

Valid from March 2020

LETTER OF ENGAGEMENT AND DISCLOSURE STATEMENTS

We confirm the booking you have made for our Wealth Planning financial advisory service. If you cannot make this meeting or do not want to go ahead with our advice for any reason, please let us know as soon as possible.

This letter sets out and confirms some of the details of how we work.

We confirm that the fee for this service will be \$4,300 plus GST.

Disclosures

Primary and Secondary disclosure documents are provided at the end of this document and it is important to read them.

Advice Format

The meeting is mostly about fact finding and trying to get the overall strategy right. More detailed advice can be sought later as required.

Following this meeting, Martin will write setting out his advice to you. This statement of advice will be in the form of a letter and we undertake that in normal circumstances, we will have this letter to you within ten days of the initial meeting, (if there is to be any variation of this time we will let you know).

Following the letter of advice, Martin will be available for up to 3 months to give clarification or provide any follow up advice that may be needed.

Payment for Services

An invoice for the service fee will be provided after receiving your Wealth Plan. Normally we would appreciate prompt payment of this invoice, however if this creates difficulties for you, please let us know and we will make other arrangements. Any on-going hourly rate costs incurred that are subsequent to the standard fee will be invoiced on a monthly basis.

Our policy

We always aim to take account of individual differences; however we do have a few policies that we stick to except in unusual circumstances:

- If you are in a relationship and your finances are combined, we like to see both partners together at the initial meeting. In our experience, to be financially successful both partners should be aligned and understand the goals they are working towards, as well as the strategy.
- If due to illness, injury or other emergency we cannot give our written statement of advice following the initial meeting, no fee will be charged.
- We charge only the fee that is quoted above and do not sell investments or insurance or take commissions from any other source.

- We may sometimes make referrals to other professionals. These referrals are made in good faith and although we can assist you to find a suitable adviser, we cannot guarantee the suitability nor the performance of any adviser. We will give advice and assistance but the choice of any adviser will be yours.
- We have no financial arrangements with any other party except for Summer KiwiSaver and Lifetime Income (please see secondary disclosure document).
- During the time that we are assisting you with the execution of the plan, we expect under normal circumstance to respond to any query within two working days. Leave, illness etc. may occasionally mean this is not possible.
- Our company policy is that existing clients will always take precedence over new clients and these existing clients will be responded to first.

Scope of Engagement

The service that we offer is primarily to create a financial and investment plan for you and to give direction for your life and finances. This involves:

Insurance:

Our aim is to consider whether you may need the service of a “risk adviser” – some people are over-insured and some under-insured. We seek to be able to tell you whether you are in either of these categories and if so, look for more specialist advice.

Wills and Succession:

If it is necessary, we will help make a plan for your wills and succession that can be implemented by a lawyer or trust company.

Investment:

We give advice regarding investment strategy and advise on the allocations that you should make to the main asset classes – our aim is to give you an investment plan that you can work to. We may also discuss with you markets that we believe to be overvalued or undervalued and ways to take advantage of the situation (tactical asset allocation). However, in most cases we cannot give advice on particular investments – i.e. we do not have sufficient research to be able to recommend the purchase or sale of specific investments. We do not sell investments and do not monitor client portfolios nor manage clients’ investment funds.

We do not personally manage your investments. If it transpires that you require professional investment management, we will provide assistance to find somebody suitable. You may go through their own comprehensive fact finding and risk profiling procedures before they can accept you as a client. While there will be some repetition, these procedures provide a safeguard that the investments selected are appropriate for your situation, goals and objectives, ensuring there is no confusion between my recommendations and their own.

Debt Management:

We can give advice regarding the structuring and management of debt and can assist in identifying the most suitable lender.

Budget:

We can give advice regarding budgeting.

Some people do not require advice in all areas of finance.

Privacy

We are sure that you expect us to protect your privacy and to keep the information that we gather about you confidential. However, there may be times when the financial regulator asks to see files and so permission is hereby granted by the client for our files to be reviewed by the Financial Regulator or external compliance personnel, as part of the advisers' requirements to meet the regulations and maintain industry best practices.

We are very aware of the importance of keeping confidences and do all that we can to do this and have the following policies and procedures:

- All files – electronic and hard copy – are kept in our possession and only copied or passed to others with your express approval.
- We do not divulge the names of clients without your express approval.
- Staff members/contractors have signed confidentiality notices.
- We do not use testimonials in our marketing.
- All emails have privacy notices with a request to delete if erroneously sent to the wrong address.
- All computers are protected with passwords.

Preparation for Wealth Planning

The Initial Meeting for Wealth Planning is likely to take 2 hours whether that is in-person or on Skype. It is really helpful if you have made some preparations before this meeting, as this helps us to make decisions and agree the path forward.

The process works by establishing your current position, agreeing on what the future position should be and then developing a plan for how to get there. We will look at your existing asset allocation and at any changes that might be necessary so that you have the right proportions of Wealth Creating Assets and Security Assets to achieve your goals.

Before the meeting:

1. Try to get some clarity as to what your dreams and goals for the future are.
2. Try to establish what your income and expenditure has been in the past.
3. Gather as much of the information that is set out below as you can.

At the initial meeting:

If applicable, it is helpful if you have the following information with you:

1. A schedule of what you own and what you owe.
2. Details of any property investments – value, mortgages, net rents, ownership entity (e.g. family trust .).
3. Details of other investments.
4. Income and expenditure figures.
5. Business accounts for the latest trading periods.
6. Business budgets.
7. Insurances.
8. Details of your wills.
9. Family trust details – trustees, beneficiaries, appointer and financial accounts.
10. Details of mortgages or other debts.

Please note that not everyone will need all of this information, nor do you necessarily need the actual documents (e.g. we do not usually need to see mortgage documents or trust documents). The important thing is that you know your existing position and we have reasonably accurate information.

We look forward to working with you and helping to map out your finances.

Baker Hawes Consultants Limited

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skype: martin.hawes52

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Primary Disclosure Statement (Authorised Financial Adviser)

Name and registration number of Authorised Financial Adviser: Martin Hawes FSP108466

Physical address: 38 Millhill Lane, Christchurch 8022, New Zealand

Trading name: Baker Hawes Consultants Ltd

Telephone number: 021 22 22 737

Email address: martin@martinhawes.com

This disclosure statement was prepared on: 31 March 2020

It is important that you read this document

This information will help you to choose a financial adviser that best suits your needs. It will also provide some useful information about the financial adviser that you choose.

In addition to the information that I must disclose to you in this statement, I must also disclose other information to you in a separate disclosure statement (or statements), including information about the types of services that I provide, the fees that I charge, and any actual or potential conflicts of interest. If I have not provided that information to you at the same time as I give you this statement, I must provide it to you as soon as I can.

What sort of adviser am I?

I am an Authorised Financial Adviser. This means I have been authorised by the Financial Markets Authority (the government agency that monitors financial advisers) to provide the financial adviser services described below.

How can I help you?

I have been authorised to provide you with financial adviser services of the following categories:

- Financial advice
- Investment planning services

When I do this, I will be able *to give you* advice and/or provide a service about:

- Financial products provided by only 1 organisation
- Financial products provided by a small number of organisations (2 to 5 organisations)
- Financial products provided by a broad range of organisations (more than 5 organisations).

How do I get paid for the services that I provide to you?

Payment type	Description
<input checked="" type="checkbox"/> Fees only	My services are only paid for by the fees that you pay. I do not receive payments from other people or organisations that might influence my advice.
<input type="checkbox"/> Fees	My services are paid for by the fees that you pay as well as in other ways.
<input type="checkbox"/> Commissions	There are situations in which I will be paid by other organisations. How much that payment will be depends on the decisions that you make.
<input type="checkbox"/> Extra payments from my employer/principal	I may receive extra payments from my employer/principal depending upon the decisions that you make.
<input type="checkbox"/> Non-financial benefits from other organisations	Other organisations may give me non-financial benefits depending on the decisions that you make.

I am required to tell you the specific fees, commissions, extra payments, and other benefits that I have received or will, or may, receive in relation to the services that I provide to you. I must tell you these things before I give you advice and/or provide a service or, if that is not practicable, as soon as practicable after I give you that advice and/or provide that service.

Please note that I am the Chair of the Summer KiwiSaver Investment Committee, a Director of Retirement Income Group Ltd and a Board member of the New Zealand Shareholders Association. I receive payments from both these organisations as outlined in the secondary disclosure document.

What are my obligations?

As an Authorised Financial Adviser, I must comply with the Code of Professional Conduct for Authorised Financial Advisers. I also have other obligations under the Financial Advisers Act 2008 (including regulations made under that Act) and under the general law.

What should you do if something goes wrong?

If you have a problem, concern, or complaint about any part of my service, please tell me so that I can try to fix the problem.

If we cannot agree on how to fix the issue you can contact Financial Dispute Resolution (FDR). This service will cost you nothing, and will help us resolve any disagreements.

You can contact Financial Dispute Resolution (FDR) at:

Address: Freepost 231075, PO Box 5730, Wellington 6145
Telephone number: 0504 337 337
Email address: info@drsl.co.nz

If you need to know more, where can you get more information?

If you have a question about anything in this disclosure statement or you would like to know anything more about me, please ask me. If you have a question about financial advisers generally, you can contact the Financial Markets Authority.

How am I regulated by the Government?

You can check that I am a registered financial services provider and an Authorised Financial Adviser at <http://www.fspr.govt.nz>

The Financial Markets Authority authorises and regulates financial advisers. Contact the Financial Markets Authority for more information, including financial tips and warnings.

You can report information or complain about my conduct to the Financial Markets Authority, but in the event of a disagreement, you may choose to first use the dispute resolution procedures described above (under **What should you do if something goes wrong?**).

Declaration

I, Martin Hawes, declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Signed: 

Date: 31 March 2020



Secondary Disclosure Statement (Authorised Financial Adviser)

Name and registration number of Authorised Financial Adviser: *Martin Hawes 108466*

Address:

Physical address: 38 Millhill Lane, Christchurch 8022, New Zealand

Trading name: Baker Hawes Consultants Ltd

Telephone number: 021 22 22 737

Email address: martin@martinhawes.com

This disclosure statement was prepared on: 31 March 2020

Services and products I provide

I provide the following types of financial adviser services:

1. Financial advice
2. Investment planning services

I provide financial adviser services in the following subject matters:

- Cash management and budgeting
- Retirement planning
- Investment planning
- Risk management
- General advice on asset protection and estate planning
- General advice on taxation relating to investments and insurance
- Debt management
- Property investments

Products

I provide 'financial adviser services' in relation to a wide range of financial products, including Investments (Property, shares, and deposits/bonds), Insurance, KiwiSaver and managed investment schemes, having regard to the following financial planning considerations:

- Goals
- Asset allocation
- Budgeting
- Insurance
- Tax efficiency
- Wills and Succession



Product providers used

I do not act as an intermediary to sell financial products offered by any particular product provider although I may at times make recommendations to buy or sell certain investments.

Fees payable by the client

A fee of \$4,300 plus GST is payable 30 days from invoice. This fee covers the initial meeting, a letter of my advice to you and up to 3 months of support for further queries..

Other interests and relationships

I am a Director and minor shareholder of Retirement Income Group Ltd. This is a company that markets and sells variable annuities in New Zealand. From time to time I may recommend variable annuities provided by Retirement Income Group Ltd to clients, which may indirectly benefit me through my relationship with Retirement Income Group Ltd.

I currently hold the role of chair of the Investment Committee for the Summer KiwiSaver Scheme, issued by Forsyth Barr Investment Management Ltd ('Forsyth Barr'), for which Baker Hawes Consultants Ltd receives a fixed fee payment each year. I may also receive a bonus from Forsyth Barr Investment Management Ltd if, on 30 September 2019 the funds invested in the Scheme exceed a certain threshold, in which case I stand to receive 0.5% of any excess of funds under management above that threshold. Neither I nor Baker Hawes Consultants Ltd receive any other remuneration or other reward from Forsyth Barr for providing financial adviser services, whether for my role as chair of the Summer KiwiSaver Scheme Investment Committee or otherwise.

I may from time to time express opinions or make recommendations in relation to the Summer KiwiSaver Scheme, but I will only ever do so objectively after considering independently generated analysis, and the possibility of me receiving a future bonus payment from Forsyth Barr does not influence any financial adviser services I provide. In all cases of a recommendation regarding the Summer KiwiSaver scheme, I will put my clients' interests first and ensure that the Summer KiwiSaver is suitable for them.

I am a member of the Board of the New Zealand Shareholders Association.

Neither I nor Baker Hawes Consultants Ltd are otherwise remunerated by any financial services provider for any recommendations I may make in relation to any services or products they may provide. Other than my roles with Retirement Income Group Ltd, and the Summer KiwiSaver Scheme outlined above, I do not currently hold any formal position with nor have any ownership interest in any other financial services provider whose services or products I may recommend or consider.

From time to time I provide speaking and writing services to financial services providers and will be remunerated for this.



Remuneration

I am remunerated as shareholder and director of Baker Hawes Consultants Limited primarily by drawings and shareholder salary. My company receives all client fees that are generated by me.

Referral fees

I do not accept referral fees.

Declaration

I, *Martin Hawes*, declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Signed: *Martin Hawes*

Date: 31 March 2020

