

DISCLOSURE STATEMENT

Prepared as at 1 July 2010 and current as at that date

NATURE OF THIS DOCUMENT

The important disclosures in this document are made for your protection, as required by the Securities Markets Act 1988 ("the Act") and the Securities Markets (Investment Advisers and Brokers) Regulations 2007. The disclosures are made to you on behalf of the firm of GLASGOW HARLEY and GLASGOW HARLEY SOLICITORS NOMINEE COMPANY LIMITED and the investment advisers who act for them (referred to in this document, jointly and severally, as "GLASGOW HARLEY").

NO CRIMINAL CONVICTIONS OR OTHER RELEVANT OFFENCES

GLASGOW HARLEY and any other principal officers (as defined in the Act) have not been convicted of any offence against the Act or the Securities Act 1978 or of a crime involving dishonesty, nor been a director or principal officer of a body corporate at the time the body corporate committed any such crime or offence, nor been adjudged bankrupt, nor prohibited by law or a Court from taking part in the management of a company or business, nor been the subject of an adverse finding by a court in any proceedings taken against them in their respective professional capacities, nor been expelled from or prohibited from being a member of a professional body, and are not otherwise affected by any other matter, that is required to be disclosed to you prior to giving you investment advice or receiving from you any investment money or property.

NO STATUTORY MANAGEMENT OR RECEIVERSHIP

GLASGOW HARLEY has never been placed in statutory management or receivership.

PROCEDURES FOR DEALING WITH INVESTMENT MONEY OR INVESTMENT PROPERTY

GLASGOW HARLEY holds and administers assets belonging to clients in a fiduciary capacity. This is a critical area of regulation under the control of the New Zealand Law Society to ensure GLASGOW HARLEY observes at all times its statutory and regulatory responsibilities. The controls imposed by the New Zealand Law Society dictate a very high standard of record keeping, custodianship, and conduct reflecting the position of trust under which GLASGOW HARLEY holds assets and administers the affairs of its clients.

Moneys held on trust for clients will at all times be maintained in designated trust accounts separate from the affairs of GLASGOW HARLEY and its principals.

GLASGOW HARLEY operates with strict and robust internal controls which are subject to monthly reports to the New Zealand Law Society and periodic review by the Inspectorate of the New Zealand Law Society, as part of its Financial Assurance Scheme, but its activities are not subject to external audit.

Investment money held on behalf of clients will be held by GLASGOW HARLEY in trust until paid or transferred in accordance with a client's instructions or invested. Unless specifically directed otherwise GLASGOW HARLEY will hold client funds either:

- (a) In GLASGOW HARLEY's trust account with a registered bank (currently Westpac) which bears no interest; or
- (b) In an "on call" account with a registered bank (currently Westpac) through a multiple deposit scheme in the name of the client which is interest bearing; or
- (c) Where authorised by the client in contributory mortgage securities administered by GLASGOW HARLEY SOLICITORS NOMINEE COMPANY LIMITED as bare trustee pursuant to a specific authority completed by investor clients prior to investment and conducted in accordance with the statutory and regulatory provisions applicable to Solicitor's Nominee Companies and Contributory Mortgages.

RECORD KEEPING

GLASGOW HARLEY keeps a full set of accounting records showing the receipt and payment of all monies and an inventory of any other assets held by GLASGOW HARLEY on behalf of clients. A client may request details of their transactions at any time. All accounting records are held for at least 7 years with most of those records being held on site. Requests for the more historical information may take a few days to satisfy.

SETTLEMENT OF TRANSACTIONS

All payments to and by GLASGOW HARLEY will, unless other specific arrangements in writing are made be paid or payable to either:-

- a) GLASGOW HARLEY Trust Account by cheque (crossed "not transferable – a/c payee only") mailed or delivered to our office at:-
Level 1, Clifford House
38 Halifax Street, P O Box 138
Nelson
- b) Or alternatively deposited to our trust account:-
GLASGOW HARLEY Trust Account Westpac Bank, Trafalgar Street, Nelson - a/c No. 03703-0441160-02 with a fax confirmation confirming the deposit to be sent to GLASGOW HARLEY on fax No. 03 546 9355 at the time of transfer or deposit.
- c) Payments by GLASGOW HARLEY will be made by trust account cheque or by direct credit to a bank account nominated by the client or as otherwise directed by the client in writing.

INVESTMENT FEES AND COMMISSION

In respect of the administration of the "on call" multiple deposit scheme GLASGOW HARLEY charges a commission of 7.5% of interest earned on those deposits deducted at the date the interest is credited to client accounts.

In respect of the contributory mortgage securities administered by GLASGOW HARLEY SOLICITORS NOMINEE COMPANY LIMITED investor clients are charged a fee equivalent to 1% per annum of the capital sum invested deducted from an interest payments as those are credited to client accounts.

The fees above are the usual and maximum fees charged by GLASGOW HARLEY for the call deposit and Nominee Company mortgage services it provides. GLASGOW HARLEY reserves the right to negotiate specific fee and/or commission rates with individual clients.

PRINCIPALS OF GLASGOW HARLEY ("Our Partners")

The principals of GLASGOW HARLEY are the only parties authorised by GLASGOW HARLEY to administer investments in the contributory mortgage scheme operated by GLASGOW HARLEY SOLICITORS NOMINEE COMPANY LIMITED the details of each of the principals experience and qualifications is set out below.

PROFESSIONAL MEMBERSHIP, QUALIFICATIONS AND EXPERIENCE

Each of Our Partners is a member of the New Zealand Law Society and holds a practicing certificate entitling them to practice as a Barrister and as a Solicitor until 30 June 2011.

Name of Principal	Qualification	Admission as Barrister & Solicitor	Post Admission experience as Barrister & Solicitor
Brian James Maurice Nelson	LL.B (Hons) - 1973	1973	38 years
David Antony Earle	LL.B - 1975	1975	34 years
Susan Ritchie	LL.B - 1980	1981	30 years
Alexander James Jeremy Glasgow	LL.B - 1974	1981	29 years
Timothy Baskville Harley	LL.B - 1977	1993	17 years

Our Partners have all gained their professional experience as Barristers and Solicitors in the firm of GLASGOW HARLEY and in the predecessor firms of Glasgow Son & Tidswell and Fell & Harley.

Tim Harley in addition to experience with GLASGOW HARLEY and Fell & Harley was employed by the New Zealand subsidiary operations of Barclays Bank (from 1977 to 1982) and at National Westminster Bank (1982 to 1988). In those roles Tim had an extensive exposure to and involvement in investment and banking transactions both domestically and internationally.

Further information regarding the Principals can be found on the GLASGOW HARLEY website – www.glasgow-harley.co.nz.

Whilst in the ordinary course of their professional business lawyers are involved as trustees, executors and in other roles dealing with the investment of monies it is not part of the practice of GLASGOW HARLEY to give investment advice per se other than as to investment in the multiple deposit call account arrangement operated by the firm and in contributory mortgages administered by GLASGOW HARLEY SOLICITORS NOMINEE COMPANY LIMITED.

PROFESSIONAL INDEMNITY INSURANCE

GLASGOW HARLEY maintains professional indemnity insurance cover at a level that is appropriate for the nature and risks of its business. The interest insured is "Solicitors and Barristers Professional Indemnity Insurance" as per the insurer's Policy Document. The insurance is provided by a leading international insurer and is renewed annually.

DISPUTES RESOLUTION FACILITIES

In the event that you wish to make a complaint about our service, you should make your complaint in writing to any of the principals of GLASGOW HARLEY at the address shown below. We will let you know when we have received your complaint and will generally reply to your complaint within 10 business days. You also have the right to address your complaint to the New Zealand Law Society, Nelson Branch, P O Box 240, Nelson.

CONTACT DETAILS

Glasgow Harley
Clifford House
38 Halifax Street
Nelson
Phone 03 548 7129
Fax 03 546 9355
Email - enquiries@glasgow-harley.co.nz