Shaw and Partners Terms of Engagement

TERMS OF ENGAGEMENT – EXECUTION ONLY

By signing and returning a copy of the Terms of Engagement, you confirm that you have received, read, understood and agree with the terms of this agreement.

Shaw and Partners are committed to providing you with a quality service.

Below we outline the key principles upon which Shaw and Partners will provide its service.

1. Investment Principles

1.1 You acknowledge that there are risks associated with investing in financial products. You understand that there can be no guarantee of performance or investment returns and movements in the value of markets and specific investments can occur for reasons beyond anyone's control. These movements in value can sometimes be beyond those reasonably expected.

1.2 Shaw and Partners will not provide you with advice, you will make all investment decisions and instruct Shaw and Partners to execute transactions.

2. Fees and Charges

In the normal course of transacting on your portfolio there will be a number of charges. These are detailed below.

2.1 Fees

The fees you will pay will be charged on the following basis, as agreed with you:

(a) Custody fees – Fees which vary depending on the custodian, are paid to the custodian for portfolio administration and are calculated daily based on the value of your portfolio and deducted monthly from your portfolio cash account

2.2 Charges

In the normal course of transacting on your portfolio there will be a number of charges. These include:

(a) Other fees, charges, duties costs and taxes at the rate or rates notified by us to you from time to time either generally or in respect of particular transactions, including interest on late payments.
(b) agency fees and other charges incurred in effecting overseas transactions.
(c) charges or penalties imposed by another broker or by a stock exchange, including, without limitation, charges or penalties imposed as a result of late or non-delivery of scrip, holder identification particulars or any other information or requirements.
(d) Brokerage fees – these are paid to a sharebroker on sale and purchase transactions required to implement or change a portfolio. Please refer to the below table for brokerage details.

Markets	Brokers and Brokerage fees					
	ASB Securities	**Jarden**	**JBWere**	**Nabtrade**	**Craigs**	**BTIC**
New Zealand Equities	0.20% A minimum of $24.99 plus trading fee	0.45% A minimum of $50 in the currency of the order	N/A	N/A	0.25%	N/A
Australian Equities	0.20% A minimum of A$39.95		N/A	0.0909% A minimum of A$13.59	0.25%	0.10% A minimum of A$50.00
International Equities	0.60% A minimum of US$50.00 or GBP£25.00		0.30% A minimum of US$45.00 or GBP£25.00	N/A	0.40% UK shares 0.50% stamp duty US shares 0.278bp SEC fee on sells HG shares 0.11% stamp duty CHF shares 0.30% stamp duty SGD shares 0.04% stamp duty	0.10% A minimum of 50.00 in native ccy UK shares 0.50% stamp duty on buys US shares 0.278bp SEC fee on sells HK shares 0.10% stamp duty
New Zealand Fixed interest	0.25% A minimum of $25		N/A	N/A	0.25%	

3. Provision and Disclosure of Information

3.1 You agree to provide us, as soon as practicable, with any information we request from you;

a) That is required by us to set up, administer and operate your investment facility; or

b) Comply with our obligations under applicable laws in New Zealand and overseas including without limitation such as those relating to Anti-Money Laundering and Countering Financing of Terrorism, Foreign Account Tax Compliance or Common Reporting Standards; or

c) Any other New Zealand or overseas law that requires the verification and/or identification of a client's identity.

During your relationship with us, we may from time to time, ask for and collect further information about you and your dealings with us.

3.2 You commit that all the information provided to Shaw and Partners on the client information form and other information is correct, complete, true and not misleading. You have full power, capacity and the authority to enter into these terms.

3.3 Where you are acting in the capacity of trustee, director or executor, or other office of the entity you confirm that the requirements of the trust deed (or other equivalent document) have been adhered to. Where providing information on behalf of other

account holders, then you commit that they have provided their consent and duly authorised you to provide this on their behalf.

4. Receiving Instructions

4.1 We will accept instructions from you, or a person authorised by you, either in writing, by telephone, by email, by personal attendance at our offices or in such other manner as we may previously have agreed with you. Shaw and Partners is entitled to treat these instructions as genuine if they appear reasonable and come from any person authorised to act on your behalf.

4.2 We are under no obligation to verify the authenticity of any instruction or purported instruction and may act on any instruction without further enquiry or delay, from any person that we reasonably believe to be a person authorised by you to give the instruction. Where you comprise more than one person, we are entitled to rely on, and treat as authorised, an instruction received from any one of those persons.

4.3 We reserve the right not to act on a particular instruction given by you or any person authorised in the matter, for any reason whatsoever, and may defer action or seek further information as we see fit. In any such event, we will notify you and will not be liable for any price movements or fluctuations or any other loss, cost or expense suffered or incurred by you or any other person as a result of us not acting on that instruction, or otherwise arising in connection therewith.

4.4 If you are not in a custodial service or the Clarity Funds, following completion of an instruction, the relevant broker will issue you a contract note relating to the investment bought or sold in your name. You may elect to receive contract notes by email or hard copy. We will also receive a copy of the contract note. You must notify us of any errors or omissions on the contract note within 48 hours of receipt and we will notify the broker of the error. You will be deemed to have accepted the terms of the contract note should you fail to notify us of any errors or omissions within 48 hours of receipt. Where the broker reissues a contract note in order to correct any errors or omissions, these Terms of Engagement will apply with respect to the reissued contract note.

4.5 If you have elected to have a custodial service, you will not receive contract notes. Also, we may from time to time make a decision on your behalf. This may include matters such as participation in Dividend Reinvestment Plans.

5. Our Liability and Related Matters

5.1 Shaw and Partners will act in good faith when performing its obligations under this agreement.

5.2 You acknowledge that investment markets are volatile and are subject to unforeseen fluctuations, and that, as a consequence, no particular results can be guaranteed, and that Investments made under this agreement may result in a loss. Subject to clause 5.3 and compliance with our obligations under applicable law, we will not be liable for any loss as a result of investment performance.

5.3 In the performance of our obligations under this Terms of Engagement Shaw and Partners will accept responsibility for and be liable to you for any direct loss, damage costs or expense that arises due to:

(a) negligence or wilful default on our part or any of our employees, or
(b) dishonesty on the part of our employees.

To the extent permitted by law, this does not extend to responsibility or liability for consequential or indirect loss you may incur.

5.4 Besides our liability under applicable law, any liability we may have to you, will be limited to the direct losses suffered or incurred by you, excluding any consequential loss and any loss of income, business, profit or saving as a result of your, or any other person's inability to complete another transaction or honour another obligation.

5.5 Shaw and Partners rely on the accuracy of the information you or your authorised person provide to us. In the unlikely event that we suffer a loss as a result of relying on that information, you agree to compensate us.

6. Events Beyond our Control

Shaw and Partners will not be liable for any delay or failure to perform its obligations under these Terms of Engagement if such delay or failure is caused by any event or circumstance beyond its reasonable control or the reasonable control of its employees. For the avoidance of doubt, Shaw and Partners will not be responsible for the acts or omission of any broker, issuer, fund manager, or other third party involved in any transaction effected on an investment direction received from you or an authorised person.

7. Advice Disclaimer

7.1 We will not provide you with Financial Advice. This is an execution only agreement.

7.2 We do not provide accounting and tax advisory, household budgeting, estate planning or legal services.

7.3 Certain disclosures are required to be given to you in respect of the fees you will be charged and custodial arrangements.

8. Custodial Services Terms of Engagement

8.1 If you choose to use a custodian to hold your assets on your behalf, you appoint Shaw and Partners to act on your behalf in its use of the custodial service. Shaw and Partners agree to undertake those responsibilities set out in this agreement or otherwise agreed to in writing with you.

8.2 Custodial Services

8.2.1 You authorise Shaw and Partners to appoint a custodian, on terms and conditions agreed to by Shaw and Partners and the custodian.

8.2.2 You acknowledge and accept that the custodian is not making any offer of the securities to be issued or purchased, nor is it acting as the agent or partner of an Issuer in offering them, and neither is it acting as a promoter of the offer made by the Issuer.

8.2.3 You agree that the custodian shall not be liable to any extent for the provision of Shaw and Partners services including, but not limited to, any loss that you suffer

as a result of a breach by Shaw and Partners of its obligations under this agreement;

8.2.4 You acknowledge and accept that neither the custodian, the Issuer nor, where applicable, any trustee or supervisor, as relevant, of the underlying securities, has caused the issue of, endorses, or is responsible for, any information provided to you by Shaw and Partners (other than the Issuer and /or trustees or supervisor (as applicable) in relation to the applicable Investment Disclosure Materials) relevant to the securities, and we further acknowledge and accept that neither the Issuer nor, where applicable, any trustee or supervisor of the underlying securities, endorses, recommends or is responsible for Shaw and Partners services; and

8.2.5 You acknowledge and accept that an investment in the securities does not represent either a deposit with, or a liability of, either the custodian or any trustee or supervisor of the securities, and neither the custodian, nor any trustee or supervisor of the securities, nor their respective subsidiaries or related companies, guarantees the repayment of capital, payment of income or the performance of the securities, except as set out in the relevant Investment Disclosure Materials.

8.2.6 Where you are party to an existing custodian appointment deed (or similar arrangement) directly with the custodian, or through another adviser, you appoint Shaw and Partners as your agent with full power and authority to terminate that deed or arrangement, and you acknowledge and agree that the custodial services referred to in this agreement will apply from the date of this agreement.

8.3. Instructions to the Custodian

8.3.1 All functions and services of Shaw and Partners in connection with the custodial service will be conducted under the normal established practice of the custodial service, including any current practice manuals and procedures for users as notified and made available by the custodian from time to time.

8.3.2 Shaw and Partners will process Proper Instructions through the custodian for action, but is only responsible for losses, expenses or other consequences of delay in implementation caused by Shaw and Partners, after acknowledgement of receipt of the Proper Instructions. Instructions provided to Custodian will take effect and be processed in accordance with the Custodian’s timeframe and procedures as per 9.3.1.

8.3.3 Notwithstanding this clause, Shaw and Partners have no obligation to act on Client Instructions if:

(a) Shaw and Partners believe on reasonable grounds that it cannot comply with the instruction, (for example, if the instruction is unclear or if it is likely that the Issuer will not accept the instruction);

(b) Shaw and Partners believe on reasonable grounds that to carry out the instruction may be illegal;

(c) Shaw and Partners has reasonable doubt as to the validity of the instruction; or

(d) the instruction relates to a custodial asset that the custodian determines, at its absolute discretion, shall not be transacted in or through the custodial service.

8.4. Client Account and Funding

8.4.1 You will maintain a Client Account through the custodian for the purposes of investment through the custodial service.

8.4.2 You must maintain the Client Account in credit with sufficient cleared funds to enable Shaw and Partners to comply with Client Instructions as they arise, to maintain Minimum Credit, to satisfy Shaw and Partners Adviser Fees and to meet other payments authorised by you from time to time.

8.4.3 All payments to the Client Account shall be made payable or otherwise credited to the custodian and shall be credited to an External Trust Account.

8.4.4 If the funds available in the Client Account are not enough to pay any amount which must be paid out to satisfy Client Instructions, Shaw and Partners may refuse to initiate or carry out correlating Proper Instructions, or, may cancel any authority to the custodian.

8.5 Financial Markets Conduct Act 2014

8.5.1 Under the Financial Markets Conduct Act 2014 ('the Act'), a custodian is required to ensure your money is held separate from its own money. However, per schedule 21C section 5.1 (a) of the Act, we are required to disclose to you that the account in which your money is, or will be held, also contains some of the custodian's money. This is because the custodian periodically transfers money to this account to reduce the risk of a shortfall arising in the client money held for a particular client in that account. This limited amount of money is referred to as a buffer.

8.5.2 Under the Act the custodian is required to notify you of a number of matters relevant to the account in which your money is, or will be, held.

8.5.3 Summary of the terms of trust on which your money is held. Your money, as well as all other money received by the custodian from other investors using the custodial service, is, or will be, held on trust by the custodian in a pooled client money trust account. This trust account is a basic bare trust arrangement in which you have the absolute right to the capital and income of your investments. The custodian has no control over your investments and can only act upon proper instructions given by you and/or your adviser.

8.5.4 The impacts of the custodian operating a limited buffer. The custodian transfers the buffer to the bare trust account to reduce the risk of a temporary shortfall that may result in one client's money being used to settle a transaction for another client. This means that the custodian's clients can have greater confidence that their money is not at risk and is available to them at all times.

8.5.5 Under the Act, the custodian must provide you with certain information including a description of any risks they are aware of that are likely to arise as a result of client money not being held separate from the custodian's money. While the custodian believes that its use of the buffer is beneficial, there is a risk that its existence could create complexity and delay in the return of your money if the custodian was to go into receivership or liquidation**.**

9. Privacy Act

Shaw and Partners is bound by and adheres to the New Zealand Privacy Act 2020 for personal information, including the Privacy Principles. These Principles govern how we collect, use, hold and disclose your personal information. You can access Shaw and Partners' Privacy Statement using this link or online at www.shawandpartners.co.nz

10 Dispute Resolution Process

Please refer to our Shaw and Partners Complaints Process for details on our internal complaints and external, independent, disputes resolution process.

11 Changes to these Terms of Engagement

Shaw and Partners may change these Terms of Engagement at any time in order to comply with legislative requirements. Shaw and Partners will notify you, in writing, of these changes. Any other changes to these Terms of Engagement will be agreed with you.

12 Termination

You may terminate our services at any time on providing us with written notice and on payment of any outstanding fees or charges. Shaw and Partners reserves the right to terminate our services to you in the event that you default on any payment due and only after having taken reasonable steps, as determined by Shaw and Partners, to recover the outstanding amounts from you. This agreement will remain in place until we receive written notification from you, subject to completion of any outstanding obligation.

On termination of the investment facility, we will take steps, as soon as practicable, to:

a) implement your instructions for the transfer of securities and monies to another facility, if applicable, and;
b) arrange for settlement of any monies owed to you by us or any of our agents.

Please advise us should your circumstances or investment requirements change relevant to the services we provide to you.