

Class Service Agreement

Chris Lee & Partners (CLP) provides *Class Services (Financial Advice)* to clients subject to an annual fee of \$495 plus GST. (Brokerage may occur on transactions). If you wish to receive *Class Service* advice please read the following, then sign and return this agreement to us.

Financial advice is defined by the Financial Advisers Act (FAA) as 'A person gives financial advice if they make a recommendation or give an opinion in relation to acquiring or disposing of (including refraining from acquiring or disposing of) a financial product.'

We will provide the following services for our Class Service clients:

- *Financial Advice* (defined above);
- Access to all new investment offerings;
- Buying and selling of all securities (shares, stocks, bonds, notes, preference shares, convertible notes etc);
- providing information (for example, the cost or terms and conditions of financial products);
- Free client appointments and Free twice weekly newsletters (email or website www.chrislee.co.nz);
- Administrative assistance (processing investments; assistance with registry information etc);
- Access to our restricted web page and printed newsletters for clients receiving a *Financial Advice* service only;
- Retention of CSN and encrypted FIN numbers to ensure smooth transactions (clients can opt out of this service);

A *Class Service* allows a financial adviser to provide *Financial Advice* without the requirement of a full suitability analysis. We are obliged to highlight the limitations of a *Class Service*, specifically that requirements of Code Standard 8 and 9 (suitability analysis, basis of service) will not be applied. To be clear, this means CLP will never provide a *Personalised Service* to a client who chooses a *Class Service* and thus the *Financial Advice* will not factor in their personal financial situation and goals (any one, or more, of them), or be based on personal financial knowledge that we may hold.

Please note that a *Personalised Service* is available to clients, following suitability analysis and payment of an annual fee (currently \$1,250 plus GST). A copy of the Code of Professional Conduct is available on our website.

We recommend that you review your investments regularly. We are happy to assist, when asked. We encourage you to read our website articles and quarterly printed newsletters as part of your review process.

I instruct Chris Lee & Partners, plus its AFA staff, to provide me with *Class Service* advice and relieve them of the obligation to determine the suitability of the Financial Adviser Service provided, as described in the Code. I acknowledge the advantages available to me under a *Personalised Service* and confirm that explanation under Code Standard 9 (basis of service) is not required. I further acknowledge that if I do not pay a service fee, when due, that my service level will be recognised as a Broker Service from that point.

I understand that all investment involves the risk of loss and that there is a relationship between risk and reward.

I confirm that I have received, and understand, your Primary and Secondary disclosure statements. I understand the scope and basis of business on offer.

**Payment of \$569.25 has been arranged to Chris Lee & Partners (ANZ 01-0731-0182987-00)
(A receipt will be forwarded upon receipt of payment. This fee may be tax deductible)**

Name of Client: _____

Address: _____

Email: _____

Date: _____

Signed: _____

Class Service Definitions

These definitions that may evolve over time:

- a) Retired, seeking reliable income streams, low and medium risk investments, NZ Dollar only, spread of maturities.
- b) Retired primarily seeking diversification, NZD, low or minimal risk.
- c) Retired, seeking defined income, then growth, from low and medium-risk NZD investments.
- d) Retired, seeking some growth from AUD and NZD equities. Accept market risks.
- e) High earners, seek diversified, aggressive growth strategy.
- f) Beneficiary seeking tax-paid investments that do not affect benefits.
- g) Trust seeking income from investments with low risk.
- h) Trust seeking growth.

Broad definitions of risk

Minimal Risk

NZ government stock, local authority stock, bank deposits. NZD.

For example: Kiwibonds, Auckland City Council stock, deposits with major banks.

Low-Risk

NZD securities rated A minus or higher by the rating agencies, issued by established NZ or Australian based organizations. (For example: senior bonds issued by Auckland Airport.)

Low – Medium Risk

NZD securities rated investment grade by the rating agencies. (For example: senior bonds issued by Contact Energy, assets part or fully owned by the Crown.)

Medium-Risk

Any securities issued by companies with NZX or ASX listings that have a 5-yr or longer history of meeting all obligations. (Debt securities, Shares, Property Trusts)

Medium-High Risk

Any other NZX or ASX listed securities.

High Risk

Unlisted securities, private companies, derivatives, currencies, commodities, distressed listed securities.