

TERMS OF ENGAGEMENT

1. AGREEMENT

- 1.1 Our Terms of Engagement contain information about our services, what we are paid in relation to our services, your rights as a client and other things you need to know in relation to the financial advice we provide to you, including how any complaints you may have will be dealt with.
- 1.2 If you ask us to provide you with financial advice, or we already are, we will do so on the terms set out in the Terms of Engagement.
- 1.3 By requesting our services you accept these terms. If there is any change to these terms we will confirm them to you in writing. These Terms of Engagement records the basis of our relationship.
- 1.4 You might also receive some other documents after or at the time we provide you with our advice including:
 - **Letter of Appointment** – this details the terms and conditions of our appointment as your Financial Adviser
 - **Risk Analysis/Fact Finder** – this is a questionnaire that enables us to assess and understand your needs and objectives;
 - **Statement of Advice** – this is a written summary recording our advice and the basis on which it was provided;
 - **Policy Wordings** – these are legal documents and contain information about the products we recommend to you. They will help you in your decision about whether to acquire the product; and are to be read by you;
 - **Confirmation notices** – these will confirm the details of our services we have arranged on your behalf.

If you need more information or have any questions, please feel free to contact us.

2. WHO IS THE FINANCIAL SERVICES PROVIDER (FSP) LICENCE HOLDER?

- 2.1 Penberthy Insurance Limited holds a financial advice provider licence issued by the Financial

Markets Authority under the Financial Markets Conduct Act.

- 2.2 Our contact details are as follows:

Financial Advice Provider:

Penberthy Insurance Limited

FSP Register No.: 31885

Address: 31 Northcroft Street, Takapuna, Auckland

Telephone: 09-486 1175 or 0800 736 237

- 2.3 Our Financial Advisers are registered on the Financial Service Providers Register (FSP Register) and operate under the licence of Penberthy Insurance Limited.
- 2.4 Our Financial Advisers have met the required standards of competency, knowledge and skill of the Code of Professional Conduct for Financial Advice Services.

3. WHAT RELIABILITY HISTORY SHOULD YOU BE AWARE OF?

- 3.1 Neither Penberthy Insurance Limited or your Financial Adviser has been subject to a reliability event.
- 3.2 We are required to disclose a reliability event if it might materially influence you in deciding whether to seek advice from Penberthy Insurance Limited or your Financial Adviser. Examples of reliability events include successful legal proceedings against your Financial Adviser in relation to the contravention of any financial markets legislation in the last five years, or being discharged from bankruptcy in the last four years.

4. HOW WILL WE LOOK AFTER YOUR FINANCIAL NEEDS?

- 4.1 Penberthy Insurance Limited is committed to the principles of service, integrity and professionalism whilst providing our clients with the highest quality of service with the goal of exceeding their expectations.
- 4.2 Our clients are assured of our undivided attention and our ability to handle all their insurance/lending needs in an ever-changing market.
- 4.3 We work to establish solid relationships with our

clients and the community we live in and conduct our business.

4.4 Our Financial Advisers will provide advice, support and guidance as you complete your insurance/lending requirements.

- a) We will get to know you and gather all necessary facts of your situation and identify your specific needs and objectives.
- b) We will analyse and research your circumstances & develop strategies to meet your needs and objectives.
- c) We will facilitate the application process for agreed products and services.
- d) We will monitor the implementation of the products service you require on a timely basis.
- e) We will provide an ongoing service of assisting you in managing your insurance/mortgage facilities and any other related enquiries you may have.
- f) We will regularly review the products and services you have with us to ensure they continue to meet your current needs and circumstances.
- g) We will lodge claims and be your advocate with the relevant insurance providers

4.5 To enable us to provide advice which is appropriate to your circumstances, we will need you to provide us with information about the services you require to ensure we correctly evaluate your situation, needs and objectives. You should also tell us about any relevant changes as they occur.

4.6 If you are unable, or choose not to provide some information to us, our review will be incomplete and may not take into account all of your needs or circumstances. We may still give you advice but will provide you with the details and limitations of that advice or in some cases we may also decide that it is not appropriate to give you advice without further information. You will need to assess the appropriateness of our advice, if given, to your needs before acting on it.

5. WHAT SERVICES CAN WE PROVIDE YOU?

5.1 Penberthy Insurance Limited offer the following services.

- Commercial Insurance (Business buildings, contents, motor vehicles)
- Liability Insurance (General Liability, Director & Officers Liability, Professional Indemnity)

- Domestic Insurance (Residential house and contents, motor vehicles, boats)
- Travel Insurance
- Rural Insurance (Farms and lifestyle blocks)
- Life and Terminal Illness Insurance
- Trauma and Critical Illness Insurance
- Income Protection
- Business Shareholder Protection
- Key Person Cover
- Business Debt Protection
- Employee Group Insurance
- Permanent Disability Insurance
- Income Protection
- Mortgage Repayment Cover
- Medical Insurance
- Mortgage Broking Services
- Premium funding options for your insurance policies

5.2 Your Financial Adviser will disclose to you the products and services which he or she can specifically provide advice on.

6. YOUR OBLIGATIONS

6.1 INFORMATION

- a) You are solely responsible for the accuracy of any information provided by you to us. Inadequate or incorrect information provided intentionally or in error could result in the impairment or voiding of your insurance cover.
- b) We take no liability for the accuracy or completeness of any information that you provide including the placement or provision of insurance on your behalf on incomplete or inaccurate information.
- c) You are required to:
 - i. Fully disclose any material information to us. Disclosure in this context includes every matter that you know or could reasonably be expected to know that is relevant to the Insurer's/Lenders decision to accept the business
 - ii. Set adequate sums insured and liability limits of cover
 - iii. Advise us if you have any questions or concerns regarding the information you are providing for insurance/lending purposes

6.2 PAYMENT

- a) Prompt payment of premiums, taxes and levies (If applicable) on receipt of our invoices (unless arranged otherwise).
- b) You must also indemnify us against any liability we may incur regarding payment of New Zealand Fire Service levies payable when New Zealand risks are placed with overseas Insurers.

7. WHAT FEES AND COMMISSIONS ARE PAYABLE FOR SERVICES?

- 7.1 You are entitled to know how and what we will charge for our services and what other benefits we receive.
- 7.2 There are several ways that we are remunerated for our services:
 - a) Commission which is generally a percentage of the policy premium (excluding Government levies, policy fees and GST) . The rates of commission vary between Insurers/Lenders and type of insurance policies/loans you take
 - b) A fee payable by you covering the placement of a specific insurance policy/loan. This may be instead of, or in addition to, commission paid
 - c) An annual administration charge for policies and other documentation provided to you. We also charge a nominal administration fee for policy amendments during the year
 - d) An hourly rate for advice or claim services
 - e) In the case of premiums being funded through a financier an additional fee may be charged to cover the increased administration created by managing the funding contract

Please feel free to discuss any of the above with us.

8. CONFLICTS OF INTEREST AND INCENTIVES

- 8.1 Penberthy Insurance Limited pays our Financial Advisers a salary and may pay bonuses and other incentives. Penberthy Insurance Limited and your Financial Adviser may receive indirect benefits from insurers such as business lunches, tickets to sporting and/or cultural events or corporate promotional merchandise.
- 8.2 We recognise that the above commissions and incentives may create conflicts of interests for Penberthy Insurance Limited and your Financial Adviser. There may also be conflicts of interest between different clients of Penberthy Insurance Limited.

- 8.3 To manage these conflicts, we follow an advice process that ensures our recommendations are made to meet your needs and objectives. Your Financial Adviser undergoes specialist training in how to manage conflicts of interest. Penberthy Insurance Limited undertakes compliance audits of your Financial Adviser and we also annually audit our conflicts of interest compliance framework.

9. PRIVACY AND CONFIDENTIALITY

- 9.1 At Penberthy Insurance Limited, we are committed to protecting your privacy in accordance with the Privacy Act 2020 (Privacy Act) and the Information Privacy Principles (IPPs).
- 9.2 We will hold in strict confidence all information that we acquire through our work for you, and which concerns you, your business or your instructions to us.
- 9.3 Our Privacy Statement is on our website and a copy of this will be emailed to you.

10. GENERAL INFORMATION

10.1 PROFESSIONAL INDEMNITY INSURANCE

- a) Penberthy Insurance Limited holds Professional Indemnity Insurance as we firmly believe in standing behind the advice and service we provide to our clients and therefore do not have any limitations of liability under our terms of business.
- b) The insurance (subject to its terms and conditions) covers errors and omissions arising from advice provided by Penberthy Insurance Limited through its Financial Advisers.
- c) If you require further information regarding our Professional Indemnity insurance please contact our office.

10.2 TERMINATION

- a) Our services may be terminated by you or Penberthy Insurance Limited with one month's notice in writing to the other party.
- b) If you decide to terminate our services we will be entitled to retain all brokerage and fees for any policies of insurance that we have arranged on your behalf. In the event that any insurance premiums are outstanding at the time of termination you must pay us these amounts as part of the termination arrangements.
- c) We will provide all reasonable assistance and cooperation after such notice of termination.

- d) We may continue to answer queries and provide assistance after this period if requested by you, however we reserve the right to charge scale fees for the provision of such services.

10.3 TRUST ACCOUNT FOR CLIENT FUNDS

- a) Insurance Advisernet New Zealand (IANZ) operates a trust account for the collection of client Fire & General insurance premiums and the onward payment of insurance premiums to insurers. The trust account is audited at least annually by a qualified auditor not affiliated with IANZ.

11. MEMBERSHIPS

11.1 INSURANCE ADVISERNET

Penberthy Insurance Limited's Fire & General Division is a member of Insurance Advisernet New Zealand Limited

Penberthy Insurance are one of the founding members of Insurance Advisernet, a national network of independent insurance brokers who's collective buying power enables us to negotiate excellent rates and exclusive insurance solutions from many of New Zealand's largest insurance companies, for the benefit of our clients.

For more information about Insurance Advisernet go to www.insuranceadvisernet.co.nz

11.2 INSURANCE BROKERS ASSOCIATION OF NZ INC.

Penberthy Insurance Limited is a member of The Insurance Brokers Association of New Zealand Inc. (IBANZ), which is New Zealand's professional body representing the interests of fire and general insurance brokers, risk managers and consumers in New Zealand. We adhere to the IBANZ Code of Professional Conduct. Further information can be obtained at www.ibanz.co.nz.

11.3 FINANCIAL SERVICES COMPLAINTS LIMITED (FSCL)

We are a member of Financial Service Complaints Limited, which is a complaints dispute resolution

service. They provide independent and impartial advice to consumers and resolve complaints between Financial Advice Providers and consumers.

12. COMPLAINTS

- 12.1 If you are not fully satisfied with our services or wish to make a complaint, please speak to your Financial Adviser in the first instance.

- 12.2 If your complaint is not resolved to your satisfaction or you do not want to speak with your Financial Adviser, you may contact Penberthy Insurance Limited directly as follows:

Emailing complaints@penberthy.co.nz or;

Phoning our office on 09-486 1175 / 0800 736 237

Writing to us at Complaints Officer, Penberthy Insurance Limited, P O Box 33 545, Takapuna, Auckland 0740.

We will endeavour to resolve your problem openly and fairly and within a timely manner.

- 12.3 If you are unable to resolve your complaint with Penberthy Insurance Limited you may refer it to **Financial Services Complaints Limited (FSCL)**, of which Penberthy Insurance Limited is a member. FSCL is an approved independent dispute resolution scheme which handles complaints against financial service providers, including insurance brokers. FSCL is free to consumers and its decisions are binding on Penberthy Insurance Limited (but not on you). Further information about FSCL is available from Penberthy Insurance Limited and/or from www.fscl.org.nz. You may contact FSCL directly on 0800 347 257.

- 12.4 In some circumstances a dispute may arise between you and the insurer. In such circumstances Penberthy Insurance Limited will assist you with details of the insurer's Internal Dispute Resolution process and, if the dispute remains unresolved, access to the Insurer disputes resolution scheme. If the dispute proceeds, you should obtain legal advice from a qualified lawyer.