

## LIONTAMER TERMS AND CONDITIONS OF BUSINESS FOR INTERMEDIARIES

### Introduction

Thank you for your interest in doing business with Liontamer Investment Management Pty Limited (Liontamer).

So that both you and Liontamer have a clear understanding of our relationship, all business transacted with Liontamer will be on the basis of these terms and conditions.

By transacting any business with Liontamer, the intermediary (you) will be deemed to have read, understood and accepted these terms and conditions. The term 'intermediary' includes brokers, planners and advisers, in full advice, generic or execution only relationships with their clients.

Once we have received a copy of these terms and conditions, signed by you, the signed terms and conditions will apply to you. If we have not received a signed copy of these terms and conditions, the current terms and conditions posted on the Liontamer website [www.liontamer.com](http://www.liontamer.com) will apply to you. Liontamer reserves the right to amend, supplement, alter or delete the terms and conditions on Liontamer's website from time to time and will provide notice of such amendments, supplements, alterations or deletions through Liontamer's website. If Liontamer does so, the later terms and conditions will supersede all previous versions unless we have received a signed copy of these terms and conditions.

No term shall be implied through previous course of dealings between you and Liontamer.

If these terms and conditions are inconsistent with or conflict with any specific arrangement between you and Liontamer, acknowledged in writing by Liontamer, then the terms and conditions of that specific arrangement will prevail over these terms and conditions.

These terms and conditions are effective immediately.

Please sign where provided below to acknowledge your acceptance of these terms and conditions and return to:

Liontamer Investment Management Pty Limited  
Attention: Sean Butler  
Head of Marketing  
PO Box 2002  
Shortland Street  
Auckland

If you do not acknowledge your acceptance of these terms and conditions you will be deemed to have accepted them on your behalf and/or on behalf of those you represent upon the transacting of any business with Liontamer.

### Brokerage

Brokerage that is a percentage of application amounts (as described in the relevant Investment Statement) will be paid on applications bearing your firm's stamp within 10 business days of the investment date of the relevant fund. Liontamer may, at its sole discretion, increase the percentage brokerage payment by negotiation, based on volume and certain other requirements. The percentage amount described in the Investment Statement will depend on the nature of the fund, for example, offers with shorter than average terms may attract less brokerage. Brokerage may be rebated in certain circumstances such as customised deals.

### Unit values

#### *Hold-to-maturity values*

Hold-to-maturity values are published on the Liontamer website for all trusts within 10 business days after the end of each month. The first valuation for each new trust will be provided after one full month from the issue date of the relevant fund. These will be the prevailing hold-to-maturity values and you will not receive specific notice of changes. It will be your responsibility to check the Liontamer website regularly and at least monthly.

The hold-to-maturity values are not available for early exits (as described below).

#### *Values prior to maturity*

The value of units prior to the capital protection maturity date is a maximum of \$1, less a 2% exit fee and any break costs involved in selling the investments held by the fund. Based on the restrictions imposed on the transferability of the units, a reasonable view is that the 'market value' of each unit can be determined and it will not exceed \$1.00 before the units are repaid.

#### *Quarterly early exits*

Early exits are possible from all Liontamer funds. These have been standardised to occur quarterly, at the end of January, April, July and October. The early exit fee has also been standardised to a flat 2% for all funds (previously up to 3%). The maximum price at which an investor can exit prior to maturity, (unless there are exceptional circumstances, as described below) is \$1 per unit, less a 2% early exit fee and any break costs in relation to the investments held by the fund.

#### *Exceptional circumstances*

If an investor wishes to exit from the fund and there are exceptional circumstances (in Liontamer's view), it may be possible to exit at a unit price which is higher than \$1 per unit (at Liontamer's discretion). Examples of exceptional circumstances would include death, serious illness or serious financial hardship. In this situation, you will need to direct the person requesting the exit to provide details of the circumstances in writing.

See Liontamer's website for further explanation of early exit terms and hold-to-maturity and early exit values.

#### *General*

If one of your clients requests an updated unit value from you, you must inform the client of the values prior to maturity and hold-to-maturity values as described above as soon as possible and in any event within two business days of the client's request.

All attempts are made to state the correct unit values that apply to the various funds. If Liontamer misstates a unit value (either because Liontamer has made an unintentional error or because a third party has misstated the amount), Liontamer reserves the right to correct the unit value by publishing the correct value on its website.

## Transfers

Transfers are only possible between immediate family members or between family trusts and their beneficiaries and can only take place at a maximum value of \$1.

## Exclusive Deals and Underwriting

Liontamer may from time to time enter into exclusive deals with intermediaries on terms acceptable to both parties and recorded in a fee or underwriting agreement depending on the circumstances.

## Annual unitholders' meeting

Liontamer has obtained an exemption from the requirement to hold an annual unitholders' meeting.

## Secondary transaction market rules

Due to the restricted transferability of units, there is no secondary market.

## Information

### General

You agree that you will not make any representations or give any warranties or make any untrue statements or misrepresentations regarding Liontamer or its products.

### Publications

You agree that you will not issue, distribute or publish any advertising or marketing material or any other publication (including internet publications) by any means whatsoever in relation to Liontamer's products (a "Publication") unless the Publication meets the following criteria. The Publication must:

1. Not be likely to deceive, mislead or confuse with regard to any particular that is material to the offer of securities to which it relates, including by omission, and must include any explanations necessary to avoid the Publication being likely to deceive, mislead or confuse;
2. Refer to, if it includes reference to a specific Liontamer product which is in its offer period, the relevant Investment Statement including an explanation of where the Investment Statement can be obtained from;
3. Comply with the relevant provisions of the Securities Act 1978 in relation to advertisements and any other relevant legislation including the Fair Trading Act 1986;
4. Include, if it refers to an investment bank, wording to the following effect "Although [XYZ investment bank] is legally liable to repay the investments owned by the trust and all returns on those investments, neither [XYZ investment bank] nor any other entity guarantees the repayment of units or any returns on the units, nor accepts any other liabilities to unitholders.";
5. Include, if it uses the term "capital protection", wording to the following effect "Capital protection means that at maturity you will receive back [100 or relevant percentage if less than 100]% of the combined amount invested and early bird interest (earned during the offer period) less any entry fee charged (3%) and any exit fee";
6. Include, if it refers to averaging an index, wording to the following effect, "The [initial/final] index level is averaged in the [insert averaging period(s) i.e. first/last 6/12 months] of the investment period. Averaging smoothes out fluctuations and protects against sharp falls at the end of the investment period. Please note that averaging will protect in a falling market but reduce the return in a rising market."; and
7. Include, if it refers to a specific Liontamer product which is in its offer period, all key disclosure from the relevant Liontamer fact sheet.

## Prior written consent

Liontamer prefers to obtain its own legal advice in relation to all Publications. We recommend that prior to distribution of any Publication, you provide the Publication to Liontamer for legal review following which, provided the Publication, in Liontamer's discretion, complies with all relevant legislation, Liontamer will provide written consent to its distribution.

## No liability

Liontamer will not be liable to you or to any other person for any costs, expenses damages or loss (whether direct, indirect, consequential, special or loss of profits) arising directly or in directly from any failure by you to comply with the requirements in this 'Information' section and you agree that you will indemnify Liontamer, its officers and employees against all such loss.

## Confidential Information

You shall at all times keep in strict confidence all documentation and information provided by Liontamer to you relating to Liontamer or investments in Liontamer units which is of a confidential nature and shall not disclose the same (except as may be required by law) other than to those of your employees who need to know the same, without Liontamer's prior written approval. Similarly, you shall not provide any information which is of a confidential nature to any third party (other than Liontamer's registrar, Link Market Services Limited) without Liontamer's prior written approval.

## Set-off

Liontamer is entitled to withhold any amounts it owes to you against any amounts you owe to Liontamer at any time under any arrangement and may apply such amounts in reduction of your liability to Liontamer.

## Relationship

The relationship between you and Liontamer is that of independent contractors. Nothing in these terms and conditions constitutes you as an employee, agent or partner of, or joint venturer with Liontamer and, except as expressly provided in these terms and conditions, you are not, and will not represent or hold yourself out as, authorised to pledge the credit of Liontamer or to bind Liontamer in any way whatsoever. You will ensure that all of your clients and other third parties dealing with you in relation to investments in units are aware of the nature of the relationship between you and Liontamer pursuant to these terms and conditions.

You shall be responsible for bearing all costs and expenses incurred by you in relation to investments in units.



## Communications between Lontamer, you and your clients

You agree to continue to service those of your clients who hold Lontamer investments for the life of the relevant Lontamer investment unless your contract with a client has been cancelled and you advise Lontamer in writing. This means you are responsible for initial and ongoing communication with your clients about each relevant Lontamer investment. Examples include, but are not limited to:

- providing valuation information in response to client requests;
- answering questions about Lontamer investment features and/or performance;
- providing ongoing advice about whether to continue to hold or sell the relevant investment where there is a full advice relationship with the client;
- where the relationship with the client is limited, i.e. generic or execution only, continuing to provide ongoing factual information about the investment on request from the client;
- handling complaints and liaising with Lontamer and the client regarding these; and
- pro-actively following up with clients whose funds are maturing in order to obtain maturity instructions.

You also agree to update Lontamer if you change firms and to advise which of your Lontamer invested clients remain on your client list.

Lontamer agrees to:

- provide adequate information to you to enable communication with your clients;
- provide monthly valuations on our website;
- provide an annual list of unit prices to Lontamer investors with annual distribution certificates;
- provide a fund fact sheet about new funds to each investor who has been approved for mailing by their intermediary;
- write to clients prior to maturity to offer a rollover fund and/or to provide instructions in relation to options for exiting a fund;
- forward any complaints sent by your clients directly to Lontamer to you, so that communication can occur directly between you and your client;
- redirect general enquiries from your clients in relation to investments, performance issues, taxation and similar, to you; and
- advise you, where we have your up to date contact details, of any early exit requests sent directly to us.

Lontamer will not provide individual or generic advice to investors on performance issues. This is a matter for intermediaries and their clients to decide.

## Suitability of capital protected funds

Lontamer funds are hold-to-maturity investments and you must communicate this to clients and ensure clients have other adequate liquid funds to cope with unexpected events. In addition, you should use best endeavours to ensure your clients:

- can afford to invest; and
- have a widely diversified portfolio and do not have excessive amounts invested in one Lontamer fund, relative to the portfolio size. A simple test of this is that a non-performance issue of a Lontamer fund should not have a material impact on a client's financial well-being.

If advice is limited to generic or execution only, you should ensure that clients are aware they are making the above decisions themselves.

## Compliance

You shall comply at all times with all applicable laws, statutes, regulations and codes of practice applicable to you in relation to investments in units in any relevant jurisdiction and shall also comply with all reasonable requirements of Lontamer.

Where you are required to be licensed, registered or otherwise in compliance with any regulatory requirements in any jurisdiction, you undertake to maintain the same at all times.

In relation to investments in units, you will not do any illegal act or act in any way which may cause damage to the reputation of Lontamer or the units.

## Limitation of liability

Except where statute expressly requires otherwise or where Lontamer has been grossly negligent, fraudulent or dishonest, under no circumstances will Lontamer or Lontamer's officers, employees, contractors or agents, be liable in contract, tort (including negligence), or otherwise to compensate you or any other person for any loss, injury or damage (whether direct, indirect, consequential, special or loss of profits) arising directly or indirectly from the breach of any provisions of these terms and conditions or arising from any errors or omissions in the information, including information relating to unit prices, published on the Lontamer website or from any negligence, misrepresentation or other act or omission on the part of Lontamer, its employees, contractors and agents.

If for any reason, notwithstanding the paragraph above, Lontamer or its officers, employees, contractors and/or agents are liable to you in contract, tort or otherwise, the combined maximum liability of Lontamer and Lontamer's officers, employees, contractors and agents to you in any 12 month period will be limited to the lesser of the amount of brokerage payable over the previous 12 month period from the time the liability arises or NZ\$10,000 (whether such liability arises out of or is related to Lontamer's obligations under these terms and conditions or any other arrangements between you and Lontamer).

Lontamer makes no representation as to the suitability of investments in units and accepts no liability or responsibility in respect of any failure by you or any other person to take into account consideration of particular investment needs, objectives, financial circumstances or professional advice.

## Termination of relationship

Lontamer shall be entitled in its sole discretion to terminate the relationship between you and Lontamer for any reason whatsoever without liability upon written notice to you at any time.

If Lontamer terminates the relationship for any reason you will not be entitled to offer any new Lontamer products to your clients.

If the relationship is terminated as a result of, in the opinion of Lontamer, fault on your part such as breach of these terms, wilful default or negligence, Lontamer will no longer communicate with you and will liaise directly with those of your clients who remain Lontamer investors in relation to those clients' Lontamer investments until maturity of each relevant investment.

If the relationship is terminated for any other reason, the relationship between you and Lontamer will continue in respect of the existing Lontamer investments of your clients.



### **Dispute resolution**

Any disagreement regarding any aspect of these terms and conditions will be resolved by negotiation in the first instance after which, if unsuccessful after a period of 20 business days from the dispute first being identified in a notice from one party to the other, may be referred, by either party, to mediation by a single mediator selected by the parties by agreement, or failing agreement, nominated by the Chairperson of LEADR New Zealand Incorporated.

Nothing in this section will preclude or prevent either party from taking immediate steps to seek urgent interlocutory relief before an appropriate Court or other forum in New Zealand.

### **Indemnity**

You indemnify Lontamer, its officers and employees against all costs, expenses, damages and loss incurred or suffered in connection with any claim brought by a third party against Lontamer arising from a breach by you of these terms and conditions or a violation of any rights of another party.

### **Governing law**

These terms and conditions are governed by New Zealand law and New Zealand courts have exclusive jurisdiction.

### **Force Majeure**

Lontamer shall not be liable for delay or failure to perform its obligations arising from circumstances in which the cause of the delay or failure is beyond its control.

### **No Waiver**

No waiver by Lontamer of any breach of these terms and conditions by you shall be considered as a waiver of any subsequent breach of the same.

### **Invalidity**

If any provision of these terms and conditions is held to be invalid or unenforceable in whole or in part the validity of the other provisions of these terms and conditions and the remainder of the provision in question shall not be affected thereby.

### **Consumer Guarantees Act**

Where the Consumer Guarantees Act 1993 applies, subject to the following paragraph, nothing in these terms and conditions limits or affects any rights and remedies under that Act.

You agree that where you are not a "consumer" as defined in section 2 of the Consumer Guarantees Act 1993, or where you are a consumer and you acquire or hold yourself out as acquiring, Lontamer's services, for the purposes of a business, the Consumer Guarantees Act 1993 will not apply.

### **General**

If you have any questions, concerns or complaints in relation to these terms and conditions please contact Lontamer by sending an email to [sean.butler@lontamer.com](mailto:sean.butler@lontamer.com) or by telephoning 0800 210 450. Further information is available on our website [www.lontamer.com](http://www.lontamer.com)

**SIGNED** for and on behalf Liontamer Investment Management Pty Limited by:

**Laetitia Peterson**  
Managing Director

**Janine Starks**  
Director

**SIGNED** for and on behalf of \_\_\_\_\_ by: \_\_\_\_\_  
(Print organisation name) (Signature)

\_\_\_\_\_  
Authorised Person (Print name of person authorised to contract on behalf of the organisation)

\_\_\_\_\_  
Position of authorised person Date

**Information about authorised person:**

Number of years experience in Financial Services:
Number of years with current employer:
Qualifications:
Do you belong to any industry bodies?

**These Terms and Conditions of Business apply to all advisers in your organisation. We require you to complete the following table as a condition of this arrangement between you and Liontamer:**

Number of advisers / brokers at today's date: (insert number)
What approximate percentage of your flows into Liontamer funds do you expect to be: a) Full personalised advice _____% b) Generic product advice _____% c) Execution only _____%
Are advisers / brokers required to belong to an industry body? <input type="checkbox"/> Yes <input type="checkbox"/> No (please tick appropriate box) Which organisations?
Method of supervision. For example, number of supervisors or managers. Is advice signed off? Is there a review system or peer review system in place? (describe)
Continuous professional development. What methods does your firm employ to ensure adviser knowledge stays current?