



KVB Kunlun
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13 September 2018

BROKER'S DISCLOSURE STATEMENT

KVB Kunlun Securities (NZ) Limited ("**KVB Securities**") has been operating since February 2017. It forms part of the KVB Kunlun Holdings Limited Group of Companies. KVB Securities provides securities dealing to retail investors, institutions, corporations and financial intermediaries.

KVB Securities is an NZX Advising Firm regulated in New Zealand by the New Zealand Exchange (NZX) and the Financial Market Authority.

1. ADVISER'S DISCLOSURE STATEMENT

To the extent that KVB Securities may agree in writing to give you advice, in accordance with clause 3.1 of Part A of Section 2 of KVB Securities Client Services Agreement, the following additional disclosures are also required under the Financial Advisers Act 2008:

(a) Types of products covered by KVB Securities advisory services

KVB Securities offers dealing in New Zealand and Australian securities through NZX and ASX.

As stated in clause 10.8 of Part A of Section 2 of KVB Securities Client Services Agreement, advice may only be given in respect of funds paid to KVB Securities for the purpose of investment.

(b) Pecuniary Interests

The advisory services of KVB Securities are provided by authorised personnel and are provided only for clients of KVB Securities. KVB Securities advisers may benefit by providing client advice where such advice leads to the Client giving KVB Securities orders for execution for which KVB Securities charges the Client fees. Advisers are not authorised to advise on securities where they have personal investments or interests without disclosing this fact to clients before providing such service.

(c) Professional Indemnity Insurance

KVB Securities carries professional indemnity insurance from Marsh (Hong Kong) Limited under a group policy for KVB Kunlun Financial Group Limited and its subsidiaries covering securities trading and dealing in leveraged Forex and CFDs. The policy is current for the period 1 June 2018 to 1 June 2019 and is renewed on an annual basis with leading insurance houses.

(d) Professional body

KVB Securities is a member of the NZX – NZX Advising Participant. KVB Kunlun New Zealand Ltd, its parent company is a member of the New Zealand Financial Markets Association.

1. CRIMINAL CONVICTIONS AND RELATED MATTERS

Pursuant to the Financial Advisers Act 2008, KVB Securities declares that during the 5 years preceding the date of giving investment advice or receiving investment money or investment property neither KVB Securities, its directors, principal officers, nor investment advisers have been:

- i) convicted of an offence against the Securities Markets Act 1988, the Securities Act 1978, Financial Advisers Act 2008, Financial Markets Conduct Act 2013 or a crime involving dishonesty (as defined in Section 2(1) of the New Zealand Crimes Act 1961); or
- ii) a director or principal officer of a body corporate at the time when that body corporate committed one of these offences; or
- iii) adjudicated bankrupt; or
- iv) prohibited by an Act or by a court from taking part in the management of a company or a business; or
- v) the subject of an adverse finding by a court or the FMA in any proceeding that has been taken against them in their professional capacity; or
- vi) expelled from or prohibited from becoming a member of any professional body.

At no time has KVB Securities ever been placed in statutory management or receivership.

In addition, if any staff at KVB Securities gives you investment advice, you should also receive an Adviser's Disclosure Statement setting out their relevant qualifications, experience as an investment adviser, absence of any criminal convictions and any fees that may be charged for the advice given (where applicable by law).

3. PROCEDURES FOR HANDLING MONEY AND PROPERTY

(a) How to pay money to KVB Securities

At present, client funds may be transferred to Client Account with KVB Securities the following way.

(i) Telegraphic Transfer

Client funds can be transferred directly to KVB Securities Client Bank Account shown below. Once the deposit has been made, the Client should forward a copy of the deposit/transfer slip to KVB Securities so that it can be recorded in the Client Account. Please note KVB Securities does not accept funds from any third parties, only from the client; likewise, KVB Securities does not make a payment to a third party on client's behalf.

Client fund account for KVB Securities New Zealand Limited

New Zealand Dollar – For Direct Credit to NZD Denominated Account

Beneficiary:	KVB Kunlun Securities (NZ) Ltd – Client Fund
Beneficiary Bank account:	02-0108-0368720-00
Beneficiary Bank name:	The Bank of New Zealand
SWIFT code:	BKNZLN22

Australian Dollar – For Direct Credit to AUD Denominated Account

Beneficiary:	KVB Kunlun Securities (NZ) Ltd – Client Fund
Beneficiary Bank account:	839696-0003
Beneficiary Bank name:	The Bank of New Zealand
SWIFT code:	BKNZLN22

US Dollar – For Direct Credit to USD Denominated Account

Beneficiary:	KVB Kunlun Securities (NZ) Ltd – Client Fund
Beneficiary Bank account:	839696-0000
Beneficiary Bank name:	The Bank of New Zealand
SWIFT code:	BKNZLN22

The above information is subject to change without prior notice. Please confirm bank account information with KVB representatives before you deposit.

(ii) Other currencies

Other currencies can be converted to the denominated currency through KVB Global Markets Limited. KVB Global Markets Limited is part of the KVB Kunlun Holdings Limited Group of Companies. KVB Securities will assist clients to exchange the funds and the denominated currency will be deposited to the segregated client bank account following conversion.

Cheque

Clients in New Zealand can provide NZD denominated cheques. Once the cheque has been cleared, KVB Securities will credit the amount to the denominated Client Account.

(iii) Cash

Cash is not accepted by KVB Securities.

(iv) Client property

Client property other than money may not be accepted without the Client first obtaining KVB Securities written approval. The authorisation letter will provide transfer instructions.

(b) Money and property held in segregated client bank accounts

Client money or property received by KVB Securities will be held in segregated client bank account(s) for the client, and will be so held until it is disbursed or distributed in accordance with the provisions of KVB Securities Client Services Agreement . KVB Securities does not operate a separate client trust account.

(c) Records

The following records that relate to client money and property are kept by KVB Securities:

- Books of accounts
- Client statements
- Client details
- Records of activities
- Instructions received from clients
- Trades executed
- Brokerage fees charged

Accounting and dealing records are kept for at least seven (7) years. The records of telephone and internet conversations may be kept for one (1) year. A request for a copy of any or all of the above records must be made to KVB Securities in writing, by way of a medium acceptable to KVB Securities such as mail or email. Clients will receive a copy of the records by mail or through an electronic medium. There is no charge for the issuance of duplicate statements forwarded by electronic medium. If, where applicable, original hard copies are required or if the Client requests a copy of any telephone conversation that KVB Securities is able to provide a copy of, KVB Securities will provide a quote for the reasonable costs incurred by it in providing that copy. Once the Client has accepted the quote, KVB Securities will duly provide the copy.

(d) Auditor

The records of client money and property received, held and disbursed or distributed, will be audited by the Compliance Reporter annually.

KVB Securities has appointed the following person to act as its Compliance Reporter:

PricewaterhouseCoopers**(e) Use of money or property**

The client consents to KVB Securities and any associate of KVB Securities earning interest, fees or commissions in connection with any of the client's deposits in the ordinary course of its business.

Money held on behalf of clients may be used as any related costs, charges, expenses or commissions relating to such trading activities, as per the relevant Client Services Agreement entered into by the client or in terms of the client's instruction.

It should be noted that pursuant to the staff dealing policies of KVB Securities, KVB Securities directors, employees, persons and associated entities may be allowed to trade on their own account.

In addition, the client's attention is drawn to the fact that when KVB Securities enters into a transaction for the client, KVB Securities and its associated entities or other persons connected with KVB Securities, may have a material interest in the transaction, contracts or services provided to the client that is in conflict with the interests of the client and the client agrees that KVB Securities and its associates or other persons connected to KVB Securities, shall not be obliged to account to the client for any resulting profit made. However, KVB Securities employees are required to comply with a policy of independence and disregard any such interest or conflict of interest when entering into a transaction for the client.

4. CREDIT INTEREST AND FEES CHARGED

(a) Credit Interest

KVB Securities does not pay interest to clients on their credit balances. This is subject to change by written notice from KVB Securities to the Client.

If KVB Securities did pay interest then KVB Securities is obliged to deduct withholding tax from the interest amounts paid to clients. The amount of interest credited to your account will therefore be the net amount after tax has been paid.

(b) Fees and Charges

Stock Transaction Charges Schedule

Market	Commission / Fees	Settlement Details	Returning Cash
New Zealand	SHARES: FNZC 0.70% (subject to a minimum of \$65) per order NZX/Clearing Fees Recovery \$10 per order	T + 2	T + 4
	NZ FIXED INTEREST: NZ Fixed interest 0.50% (\$65min) with NZD\$10 trade fee per order		
Australia	SHARES: FNZC 0.70% (subject to a minimum of \$65) per order ASX Agency Charge (<AU\$50,000) AU\$14.50 per order ASX Agency Charge (>AU\$50,000) AU\$14.50 per trade + 0.03% per order ASX CHESS Settlement Fee 0.0025% per order	T + 2	T + 4

(v) Introducing Broker Commissions

Clients who have been introduced to KVB Securities by another firm may be charged commissions by that other firm. These are not charged by KVB Securities and the other firm is responsible for disclosing these fees to their clients.

(vi) Currency Exchange Fees and transfer fees

Where a client deposits money to KVB Securities in a foreign currency or a currency other than the denominated currency, the bank may charge a fee on the inward payment or conversion however this fee is not charged by KVB and is out of KVB's control.

For foreign currency transfer on client's request, standard bank fee for Telegraphic Transfer charges apply. The charge is usually at US\$15 for each transfer.

(vii) Default Interest

In an Event of Default (as defined in clause 10 of part B of Section 2 of KVB Securities Client Services Agreement), interest may be charged on any unpaid amount at the Default Rate (as defined in clause 13.2(e) of Part A of Section 2).

5. ENQUIRIES, COMPLAINTS & DISPUTES

If any Client wishes to make enquiries about any of KVB Securities products or services, or wishes to raise a complaint, they should in the first instance, contact the Securities Sales Division (depending on the nature of the enquiry) using the contact details provided below.

KVB Kunlun Securities (NZ) Ltd
Level 10, Tower 1
205 Queen Street
PO Box 105438
Auckland
New Zealand
Phone: +64 9 3598999

KVB Securities endeavours to quickly and satisfactorily resolve the complaint, but in the event that the Client is not satisfied, they may address their complaint in writing to:

The Compliance Manager
KVB Kunlun Securities (NZ) Limited
Level 10, Tower 1
205 Queen Street
PO Box 105438
Auckland, New Zealand
Phone: +64 9 359 8988
complaint@kvbkunlun.com

Pursuant to the Financial Service Providers (Registration and Dispute Resolution) Act 2008, KVB is a member of Financial Dispute Resolution (FDR). If the Client is not satisfied with KVB Securities response to their complaint, they may refer the complaint to our External Dispute Resolution Scheme, by contacting:

Financial Dispute Resolution on Freephone 0508 337 337
Freepost 231075 PO Box 2272, Wellington 6140 Email:
enquiries@fdrs.org.nz
Web: www.fdr.org.nz

Australian clients please refer to the Financial Services Guide (FSG) for more information on KVB Kunlun Pty Ltd complaint resolution processes.