

BASIS FOR CHARGING FEES

Planning Partners believe that the following guidelines are appropriate in setting professional fees. Firstly, the client must be informed upfront of the basis for fees being charged and sign off on this agreement. This should only occur where there is a clear articulation of the services that the client is entitled to, and the fee is commensurate with the effort, professional skill and value added by our Firm.

Secondly, where Planning Partners receives any remuneration from a third party, these are clearly disclosed and taken into account in the setting of the fee which is paid directly by the client.

Finally, the client has the right to cease their relationship with Planning Partners at their discretion. From this point forward, no further fees should be paid to our Firm.

FEES FOR INITIAL ADVICE AND PORTFOLIO IMPLEMENTATION

Our fees for the preparation of a financial plan (Statement of Advice) are based on an estimate of the time and technical expertise required to complete the assignment to our high standards. Before commencing work, we will provide you with a fixed quote to ensure that your expectations are met.

Our fee for the implementation of your portfolio is also based on a fixed quotation in accordance with the above guidelines and is presented to you in conjunction with your Statement of Advice. Please refer to the document titled 'Financial Advice Process' for further detail.

PLANNING PARTNERS FEES FOR ONGOING FINANCIAL ADVICE

For clients who elect to receive ongoing advice, we generally charge a fee based on a percentage of the funds under management, subject to a minimum annual dollar fee. This fee varies between 0.6% and 1% depending on the regularity of review meetings. Please refer to the document titled 'Our Review Service' for a detailed explanation of the advice and services which are provided under this agreement.

This method of charging generally allows for tax-deductibility as the fee is directly related to the management of an income producing investment portfolio. Importantly, clients will not be charged a different fee by Planning Partners depending on the underlying investments chosen.

The percentage of Funds Under Management model is appropriate as it provides a direct relationship between the fee being charged and the size of the portfolio. Clients with larger portfolios generally have a wider range of investments (including direct equities) and more complex tax structures and needs. This generally takes greater time and effort on behalf of our Firm and provides greater scope for us to add value. Having said this, we are able to negotiate a sliding fee scale for funds under advice which exceed \$2 million.

THIRD PARTY SERVICES AND FEES

Planning Partners engage third parties to provide services or products to clients. Most commonly, these involve administration platforms and fund managers. Each play an important role in the management of your portfolio in terms of administration and reporting (wrap accounts) and access to markets and investment expertise (fund managers).

As your Financial Planners, it is our responsibility to monitor the performance of these providers on your behalf to ensure that they continue to represent value for your situation.

FEES FOR INSURANCE ADVICE AND IMPLEMENTATIONS

Planning Partners receive commission from life insurance companies upon settlement of insurance policies. We believe that this is both a sensible and ethical mechanism for us to be paid for these services. The commissions which we receive from the life companies are fully disclosed and because we are paid in this manner, we do not bill clients directly for insurance advice or managing the underwriting or claims process.

