

Terms Of Engagement

A. Agreement

- i. These are Fundagroup Insurance Brokers Limited's ("Fundagroup", "we", "our", or "us") terms of engagement. If you do not agree with any aspect of these terms or have any questions regarding any part of this document, please notify us immediately. You are deemed to accept these terms of engagement in full upon receipt unless you notify us to the contrary in writing.
- ii. Any references to "you" in this document includes anyone else who you represent in engaging us. If you do not understand anything in this document or have any questions regarding any part of this document, please contact us.
- iii. As your insurance broker, we normally act as your representative regarding arranging insurance on your behalf. We will make recommendations and suggestions to you regarding potential insurers based on your requirements however the final choice of insurer will remain your responsibility.
- iv. You have requested a full review where you will disclose all your personal information to enable us to complete a full needs analysis to determine which products would be suitable to your current and future needs and goals.
- v. You acknowledge that we will be the only Financial Adviser acting on your behalf with gaining insurance products suitable to you / your business.
- vi. These terms apply until they are varied by agreement in writing between us, or until our appointment is cancelled. We may vary the services we provide you from time to time, on providing notice to you.
- vii. These terms are in addition to any other terms we may agree from time to time. In the event of any inconsistency between these terms and such additional terms, the additional terms will prevail over these terms.
- viii. You are aware that you are entering a 12 - month Insurance Contract. Either party can terminate the relationship by giving 30 days' notice in writing, in addition to other specific termination rights.
- ix. We provide advice to our clients on general insurance products, we help our clients protect their assets to minimise the financial impact to their lives and businesses when things go wrong. We advise on both domestic and commercial products, across various industries.

B. Services

- i. We are members of:
Steadfast Broker Group, who provide us with technology platforms, management, marketing, professional, technical, and buying benefits and services support.

Our services are limited to the provision of insurance broking, risk management and financial advice. Under no circumstances do we or will we act as an insurer. Nor do we provide safety inspections, valuations or advice on every potential hazard or threat to your business.

We can give you advice on:

Business Insurance	Vehicle / Fleet Insurance	Liability Insurance
Construction Insurance	Marine Insurance	Domestic Property
Heavy Vehicle Insurance	Professional Indemnity Insurance	Other General Fire & General Insurance Products

- ii. We are not restricted to using any particular insurer, this allows us to compare quotes to provide you the terms best suited to your needs.

We will generally recommend insurance products from insurers we or our broker group, Steadfast, have

arrangements with, as the negotiated terms are generally better. We will disclose these arrangements to you when making recommendations.

- iii. We will complete a needs analysis with you to understand your personal and/or business circumstances and make recommendations to provide you with adequate cover. Each year we will discuss changes and reassess your insurance cover.
- iv. What we don't advise on - We do not provide advice on medical or life insurance, or any other Financial Advice. We can refer you when you require advice on these products.

C. Remuneration and Fees

- i. We receive a commission from the Insurers we do business with when we arrange your insurance. The commission is a percentage of the premium (excluding government charges, levies and taxes). Some insurers provide higher commissions than others. The rate of commission can vary according to the type of insurance and cover provided and the way the transaction is arranged.
- ii. The brokerage we receive is in the range of 5 – 25% of the Insurer's base and earthquake premium.
- iii. We may charge you a service fee to enable us to deliver and maintain a high level of service. The actual broker revenue (brokerage and service fee) charged on an invoice will vary client by client / risk by risk basis.
- iv. Please contact us if you require a breakdown of the brokerage and service fee.
- v. Please note where in good faith substantial work has been completed towards obtaining Insurance Terms and the application has been withdrawn by you, the client, a consultation fee will be deemed payable and the amount will depend on the amount of work done by us.
- vi. Broker revenue is our main source of revenue and covers the cost of providing services to you including administration costs, claim management, and distribution functions such as annual renewal marketing and underwriting.
- vii. Broker revenue is also the income from which we cover all business overheads including staff, travel, IT, etc.
- viii. We reserve the right to retain in full all remuneration deemed earned even where an insurance policy is amended, terminated, or otherwise cancelled. Our remuneration is not conditional on the placement of an insurance policy being made, and we reserve the right to be remunerated for the work we have undertaken.
- ix. We sometimes attract business from referrals for which we may pay them a commission This will not result in any additional cost to you.
- x. We may also receive a commission for the placement of specialist services or insurance products for our client(s); if a referral is made to a specialist adviser.

D. Your Obligations

- i. Insurance is a contract of "utmost good faith", and it is a minimum requirement that you act honestly towards each other and not to mislead or withhold critical information from one another.
- ii. You are responsible for supplying us with all material facts relating to the insurance contract we arrange on your behalf.
- iii. Material facts are those that would influence an insurer when they are deciding whether to accept the risk and if accepted the terms and conditions that would apply. We remind you that any failure to disclose all material information to the insurer whether intentionally or by error, could result in impairment or voiding of the coverage from the date of inception of the contract.
- iv. If you are in any doubt about whether the information is material, and whether you must disclose it, or are not sure that the sums insured are adequate, you must let us know or contact us for guidance.
- v. You must provide accurate, complete, and timely information to us. You are solely responsible for all

information you provide in any proposal, claim form, or other material document. We are not responsible to verify the accuracy or completeness of any information you provide to us or any insurer.

- vi. We shall have no liability for any errors, deficiencies, or omissions in any Services provided to you, including the placement of insurance on your behalf that are based on inaccurate or incomplete information provided to us. You understand that the failure to provide all necessary information to an insurer whether intentional or in error, could result in the impairment or voiding of coverage.
- vii. If you want to vary any insurance e.g. by increasing the sum insured or adding other property, you must provide us with details of the changes you require in writing and any other information you need to disclose to insurers. Any adjustment to the premium will be advised to you.
- viii. You must advise us (or your insurers) as soon as is reasonably practicable of an event or circumstance that may give rise to a claim or potential claim under your insurance policy(ies). If you do not inform us (or your insurers) of such a claim or potential claim you may prejudice your rights under your insurance contracts.
- ix. If you fail to disclose or misrepresent any relevant information, this could invalidate your policy and mean that any claims under the policy may not be paid to you. You will be advised if you need to complete a claim form or produce documentation to support your claim.
- x. After receiving your insurance documents from us, you must check them and advise us promptly of anything that does not meet your requirements.
- xi. Your policy documents contain the terms of your cover (including applicable limits, sub-limits and deductibles) and impose various obligations on you. You must read these documents carefully to ensure that the cover suits your needs and that you understand and comply with your obligations under your policy(s). Failure to do this may result in uninsured losses. Please advise us immediately of any errors or anything you believe is not in accordance with your instructions or specifications.
- xii. If you have not received or have misplaced your insurance schedule, please ask for another copy as it sets out your important obligations in relation to your insurance policies.
- xiii. Any advice or product implementation provided as a resultant of the needs' analysis can only be as good as the information received from you, so we ask that you provide us with the information that is requested.
- xiv. While our recommendations will be made for your requirements, insurance products can have a number of exclusions that you should be aware of and you must read the policies carefully.
- xv. You are responsible for maintaining copies of your insurance policies, and any amendments to them, in a safe place. New documentation may not be issued every year and subject to any legal requirements after expiry or termination (whatever the reason) of our appointment as your insurance broker, we may not retain copies of policies placed on your behalf.

E. Payments

- i. We ensure continuity of your insurance cover, you must pay all premiums, our fee (if applicable) and other charges (including all taxes, fire and emergency levies and EQ cover premiums) within 30 days of the policy commencement and or renewal date, unless otherwise specified on your invoice.
- ii. You can pay by:
 - a) Instalment payment option which spreads your insurance costs over monthly instalments. Interest costs apply.
 - b) Direct Credit (Annual Payment) can be paid directly into our bank account.
- iii. It is your obligation to ensure that you pay your premiums and other necessary payments on time. Your policy may be terminated if you do not pay the premiums within the time periods notified to you by the insurer.
- iv. We endeavor to correctly determine the premium and statutory charges that apply to your insurance. However, occasionally errors can occur, for example, where we make an unintentional error or because a third party advises us of the incorrect amount. Please note that we retain the right to correct any such error(s) and you agree, to the extent permitted by law, not to hold us responsible for any loss

you may suffer resulting from the error and its correction.

v. What could happen if you fail to meet your:

Monthly instalments

- a) In the event of a default in payment and while the default continues you must pay the default interest charges. Default interest is sum of the Annual Interest Rate +5% per annum. Default interest will be charged on any overdue amounts payable from the due date until the relevant overdue amount is paid.
- b) Refer to your Finance Agreement for details.

vi. Annual Payment

In the event of non - receipt of payment within 45 days from the date of inception or renewal, your policy may be terminated or deemed cancel without any further notification. This may incur an administration costs payable by you.

vii. What you may have to pay if you cancel.

Should a contract be cancelled, we (creditor) can charge you:

- a) Full payment for the time the Insurance Risk is with us
- b) The amount of any reasonable expense that we had to pay in connection with the contract and its cancellation (including legal fees, fees for credit reports, debt recovery fee, etc., and Interest for the period on overdue amounts payable from the due date

F. Termination

- i. Either party can terminate this agreement by providing the other party one month's written notice of termination. Upon such termination notice being issued or received by us, at the end of the notice period we will cease providing you services and will:
 - a) withdraw from any negotiations in progress, including, without limitation, any claims or policy renewals;
 - b) pay any premiums we have received from you, but have not yet been disbursed, to your insurer unless agreed by the insurer in writing; and upon request, deliver to you copies of relevant correspondence we have had with your insurer in respect of any current claim.
- ii. If a contract of insurance is cancelled before the expiry of the period of insurance, we may refund the net premium we receive from your insurers(s). In no circumstances will we refund our fees, commissions or brokerage charged when the policy was arranged.
- iii. This agreement may be terminated with immediate effect by either party in the event of:
 - a) Insolvency of the other party; or
 - b) In respect of breach of any regulatory requirements, laws or rules.
- iv. We may terminate this agreement with immediate effect on dishonest or fraudulent acts or omissions committed by you, or behaviour that, in our opinion, is unreasonable or threatening.
- v. We will not cancel your contract of insurance without your written instruction. Some insurance contracts contain a non-cancellation clause or cancellation penalties which, for the avoidance of doubt, you will be responsible for paying.
- vi. If you pay us a fee and this engagement is terminated for any other reason apart from clause 6.3 (a) and 6.3 (b), our annual fee from you and any other remuneration will be deemed fully earned as at the effective date of the termination.

G. Disclaimers; Extent of Liability

We shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or meet its other financial obligations.

H. No criminal convictions

- i. In accordance with the Securities Markets Act 1988, I hereby certify that in the preceding five years neither I nor any principal officers / Financial Advisers of Fundagroup Insurance Brokers Limited have been:
 - a) Convicted of an offence under the Securities Act 1978, the Securities Markets Act 1988 or the

- b) Investment Advisers (Disclosure) Act 1996, or of a crime involving dishonesty (as defined in Section 2(1) of the Crimes Act 1961).
- c) A director or principal officer of a company that committed an offence under any of the Acts listed above or an offence involving dishonesty as defined above.
- d) Adjudicated bankrupt.
- e) Prohibited by law from taking part in the management of a company or a business.
- f) The subject of an adverse finding by a court in any proceeding taken against me in my capacity as an investment adviser, or
- g) Expelled from or have been prohibited from being a member of a professional body.

I. Conflicts

We manage potential conflict of interest by:

- a) Disclosing the conflict to you;
- b) Following conflicts of interest, gifts and hospitality policies and procedures.

J. Client Confidentiality

- i. Confidentiality is very important to us. We will hold in confidence all information concerning you or your affairs that we acquire while acting on your behalf.
- ii. We undertake not to divulge any information that you have disclosed to us to any person or body except under the conditions noted below in "Use of Information"
- iii. If your details are entered into our electronic database, we will keep these details on file for a period of seven years whether this engagement terminates. After this period, we may arrange for the file to be destroyed without consultation with you.

K. Your files and documents

- i. Please note that we provide documents relating to your financial needs; we request you go through the documents and seek clarification if any errors, omissions or disagreement with the contents, prior to accepting and signing them.
- ii. You authorise us to destroy all files and documents within 30 days if you do not proceed after our first meeting.

L. Use of Information

- i. We will hold any personal information that you provide to us in accordance with the Privacy Act and any other privacy or data protection laws regulating the collection, storage, use and disclosure of "personal information" as defined in the Privacy Act.
- ii. Any such information that we request from you will be used pursuant to the provision of the services and we undertake to keep this information confidential and secure. This information will be held by Fundagroup Insurance Brokers Limited at Unit D, 39 East Tamaki Road, Papatoetoe, Auckland, 2025.
- iii. In this respect, it will be necessary for us to pass your information on to insurers and other product or service providers which may provide us with additional support in connection with our provision of the services.
- iv. You have the right to access and correct any of your personal information that we hold.
- v. You may access our Privacy Policy on our website.
- vi. We may use or disclose information about our clients, if required to do so by law, our policy, pursuant to legal process or in response to a request from law enforcement authorities or other government officials.

12.6 We may also disclose personal/business information to credit reporting agencies for collection.

12.7 Personal/business information may also be disclosed to:

- a) Compliance advisors, assessors or by any claims investigators who may need access to such information; and
- b) Professionals such as solicitors, accountants, finance brokers, financial planners when

such services are required to complement this advice and as requested by you.

- c) If Fundagroup Insurance Brokers Limited is intended to be sold, any prospective purchaser of the business.

M. Marketing & Communication

- i. You permit us to contact you in person or through mail, e-mail, phone, txt, chat, social media or other means which may develop in future for the purpose of administrative or news update, general and specific sales & marketing communications, advertising, newsletters, reminders, etc.
- ii. We may ask you to complete a survey.
We are constantly monitoring and reviewing the feedback through these surveys to allow for ongoing service improvements.

N. If something goes wrong

- i. As a registered financial service provider, we are members of the Financial Services Complaints Limited (FSCL) dispute resolution service.
- ii. As a requirement of membership of our chosen dispute resolution provider, we have an internal compliant dispute resolution process. What this means is that if you have a complaint of any type about our services or our products, you are encouraged to notify us of your complaint and we will attempt to resolve it internally. We will acknowledge your complaint within five working days.

Manager, Unit D, 39 East Tamaki Road, Papatoetoe, Auckland, 2025

Email: admin@fundagroup.co.nz

- iii. If you feel your complaint is unable to be resolved through our complaint process, you have access to a free, independent dispute resolution service that may help investigate or resolve your complaint. Please contact:

Financial Services Complaints Limited

PO Box 5967, Wellington 6140

Telephone number: 0800 347 257

Email address: info@fscf.org.nz

O. Jurisdiction.

This Agreement is governed by New Zealand.

If you have any queries about our services, please contact us on:

Unit D, 39 East Tamaki Road, Papatoetoe, Auckland, 2025

Email: admin@fundagroup.co.nz