

TRUST ACCOUNT AND INVESTMENT PROCEDURES

1. **Payments to Simpson Western**

Investment funds and funds paid to enable Simpson Western to act for clients may be paid by way of cash or cheque or by electronic means. All payments should be made to "Simpson Western Trust Account" and cheques should be crossed "Not Transferable".

Receipts will be issued for cash payments, otherwise they will be issued upon request.

Payments may require bank clearance before Simpson Western pays out such funds. If you wish funds to be paid out on your behalf, or invested, immediately, then we require cleared funds to be paid to us.

2. **Funds Held in Trust**

All client funds received by Simpson Western will be held on trust with a registered bank and will be paid out in accordance with instructions received from our client.

Simpson Western maintains detailed records of all trust account and investment transactions made by the firm on behalf of clients. Simpson Western will provide statements and copies of client records to clients upon receipt of a written request. We reserve the right to charge a fee for this.

3. **Investment Authority**

A signed investment authority is required to be completed and signed by the client before Simpson Western may invest funds other than the investment of funds in an interest bearing call deposit account with a registered bank arranged by Simpson Western. Simpson Western will provide the client with a draft investment authority upon request.

Simpson Western's holding and disbursement of trust account and investment funds is audited by the New Zealand Law Society from time to time.

4. **Use of Client Investment Funds**

Simpson Western does not use client investment funds for its own benefit. It may, however:

- (a) Charge a fee of up to 5% of the gross interest earned on the funds placed in an interest bearing call deposit account with a registered bank, and
- (b) Make any other lawful set-off against or claim any lawful lien on all or part of the investment or trust account monies held in our trust account for any of a client's debts due to Simpson Western.

5. **Release of Funds by Written Authority**

At the end of the term of an investment, the investment proceeds will be banked into Simpson Western's trust account. Simpson Western will disburse the trust account funds to the client or in accordance with written instructions received from the client.

6. **Resident Withholding Tax**

If client funds are held on interest bearing deposit, Simpson Western is required to deduct Resident Withholding Tax (RWT) or Non-Resident Withholding Tax (NRWT) from the interest earned.

If you are a resident for New Zealand tax purposes and wish Simpson Western to deduct RWT at 19.5%, 33% or 38% please advise us of your New Zealand IRD number and elected RWT rate. If you do not provide Simpson Western with your IRD number we will be obliged to deduct RWT at 38% or the prevailing non-declaration rate in force at that time.

If you are exempt from paying RWT, please provide Simpson Western with a copy of your Certificate of Exemption for our records.

If you are a Non-Resident for New Zealand tax purposes, we will deduct Non-Resident Withholding Tax from you at the required rate of deduction provided you supply us with a physical overseas address.

Simpson Western will provide a detailed investment statement and a Resident Withholding Tax (RWT) Certificate where required, annually following the conclusion of each 31 March tax year.