Agreement, and the person(s) executing the Client Agreement have full power and authority to execute the Client Agreement on your behalf.
- (c) where you are an individual, you have legal capacity to execute the Client Agreement.
- (d) where you are the executor of a deceased estate, you have legal capacity to execute the Client Agreement.
- (e) if you are investing as a trustee, you and any co-trustees have the power under the trust deed to invest the trust funds in the manner you propose. You also confirm that you are entitled to be indemnified from the assets of the trust for all liabilities incurred under this Client Agreement.
- (f) in executing the Client Agreement and in giving effect to it and each transaction hereunder you will not infringe any provision of any deed or other document or agreement to which you are a party.
- (g) you have given careful consideration to your objectives, financial situation and needs and have formed the opinion that obtaining services from us is suitable for your purposes.

20. Authorised Person

20.1 The following persons are Authorised Persons on your account:

- (a) any person(s) named as such in the relevant section of the Client Agreement; and
- (b) if you are a company or other body corporate, any directors or officers named in the Client Agreement. You may add or remove Authorised Persons to or from your account by written notice to us at any time.

20.2 You agree that if you have appointed an Authorised Person on your account, then we may, without undertaking further enquiries:

- (a) act upon the Orders, execution instructions, or instructions in relation to corporate actions or the exercise of rights over Securities of any Authorised Person; and
- (b) accept any other instructions from an Authorised Person that are permitted by this Client Agreement.

20.3 If there is more than one Authorised Person, we may act on the Orders or instructions of any one Authorised Person.

20.4 Any Orders placed by an Authorised Person shall be deemed to have been placed by you. In nominating an Authorised Person, you warrant that the Authorised Person is authorised to place Orders or give instructions, and that they have read and will comply with the Terms and Conditions of this Client Agreement.

20.5 You agree that unless an Authorised Person has an Enduring Power of Attorney and Certificate of Non-Revocation no instructions other than those set out in clause 20.2 will be accepted from them on your behalf.

This includes but is not limited to settlement instructions and change of account details.

21. Supplementary Agreement

21.1 This Client Agreement may be supplemented by further supplementary agreements, the terms and conditions of which may govern particular investments, services and/or classes of transactions.

22. Consumer Guarantees Act 1993

22.1 You agree that to the extent that you are in trade and acquire our services in trade under this Client Agreement, the Consumer Guarantees Act 1993 will not apply provided it is fair and reasonable that you are bound by this clause.

23. Collection, Use and Disclosure of Information

23.1 You authorise us to:

- (a) collect, hold and disclose information about you for the purposes of providing services to you, compliance with Applicable Laws (whether the relevant laws apply to us or our affiliates or to a third party with whom you are dealing through us), conducting credit, verification or security checks, administering your account, or for our own marketing purposes or to further the relationship between you and us;
- (b) record all telephone conversations you have with us for the purposes of verification of instructions, resolving any misunderstandings, and administrative and training purposes;
- (c) collect information about you from, or disclose information about you to:
 - (i) any other account holders, any of our affiliates, or any third party who helps us achieve any of the purposes above;
 - (ii) credit reporting agencies, the New Zealand Traffic Authority, the New Zealand Government Confirmation Service and the Department of Internal Affairs for the purpose of verifying your identity in accordance with Applicable Laws;
 - (iii) any reputable companies or organisations with whom we have a continuing relationship;
 - (iv) any person where required by Applicable Laws or where we believe the giving of the information will help prevent fraud, money laundering or other crimes; and
 - (v) any third party with whom you are dealing through us to the extent that that person reasonably requires that information in connection with compliance with Applicable Laws;
- (d) use information about you for any of the purposes above;
- (e) request you at any time to provide the names of one or more credit references to assist in assessing your creditworthiness, and to exchange credit information about you with them and with credit reporting agencies at any time; and
- (f) report any overdue payments owing to us in connection with your account to other credit providers or credit reporting agencies.

23.2 If we do disclose information about you, we may not be allowed to tell you. Except as authorised in clause 23.1 above or otherwise permitted under this Client Agreement, we will not disclose information about you acquired in connection with this Client Agreement (including your Authorisation Code) to other persons unless you or another account holder authorises that disclosure.

23.3 You agree to provide us as soon as practicable with any information that we reasonably request from you from time to time in connection with compliance with Applicable Laws, whether the laws apply to us or our

- affiliates or to an issuer or other third party with whom you are dealing through us.
- 23.4 You have the right to see all personal information we hold about you. If the information held about you is wrong, you have the right to have it corrected.
- 23.5 To further the relationship between us and you, we may provide you with products or services and information about them which may be of interest to you. Such information may be in the form of client newsletters, brochures, offers of other services, or similar communications. If you do not wish to receive this information please contact your Forsyth Barr Investment Adviser.
- 23.6 You may wish to allow your legal or other professional advisers to have access to information relating to your account. We maintain security over investor records but will provide access to information to those advisers nominated by you in writing. Where you have nominated an individual adviser who works for a professional services firm, unless you instruct us otherwise we will also provide access to information to any other adviser who works for the same firm.
- 23.7 In clauses 23.1-23.5 above, "you" refers to you the account holder(s), and also, to the extent applicable, any Authorised Persons or beneficial owners of you. You represent that all such persons have given us the authority in clause 23.1 above.
- 24. Assignment**
- 24.1 You agree that the Terms and Conditions under this Client Agreement bind you personally and that you may not assign any of your rights or obligations under this Client Agreement. Any such purported assignment will be ineffective.
- 24.2 You agree that we may, on 10 business days' written notice to you, assign all or part of our rights and obligations under this Client Agreement or any supplementary agreement to one of our affiliates.
- 25. Interpretation and Jurisdiction**
- 25.1 The law of the Client Agreement is that of New Zealand. You agree that the courts of New Zealand have non-exclusive jurisdiction in relation to any matter arising in connection with this Client Agreement.
- Unless the context otherwise requires, in the Terms and Conditions of this Client Agreement:
- (a) the words "Forsyth Barr", "we", "us" and "our" refer to Forsyth Barr Limited.
- (b) a reference to you as our client refers to not only the account holder(s), but where the context requires, to any Authorised Persons.
- (c) a reference to Securities includes Securities, stocks, bonds, tradable contracts and other negotiable instruments and securities in New Zealand and overseas.
- (d) the singular includes the plural and vice versa.
- (e) a reference to a gender includes a reference to each other gender.
- (f) a reference to a statute, rules and regulations or a provision thereof includes a reference to them as amended or re-enacted from time to time.
- (g) a reference to a person includes a reference to a firm, trustee, a corporation or other corporate body.
- (h) a reference to an affiliate of a specified person is a reference to any person that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with, the person specified.
- (i) all words and expressions given a particular meaning in the NZX Participant Rules shall have respectively the same meaning when used in the Terms and Conditions herein.
- (j) "Account" means an account with us opened in your name in accordance with the Client Agreement, or where we have or will open several accounts in your name, means all such accounts jointly and severally.
- (k) "account holder" means the person(s) opening the Account. For a joint account, the account holders are each of the joint applicants; for a trust or estate account, the account holders are each of the trustees or executors; for an account for a partnership or other unincorporated body, the account holders are each of the partners or members of the body; for an account for a company, incorporated society, incorporated charitable trust or other body corporate, the account holder is the relevant body corporate.
- (l) "Affected Person" has the meaning set out in the C & S Rules.
- (m) "Agent" means any sub-nominee, sub-custodian or agent appointed by the Cash Management Nominee at any time pursuant to the Client Agreement or otherwise employed by the Cash Management Nominee to provide all or part of the Nominee Services.
- (n) "Applicable Laws" means all applicable laws and regulations in New Zealand or in any relevant foreign jurisdiction (including the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, the Tax Administration Act 1994, or any other New Zealand or overseas law that requires the ascertainment, verification and/or disclosure of identity or other information in connection with your account), and all applicable rules, regulations and official procedures or guidance of the NZX, the ASX, any other Recognised Securities Exchange which we may utilise, CHO or CDO, as these may apply from time to time.
- (o) a "business day" is a day on which NZX's Securities markets are open for trading.
- (p) "Authorisation Code" means the identification number issued by a Registry to you in respect of any given holding of Securities.
- (q) "Authorised Person" has the meaning in Section D, clause 20.1.
- (r) "Cash Management Account(s)" means the ledger or ledgers maintained by the Cash Management Nominee recording the Funds held on your behalf in the Pooled Cash Management Account(s) or those Funds (as applicable).
- (s) "Cash Management Bank" means a bank registered in New Zealand under the Reserve Bank of New Zealand Act 1989.
- (t) "Cash Management Nominee" means Forsyth Barr Cash Management Nominees Limited.
- (u) "C & S Rules" means CHO's Clearing and Settlement Rules as amended or replaced from time to time and, as the context may require, includes, the associated procedures and any direction made by CHO.
- (v) "CDO" means New Zealand Depository Limited, including its Board, senior executives, employees, agents and any Person acting under its delegated authority.
- (w) "CHO" means New Zealand Clearing Limited, including its Board, senior executives, employees, agents and any Person acting under its delegated authority.
- (x) "Client Agreement" means this Client Agreement comprising Part A (Client Information Schedule), Part B (Terms and Conditions), the Client Profile, and any supplementary agreement referred to in clause 21, as amended from time to time.
- (y) "Client Profile" means the information we request and record about your circumstances.

- (z) "Clearing and Settlement Terms" has the meaning set out in the C & S Rules.
- (aa) "Contract Note" means the contract note (or other trade confirmation) to be sent by us to you confirming each Transaction, showing details of price, number of Securities traded, brokerage and any other fees or charges applicable, and any other relevant information.
- (ab) "Custodial Company" means Forsyth Barr Custodians Limited.
- (ac) "Custodial Service" means the service described in Section B.
- (ad) "Depository Rules" means CDO's Depository Operating Rules, as amended or replaced from time to time and, as the context may require, includes the associated procedures and any direction made by CDO.
- (ae) "Disclosure Statement" means the disclosure statement available from your Forsyth Barr Investment Adviser.
- (af) "Forsyth Barr Cash Management" refers to the Cash Management Account(s) outlined in clause 11 of Section A (Broking Service Terms and Conditions) of Part B of this Client Agreement.
- (ag) "Forsyth Barr Investment Adviser" means a person employed by us who provides financial adviser services on our behalf.
- (ah) "Funds" means the Funds deposited by you and held on your behalf by the Cash Management Nominee or Agent.
- (ai) "Investment Authority" means, in relation to Private Portfolio Management, the authority that you grant us to manage your Portfolio.
- (aj) "Losses" means any claims, losses, liabilities, damages, charges, expenses, fees or costs (including legal costs on a solicitor and client basis) whether arising from any demand, proceeding, action, suit or otherwise.
- (ak) "Minor" means a person under the age of 18.
- (al) "Nominee Services" means the nominee services provided by the Cash Management Nominee or Agent.
- (am) "Non-Performing Clearing Participant" has the meaning set out in the C & S Rules.
- (an) "NZX" means New Zealand Exchange Limited.
- (ao) "NZX Rules" means the Participant Rules, C & S Rules, and Depository Rules.
- (ap) "Participant Rules" means the NZX Participant Rules (including Guidance Notes and Practice Notes), as amended or replaced from time to time.
- (aq) "Payment Period" means, in relation to a Transaction, the period within which settlement of the Transaction is required in accordance with the terms of the Transaction or the rules of the relevant Recognised Securities Exchange to the extent applicable.
- (ar) "Pooled Cash Management Account(s)" means the deposit facility or facilities held by the Cash Management Nominee and operated pursuant to clause 11 of Section A (Broking Service Terms and Conditions) of Part B of this Client Agreement.
- (as) "Portfolio" means, in relation to Private Portfolio Management, any funds or Securities that you provide to us for management under Private Portfolio Management.
- (at) "Potential Credit Event" has the meaning set out in the C & S Rules.
- (au) "Registry" means the particular share registry which maintains the register of security holders for the particular listed entity the Securities of which are to be traded by you pursuant to this Client Agreement.
- (av) "Relevant Collateral" has the meaning set out in the C & S Rules.
- (aw) "Security" means any security which we agree to buy or sell on your behalf, including a security as defined in section 6 of the Financial Markets Conduct Act 2013.
- (ax) "Statement" means the statement sent to you by the Registry updating your holding every time you buy or sell Securities.
- (ay) "Sub-Custodian" means a third party who holds money or Securities on behalf of the Custodial Company.
- (az) "Terms and Conditions" means the terms and conditions in Part B of this Client Agreement.
- (ba) "Transaction" means a transaction effected or to be effected by us pursuant to your instruction.

26. Dispute Resolution Procedures

26.1

If you have a complaint, in the first instance you should speak to your Forsyth Barr Investment Adviser. Forsyth Barr Limited and all Forsyth Barr Investment Advisers undertake to quickly and satisfactorily resolve the complaint. In the event you are not satisfied, please put your complaint in writing to:

The Compliance Manager
Forsyth Barr Limited
P O Box 97
Shortland Street
Auckland 1140

In accordance with the Financial Services Providers (Registration & Dispute Resolution) Act 2008, Forsyth Barr Limited is required to be a member of an approved dispute resolution scheme. If you are not satisfied with the result of the internal complaints process through Forsyth Barr you may then direct your complaint concerning Adviser conduct to:

Financial Services Complaints Ltd (FSCL)
P O Box 5697
Lambton Quay
Wellington 6145
Ph 0800 347 257

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Alternatively if your complaint relates to a potential breach of the NZX Rules you may direct your complaint to:

NZX Market Supervision
NZX Limited
P O Box 2959
Wellington 6140

Section E: Basis of Service, Principal Benefits and Risks of Investing and Financial Advice

For further information regarding the services available for clients please request a Scope of Service document from us or download a copy at www.forsythbarr.co.nz.

1. Basis of Advice

- 1.1 Forsyth Barr provides financial adviser services and the means for you to buy, sell, administer and manage your investments, according to your specific requirements.
- 1.2 We provide services and advice in relation to a range of financial assets including shares, bonds and other fixed interest investments, investment funds and unit trusts, cash and cash management accounts. We also provide services in relation to managed funds, where you buy or sell units (rather than the individual underlying securities) in a pooled investment, such as KiwiSaver or other managed funds, including Forsyth Barr's range of investment funds and Summer KiwiSaver.
- 1.3 Forsyth Barr investment services exclude consideration of certain areas of advice that may be related to your investment activities. These include budgeting and savings analysis, property and health insurance, taxation and accounting services, legal and estate planning. We refer you to your relevant specialist professional services provider for advice on those matters. We are not able to exercise control over any services that we do not supply directly to you, and we therefore will not be responsible for any loss or damage to you arising from any cause outside our control or the control of our employees or agents.
- 1.4 As a broking firm (i.e. an NZX Market Participant) we provide a direct and efficient means to buy and sell investments on your behalf as part of each of the services we offer. We provide services based on the Terms and Conditions set out herein, and as updated from time to time. Our services are also based on the information you provide to us in the Client Agreement and (if applicable) the Client Profile documents, and as updated by you from time to time.
- 1.5 We will use reasonable care to ensure that any advice we give to you is accurate and up-to-date. Our advice is, however, based on information supplied to us by other people. We do not have, and cannot be expected to have, personal knowledge of all the details of the Securities (or the issuers of those Securities) in which you may ask us to deal on your behalf or on which you may ask us to advise. In addition, we cannot be expected to know full details of your particular investment circumstances. You should make your own decision as to whether particular Securities will meet your investment needs.
- 1.6 Forsyth Barr produces original research on individual investments and companies in the New Zealand fixed interest and equity markets; accesses similar research through affiliates in Australia, US, UK and other parts of the world; and views the research of other investment providers, where available to us. That research is part of a wider body of information able to be considered by Forsyth Barr Investment Advisers, including other publically available literature, publications and news items. This research and information, from various internal and external sources, provides a basis for our advice and services. It influences (but does not necessarily dictate) the assessment of an individual investment by a Forsyth Barr Investment Adviser when considering the appropriateness of the investment for a specific client.
- 1.7 You may receive our publications from time to time. These publications will often contain recommendations in relation to particular Securities. The recommendations are based upon research conducted by analysts. The recommendations are, however, still only matters of opinion and are subject to a number of limitations. You must assess whether a specific recommendation is

suitable to your own investment objectives, financial status and particular needs.

- 1.8 Where we give advice under this Client Agreement, we shall exercise due skill, care and diligence but do not guarantee the repayment of capital or the performance of any investments or otherwise make any representation concerning the performance of your investments, account, or any particular Transaction.
- 1.9 Except where you enter into an agreement for services in which we either (i) monitor your investments, or (ii) manage your investments on a discretionary basis, you acknowledge that we are not required to monitor or manage your investments. i.e. unless the service selected provides otherwise, you are responsible for the ongoing monitoring and management of your investments.
- 1.10 We will not advise you about the merits of a particular Transaction if we reasonably believe that, when you give the order for that Transaction, you are not expecting such advice and are dealing on an execution-only basis.
- 1.11 Before acting on any advice or recommendations, you should always consider the appropriateness of the advice or recommendations having regard to your specific circumstances.
- 1.12 The consideration of your circumstances, in our provision of advice or other investment services, can only be based on the details we have recorded for you. Where you have provided limited or incomplete information, or have chosen to withhold information, our advice will be restricted to consideration of the information provided.
- 1.13 We will periodically review the information we hold on your behalf by inviting you to update it. At all other times, please contact us immediately should your investment requirements change, or any other circumstances arise or change that may be relevant to the services and/or advice we provide to you.
- 1.14 Where your account has more than one account holder (for example a joint account), we request a consensus view from you regarding matters such as your investment goals and risk preferences.
- 1.15 If you are acting in the capacity of a trustee, director, shareholder, partner, executor, officer, or Authorised Person it is your responsibility to ensure the Client Profile reflects the requirements of the entity and any requirements expressed in the Trust Deed (or equivalent document), to the extent applicable.

2. Principal Benefits of Investing and Financial Advice

Financial assets enable you to construct and maintain a diversified portfolio of generally liquid assets.

Financial assets are transferable and therefore are a useful asset planning tool for transferring wealth into other ownership arrangements such as family trusts and if distributing an estate.

Financial assets include those investments with stable and predictable income streams, so can be a means to provide you with income from a sum of money. Growth investments, where longer term capital appreciation is expected, provide you with the potential for capital appreciation. Capital appreciation can help offset the cost of living which can be significant over the longer term. You have the potential to grow your wealth by specifically targeting capital appreciation as your primary investment objective.

Investing in shares provides you with the ability to own small proportions of large entities, access to new markets or opportunities to invest in sectors and industries not represented in New Zealand.

Holding financial assets means you will need to manage, administer, monitor and research your investments. Where you do not have the time, experience or capacity for these activities, we can provide you with these professional financial advisory services. Owning an investment portfolio is therefore available to any party irrespective of their capabilities.

Financial advisory services provide other benefits including professional service, advice, recommendations, opinions and research regarding your investments. Depending on the service provided, the Code of Professional Conduct for Authorised Financial Advisers may require us to determine the suitability of financial advisory services provided, taking into account your specific circumstances.

3. Principal Risks of Investing and Financial Advice

This section provides you with general information in order to assist your understanding of the potential risks involved in undertaking transactions in Securities, derivatives, and margin lending.

As this notice cannot disclose all the risks and other significant aspects of transactions in Securities, derivatives (such as futures and options) or margin lending, you should not deal in these products unless you understand their nature and the extent of your exposure to risk and financial loss.

You should also be satisfied that the product is suitable for you with respect to your circumstances, needs and goals, and tolerance for risk.

Please note the risk factors contained in the sections below and please seek advice before making a decision to invest or transact in these types of products.

3.1 General

Investing in Securities and the trading of Securities entails risk. You should take time to understand and be aware of the risks of particular investments or investment strategies.

The price, value and income derived from investments may fluctuate in that values can go down as well as up, and you may get back less than originally invested.

There is a risk with investing that it may not be possible to recover the original investment for reasons such as the sale price is less than the price paid, or the investment cannot be sold as there is no market for them (liquidity risk), or the company or issuer is placed in receivership, liquidation or becomes insolvent.

Further, a risk with interest-bearing investments includes interest payments may not be timely or may not be made in full or at all.

Your investments and any Securities may be subject to (but not limited to) market risk, liquidity risk, company risk, sector and country exposure risk, default risk, currency exchange risk, economic and political risk.

Past performance is no guarantee or indication of future performance, and reliance should not be placed on past performance or anticipated future performance. You must make your own investment decisions with respect to your circumstances, needs and goals, and tolerance for risk, and seek advice as may be necessary.

We are not liable for any loss or expense incurred by or on behalf of you as a result of any investment decision made by you and we do not, nor do any of our Directors, officers, agents, or employees, guarantee the repayment of capital or the payment of income in respect of any investment made by us on your behalf.

Financial assets carry a degree of investment risk, as do all forms of investment. One principal risk is market risk, where an investment is exposed to events in the wider market place or economy. Specific risk refers to the exposure of an investment to events specifically impacting the entity in which the investment has been made. While it is possible to reduce those risks by appropriately diversifying your holdings to reduce the impact of any

one event, there will be a degree of volatility in either (or both) the investment income and the capital value of your investments. Where you elect to remove those risks as far as possible by investing in only the most secure deposits available, a third pre-eminent risk becomes more evident – inflation risk or the risk that your investments will have less future purchasing power because of ongoing increases in the cost of living. The returns you wish to achieve over the period invested, and the risks involved, are related considerations when investing. Monitoring these risks is your responsibility unless our agreement with you includes this service.

3.2 Our Services and Investment Advice

There is a risk that the services we provide to you will not be suitable in the event that you do not provide us with up-to-date information regarding your financial situation, financial needs, financial goals or tolerance for risk. There are also risks should you choose to limit the extent of information you provide, or if you instruct us that you wish to opt out of us determining the suitability of a financial adviser service provided to you. In these instances we are unable to provide any assurance that the services we provide will necessarily be suitable for your particular circumstances and requirements.

3.3 Personalised Advice

A 'Personalised Service' occurs when your Forsyth Barr Investment Adviser takes into account your financial situation or goals. When providing advice to you, the Code of Professional Conduct for Authorised Financial Advisers requires us to determine the suitability of any personalised financial advisory services we provide to you. To do this, we need to have a current understanding of your financial situation, financial goals, financial needs and tolerance for risk.

The consideration of your circumstances, in our provision of advice or other investment services, can only be based on the details we have recorded for you. Where you have provided limited or incomplete information, or have chosen to withhold information, our advice (or discretion exercised) will be restricted to consideration of the information provided.

You may also elect to opt out of having the suitability of a service or advice determined, which means any recommendations, opinions or advice may not be specific and suitable for you.

3.4 Class Advice

Class advice is a general opinion or recommendation about acquiring, disposing or holding a financial product and, as such, is generic without any particular client in mind. A limitation of this service is that advice is not personalised with regard to your specific circumstances. This transaction only service is deemed to be a 'class service', meaning that no personal advice is provided regarding whether an investment suits your individual circumstances. This is an important consideration for investors using this service. Before acting on any financial advice, you should always consider the appropriateness of the advice, having regard to your relevant personal circumstances.

3.5 Options

For many investors, options are useful as tools of risk management. Like other Securities - including stocks, bonds, and managed funds - options carry no guarantees, and it is possible to lose all of the principal you invest, and sometimes more. As an options holder, you risk the entire amount of the premium you pay. But as an options writer, you take on a much higher level of risk.

Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges.

Writing (or selling) options involves greater risk than buying options. You may be liable for margin to maintain

your position and a loss may be sustained in excess of the premium received. By writing an option, you accept legal obligations to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (known as 'covered call options') the risk is reduced. If you do not own the underlying asset (known as 'uncovered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time of purchase. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

3.6 Warrants

Warrants are similar to options and are available based upon many different underlying markets, including stock indices, individual stocks, and currencies.

Like options, warrants give the buyer the right (but not the obligation) to buy or sell the underlying market, at any time up to the expiration. Unlike options, warrants are issued by securities companies and can have differing contract specifications from one warrant to another (such as the expiration date). Warrants tend to have lower premiums, and therefore have higher leverage than options. A relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable, in the price of the warrant. The prices of warrants can therefore be volatile.

Warrants are susceptible to all the market conditions associated with the underlying asset, which includes potential for declines. If the market moves against you, your warrant could become worthless. While warrants have longer terms than some other derivatives, usually they still expire. It's important to know when to exercise a warrant. Depending on the warrant, liquidity may be an issue and you may get stuck with a worthless warrant.

Although warrants can be utilised for the management of investment risk, warrants are unsuitable for many investors. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

3.7 Margin Lending (Leveraged Equities)

Margin lending is a loan facility secured by a portfolio of Securities. So just like investing in property where the loan is secured against the property, a margin loan is secured against nominated Securities as collateral.

Geared investments provide you with the prospect of increasing your investment portfolio and subsequent exposure to potentially greater capital growth and income, improved portfolio diversification, an ability to take advantage of market opportunities, and the ability to structure a tax effective investment.

While greater exposure to sharemarkets multiplies potential profit, it also increases the risk of loss should share prices fall. Furthermore, if the value of your portfolio declines, you may be required to provide additional Securities or repay a part of your loan (margin call). A margin call occurs when falls in the value of your Security cause your current loan balance to exceed your borrowing limit plus any buffer. If this occurs you must repay part of your loan to rectify the margin call.

Leveraging a portfolio has become a means for some investors to maximise wealth. Like any investment strategy however it does have associated risks. It is important that you understand these risks when considering if margin lending is right for you. It is therefore important that you

speak to your investment adviser and seek advice on the investments that you are considering leveraging.

3.8 Foreign Markets

Foreign markets will involve different risks from New Zealand markets. In some cases the risks will be greater. We do not accept liability for any default of a foreign firm through whom Forsyth Barr transacts on your behalf. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

3.9 Suspensions of Trading

Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

3.10 Insolvency

Insolvency of or default by Forsyth Barr, or that of any other advisers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.

