

Client money and property services disclosure

Effective date: 16/11/2021

The important disclosures in this document are made to ensure that you have sufficient information to make an informed decision about whether to use the services of Jarden Securities Limited (Jarden).

Jarden owns and operates the Jarden Direct platform and service. Therefore, throughout this document, we refer to services provided by Jarden (rather than Jarden Direct) and your client agreement (which comprises your personal information and your acceptance of Jarden's Terms & Conditions) is with Jarden rather than Jarden Direct.

NAME AND REGISTRATION NUMBER: JARDEN SECURITIES LIMITED, FSP3202 (JARDEN)

Address: Level 14, 171 Featherston Street, Wellington 6140

Telephone Number: 04-474-4400

This disclosure statement was prepared on: 16 November 2021

Procedures for dealing with client money and client property

Custody Service

Where you do not wish to hold securities in your own name and have elected to receive the Safe Custody and Nominee Service (see clause 9 (Safe Custody and Nominee Service of the Jarden client agreement), Jarden will register and hold securities on your behalf in the name of Jarden Custodial Services Limited as bare trustee (Custodian) and/or any appointed sub-custodians. Currently, all securities in custody are held by sub-custodians: FNZ Custodians Limited for securities issued in New Zealand, and Citibank N.A for securities issued in the rest of the world. Written terms and conditions in the Jarden client agreement apply to this service.

Investment money received from you or on your behalf will be held by Jarden in a Client Funds Account on trust on your behalf, unless and until it is disbursed to settle transactions on your behalf or otherwise distributed in accordance with your instructions.

Jarden administers assets belonging to clients in a fiduciary capacity. This is a key area of regulation under the Financial Markets Conduct Act 2013 (the "Act") and the NZX Limited ("NZX") Participant Rules (the "Rules"). The main purpose of client money and property conduct obligations under the Act and the Rules is to ensure

that Jarden accounts for, and safeguards, client assets at all times. The Act and the Rules dictate a high standard of custodianship and associated record keeping. Jarden will not use money, securities or other property held on your behalf for the benefit of itself or any other person. Therefore, in the unlikely event of Jarden's default or insolvency, client assets will be protected from the claims of general creditors and, in the case of client money, from any right of set-off by the bank providing the Client Funds Account in which the client money is held. The internal controls that govern the receipt, holding and disbursement of client assets are subject to audit by external auditors and internal compliance checks.

Where securities are registered and held on your behalf in our custody service, FNZ Custodians Limited, as a sub-custodian and administration agent for the Custodian, will carry out the following functions on behalf of Jarden:

- Administering and accounting for the securities;
- Claiming dividends and interest payments;
- Exercising conversion and subscription rights on your instruction;
- Dealing with takeovers and other offers or capital re-organisations on your instruction;
- Producing a statement of holdings for you at least every three months;
- Producing an annual tax statement for you.

Note: dividend advice notes, other income distribution advices, corporate action advice notes, custody holding statements and annual tax statements will be produced by FNZ Custodians Limited on behalf of Jarden and sent to you by Jarden.

General

By instructing Jarden, at any stage, to acquire securities, you agree that where you fail to pay the amount necessary to settle that transaction, Jarden and/or the Custodian (including any sub-custodian) may:

- Charge interest on the amount owing; and/or
- Set off the amount owing (with any interest charged) against a credit balance in your account, offset any payment against a credit balance held on your behalf in a cash management account or term deposit; and/or
- Sell securities (including any securities held on your behalf in the safe custody service) and set off the amount owing (plus any interest charged) against the sale proceeds.

Cash Management Facility

On request, Jarden will administer funds held on your behalf in a pooled client funds cash management account with ANZ Bank New Zealand Limited (or any successor or other registered bank in New Zealand or elsewhere), in accordance with regulatory requirements.

Establishment or account fees are not charged to clients for the (multi-currency) cash management facility. Instead, the interest paid to you on money held on your behalf in the cash management account incorporates a margin deducted and retained by Jarden by way of mark-down from the rate of interest that is paid by the bank to us as the holder of the cash management account. The margin taken is the difference between the rate of interest we pay to you and the rate of interest we receive from time to time. The rate of interest we pay to you will depend in part on the amount you hold on deposit and the rate of interest that applies to that tier amount. Generally, the smaller the amount deposited, the lower the rate of interest that is paid. For example, the lowest rate paid to clients might be 1.25% pa gross, and the highest might be 3% pa gross, on the amount deposited. Accordingly, the margin earned by Jarden will typically be greater on smaller sized deposits and smaller on deposits of a larger size, however that may vary from time to time.

The cash management facility includes provision of a monthly transaction statement, an annual tax statement (for use with your tax return) and, subject to standard settlement instructions, the automatic settlement of transactions in securities on your account (by payment from the facility for purchases and deposit to the facility of sale proceeds) and the inclusion of the money balance(s) in portfolio reports.

Further details about this service are in section 7 of the Jarden client agreement (which includes informed consent by the client to deduct the margin described above).

Term Deposits

On request, Jarden will administer funds held on your behalf on term deposit in trust with, a registered bank in New Zealand or elsewhere, subject to compliance with the Act. Break fees may be charged if you wish to withdraw funds on term deposit before the maturity date, and early withdrawal is subject to approval of the deposit taker. Typically, the minimum break fee amount stipulated by a deposit taker is at least \$100. We may charge a margin on the interest paid to you on money so held or arranged on your behalf on term deposit. The margin charged by Jarden will be a minimum of \$40 and may be applied as either a basis points charge or as a set flat fee. For example, the charge on a \$25,000 deposit might be a minimum of \$50. The deposit details including the gross interest rate paid to the depositor, deposit face value and date, maturity date and any brokerage and break fees will be shown on the term deposit confirmation note.

Sections 3.18 – 3.22 (Payment by You), 3.24 – 3.25 (Delivery of Securities by You), 7 (Cash Management Facility), 7A (Depository Accounts), and 9 (Safe Custody and Nominee Service) of the Jarden client agreement set out the full terms that apply to the receipt, handling and holding of client money and client property on behalf of clients.

Other Interests, Relationships and Associations

Information about Jarden's conflicts of interests, and remuneration provided by third parties in relation to providing our services, and how we go about managing any conflicts of interest we have, is available [here](https://www.jarden.co.nz/our-services/wealth-management/financial-advice-provider-disclosure-statement/) : <https://www.jarden.co.nz/our-services/wealth-management/financial-advice-provider-disclosure-statement/>

Fees and Charges

What fees will you be charged by Jarden for the broker services provided to you?

Depending on the nature of the services required by you, Jarden, through the operation of Jarden Direct, will charge fees for the administration of portfolios and the safekeeping of assets held in custody for you. These fees and charges are available here:

<https://www.jardendirect.co.nz/pricing>

<https://www.directbroking.co.nz/directtrade/static/ourrates.aspx>

Complaints and disputes resolution process

In the event that you are dissatisfied with our client money or property services and wish to make a complaint, please refer to our complaints and disputes resolution process in our [terms and conditions](#)