

Terms of Business

Cartwrights Limited

1. Agreement

- 1.1 You have appointed **Cartwrights Limited** (“we, us”) as your financial advisor in accordance with the terms of this agreement. By allowing us to continue to act as your financial advisor you agree to be bound by the terms of this agreement.
- 1.2 This agreement sets out the terms and conditions (“the terms”) on which we will provide all services to you, unless we agree otherwise in writing.
- 1.3 As your financial advisor we act as your representative regarding arranging insurance and/or mortgage finance on your behalf. In addition, if requested, we may make recommendations and provide you with our opinion regarding potential providers based on your requirements however the final choice of provider will remain your responsibility.
- 1.4 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.
- 1.5 These terms are in addition to any other terms we may agree on 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.
- 1.6 You will be taken to have accepted the terms of this agreement by continuing to instruct us unless we otherwise agreed in writing.

2. Services

- 2.1 We are members of:
 - 2.1.1 The Insurance Brokers Association of New Zealand Inc. (IBANZ), a professional body representing the interests of member insurance financial advisors, and subscribe to the IBANZ Code of Practice which can be found at www.ibanz.org.nz
 - 2.1.2 Steadfast NZ Limited (Steadfast), which provides us with technology platforms, management, marketing, professional, technical and buying benefits and services support.
 - 2.1.3 Financial Advice New Zealand, a professional body representing the interests of Mortgage and Life and Health Financial Advisor members. They also provide us with technology platforms, management, marketing, professional, technical and buying benefits and services support.
- 2.2 Our services are limited to the provision of insurance broking, risk management, mortgage finance and financial advice. Under no circumstances do we or will we act as an insurer or financial institution. Nor do we provide safety inspections, valuations or advice on every potential hazard or threat to you or your business.
- 2.3 Under no circumstances do we or the financial advisors engaged by us give or will give any advice directly or in connection with investments, investment products or investing.
- 2.4 We cannot guarantee that all risks to your assets, person or business will be covered by any insurance we arrange on your behalf. You should carefully read all policies and other documentation we issue so you understand what is or is not covered.
- 2.5 We will make recommendations regarding insurers and providers based on your requirements however the final choice will remain your responsibility.
- 2.6 We will perform our services with reasonable care, diligence and skill, based on the needs that you have expressly advised us of together with the information you have provided. We provide our service based on the Financial Markets Authority (FMA), Code of Professional Conduct for Financial Advice.
- 2.7 We may provide you with assistance in placing and servicing overseas insurance, or the management of overseas risk and may engage the services of a third-party consultant to assist us with the provision of such services.
- 2.8 We make no representation or warranty concerning the solvency or ability of any insurer to pay claims. In New Zealand, insurers are required to comply with the provisions of the

Insurance (Prudential Supervision) Act 2010 Financial Strength Rating. We will inform you of such ratings and the rating scale.

- 2.9 We will negotiate with insurers on your behalf and will use our best endeavours to ensure that policies and endorsements for insurance we place on your behalf are issued by your insurers promptly and correctly. These documents detail the precise terms and conditions relating to the insurance we have arranged for you and the information contained in them is important. You should carefully read these documents to confirm they meet your requirements, storing these documents safely.
- 2.10 We will negotiate with providers on your behalf and will use our best endeavours to ensure that agreements and loans we place on your behalf are issued correctly and documents issued promptly. These documents detail the precise terms and conditions relating to the loan/mortgage we have arranged for you and the information contained in them is important. You should carefully read these documents to confirm they meet your requirements, storing these documents safely.
- 2.11 Upon our receipt of premiums and related statutory charges from you, we will arrange for their timely disbursement to the relevant insurers.

3. Remuneration

- 3.1 We will be remunerated by commission from the provider we place your policy or loan with (this includes renewals and some variations). We may also charge you a fee for implementing any advice we provide.
- 3.2 The commission we receive is a percentage of the premium payable by you (excluding government charges, levies and taxes) or a percentage of the total amount of the loan drawdown. Some providers may pay us more than others. The rate of commission can vary according to the type of product provided and the way the transaction is arranged.
- 3.3 Where we arrange the placing and servicing of insurance overseas, our overseas representatives may also receive remuneration from the relevant insurer.
- 3.4 If you wish us to provide services in addition to those already agreed, we may charge you an additional fee. Such additional fees will be agreed upon with you prior to us undertaking those services.
- 3.5 We may pay a referral fee to any party who has referred you to us. This will be paid out of the commission received by us from the provider and any fee you pay us. We may also receive a referral fee if we refer you to another party that performs additional services for you.
- 3.6 If we, on instruction, arrange premium funding for you, we may earn a commission from the premium funder. This is usually calculated as a percentage of the amount funded. The details of your premium funding arrangement will be set out in your separate agreement with the premium funder.
- 3.7 We reserve the right to set off any outstanding sums that you owe us in connection to any policy of insurance, from any money we receive on your behalf in relation to that insurance.
- 3.8 We reserve the right to make an administration charge for issuing replacement policies, certificates, copy policies or certificates requested by other parties.
- 3.9 In the event of a policy being cancelled mid-term, and not replaced by another policy, we will refund the returned premium we receive from any insurer subject to any cancellation or administrative fee imposed by that insurer. In these circumstances, we do not refund any proportion of any commission, brokerage or fee we have received.
- 3.10 If a mortgage or loan we arrange for you is paid back within the first 36 months from drawdown, we may charge a recovery fee. The amount of this fee will be \$1,000 plus GST. This is calculated at 4 hours at our hourly rate of \$250 plus GST.

4. Payment of Invoices

- 4.1.1 Payment of all invoices is due in full on the 20th of the month following the date of invoice unless otherwise agree

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5. Recorded Phone Calls

5.1.1 Any telephone conversations you have with us may be recorded and retained for training purposes or dispute resolutions.

6. Your Responsibilities

6.1 In respect of the services we provide under this agreement, you are responsible as follows:

6.1.1 Your policy documents contain the terms and conditions of your insurance cover and impose obligations on you. You should carefully read and understand this information ensuring the insurance cover satisfies your needs and that you understand your obligations. If you have not received or have misplaced your policy document please ask us for another one.

6.1.2 Your loan documents contain the terms and conditions of your mortgage or loan and impose obligations on you. You should carefully read and understand this information ensuring the product satisfies your needs and that you understand your obligations. If you have not received or have misplaced your documents please ask us for another one.

6.1.3 Before taking out an insurance policy and at the time of renewing any policy, you must provide us with accurate, complete and timely information, including all information that may be material to an insurer's assessment of any risk for which you have asked us to arrange insurance cover. This includes any material or relevant change of circumstance during the term of your policy and on renewal. We are not responsible for checking the accuracy or completeness of any information you provide to us or any insurer. We will not be responsible for any consequence resulting from a failure by you to disclose all material facts to an insurer (including, without limitation, the possibility of your insurance policies being rendered void or limited).

6.1.4 You must advise us, as soon as practicable, on becoming aware of any event or circumstance that may give rise to you making a claim under your insurance policy(ies). Failure to advise an insurer of such an event or circumstance could prejudice your rights under your insurance policy. If you fail to disclose or misrepresent any relevant information, this could invalidate your policy and mean that any claims under your policy may not be paid to you. We will advise you if you need to complete a claim form or produce documentation to support your claim.

6.1.4.1 **Material Damage to Insured Property Other Than Motor Vehicles**

- Write down on the claims form all the relevant facts including
 - Date and time of loss
 - What happened
 - Situation of loss
- Make a schedule of the property lost or damaged;
- Where loss or damage is due to burglary, suspected arson or malicious damage, the police must be notified immediately. A copy of the police complaint acknowledgement form can then be returned to our office with a claim form.
- All steps should be taken to secure the property and prevent further loss or damage or danger to life.
- If the loss is not minor, you should ring our office as the insurer may wish to appoint an assessor immediately
- Send the claim form to our office as soon as possible.

6.1.4.2 **Liability Claim.** In the event of circumstances likely to give rise to a claim under your Liability Policy you should:

- Notify our office immediately
- Send us a claim form advising the following;
 - When the occurrence was brought to your attention and how long after the alleged event was this.

- Details of any contractual agreements (such as lease agreements) you may have with the claimant.
 - Details of any hold harmless notices you may have displayed on your products on or about your premises.
 - If a product was involved, steps should be taken to recover the offending item for inspection.
- In no circumstances should you do or say anything that could be construed as an admission of liability. Accepting liability “in the heat of the moment” could prejudice your claim settlement and the Insurer’s opportunity to make a successful recovery from a negligent third party. The Insurers or the courts must decide who is liable.
- 6.1.4.3 Motor Vehicle Accidents**
 - At the scene of the accident obtain:
 - Name and address of any third party involved
 - Name and branch of the third party’s Insurance Company
 - Make, model and registration number of the third party’s vehicle, or description of property if no vehicle involved
 - Position of vehicle(s) in relation to the road at time of impact
 - Name and contact number of any witnesses
 - You must not admit liability at any time as this may prejudice your settlement or recovery of uninsured losses (excess). You should simply refer the other party to their Insurance Company, or if they are uninsured they can put their claim in writing to your Insurance Company.
- 6.1.4.4 Medical Claim.** If you have a health condition and have been told you may need surgery, tests or investigations. It is important that you contact our office as soon as possible. When you are with the specialist or GP you need to collect referral letters or specialist reports to support your claim. Pre-approvals generally take a minimum of 5 working days from the date that all information is received to obtain. If a minimum of 5 working days is not allowed there is no guarantee that pre-approval can be obtained.
- 6.1.4.5 Disability or Lump Sum Claim.** If you have a potential Disability or Lump Sum claim please contact our office as soon as possible. You may collect reports, letters or any other relevant information to your condition while at your GP or specialist.
- 6.1.5** After receiving your insurance documents from us, you must check them and advise us promptly of anything that does not meet your requirements. Any errors should be notified to us immediately.
- 6.1.6** You must pay the premium(s) any statutory charges, government levies (including the EQC and Fire and Emergency levies, taxes, GST and fees) as detailed in our invoice(s), unless premium funding has been arranged, in which case you will have a separate arrangement to pay with the premium funder. On request, we can provide you with information about premium payment options when we provide our quotation.
- 6.1.7** It is your obligation to ensure you pay premiums and other relevant charges on time. Your insurer has the right to cancel your policy if premiums are not paid on time and you will not be insured. The insurer may also charge a short-term premium for the time they have insured the risk. You may be charged interest and/or fines and penalties for late payment of any government or statutory charges as previously referred to.
- 6.1.8** We will comply with our obligations under the Health and Safety at Work Act and expect you to assist us in doing so, ensuring, as reasonably practicable, that the safety of our people is not put at risk when they may visit.
- 6.1.9** We have no obligation to fund any premium, taxes or fees (if applicable) on your behalf and we will have no responsibility for any loss you may suffer as a result of insurers

cancelling your policy or taking action as a result of late payment. Please contact us immediately if you are unable to make any premium payment.

- 6.1.10** We hold file material and correspondence regarding the services provided to you for at least 7 years, after which we may destroy your file without notice. It may be possible that you need to make a claim against a policy after this period. You remain responsible for your paperwork and correspondence and should keep your policy documents in a safe place.

7. Conflicts of Interest

- 7.1** Should a situation arise where a potential conflict of interest could arise, either between ourselves, one of our clients, or one of our service or product providers and the services we provide to you, we will contact you and work together with you to find a suitable solution.
- 7.2** We are a member of Steadfast. Steadfast has arrangements with insurers and premium funders, under which Steadfast receives a professional services fee for each insurance policy arranged by us with those insurers or funded through premium funders. These payments are used to operate Steadfast.
- 7.3** We may also be shareholders, either directly or indirectly as interrelated directorships through other legal entities we control, in Cartwrights Limited. We may arrange your premium funding with this company.

8. Your Information

- 8.1** We will hold any personal information that you provide to us in accordance with the Privacy Act 2020. Any such information that we request from you will be used pursuant to the provision of the services.
- 8.2** It may 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.
- 8.3** Unless you instruct us not to do so, we may also contact you in connection with other products or services that we feel may be of interest or benefit to you.
- 8.4** You have the right to access and correct any of your personal information that we hold. Such information is held by us at 107 Tancred Street, Ashburton.
- 8.5** You can access our Privacy Policy on our website www.cartwrights.co.nz

9. Electronic Communications

- 9.1** We may correspond with you by electronic means unless you instruct us not to. We are not responsible for any risks associated with electronic communication, including loss of data.

10. Complaints and Disputes

- 10.1** As a financial advice provider, we are required to have an internal dispute resolution scheme. We are also a member of the Insurance and Financial Services Ombudsman an independent dispute resolution service. This is a requirement of our licence as a financial advice provider.
- 10.2** Our Disputes Process is explained in full on our web site at www.cartwrights.co.nz. If you do not have access to the internet please ask us and we will provide you with a hard copy of our complaints policy.

11. Limitation of Liability

- 11.1** We are a licenced Financial Advice Provider and are subject to the requirements of relevant legislation and regulations in New Zealand and our licence issued by the FMA. Any additional representations, or warranties about our services are excluded to the extent permitted by law. Our maximum liability to you for any reason whatsoever (including our breach of contract or negligence) is limited to \$5,000,000 NZD.
- 11.2** We are not an insurer and do not represent that insurance cover will be offered by any insurer for a given risk. We also do not guarantee the solvency of any insurer or that they will accept and pay any given claim. Financial strength ratings for licenced insurers in New Zealand that we deal with are provided to you with your confirmation documentation named

– Financial Strength Ratings. These ratings can also be found on the Reserve Bank of New Zealand website.

- 11.3** You must make any claim for liability by us within 12 months of the date you know (or reasonably ought to know) of the potential of a claim.

12. Termination

- 12.1** 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:
- 12.1.1** withdraw from any negotiations in progress, including, without limitation, any claims, policy renewals, loan negotiations;
 - 12.1.2** 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
 - 12.1.3** upon request, deliver to you copies of relevant correspondence we have had with your insurer in respect of any current claim.
- 12.2** 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.
- 12.3** This agreement may be terminated with immediate effect by either party in the event of:
- 12.3.1** Insolvency of the other party; or
 - 12.3.2** In respect of breach of any regulatory requirements, laws or rules.
- 12.4** 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.
- 12.5** 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.
- 12.6** We will keep all information you provide us about your business confidential and only disclose it in the normal course of negotiating, arranging and administering your insurance and, except where disclosure is required by law or where the information is already in the public domain.
- 12.7** You consent to being entered into our marketing database and, for the purposes of the Unsolicited Electronic Messages Act 2007, you expressly consent to receiving email communications from us with regard to our business or the insurance industry. You may revoke such consent at any time, and we will remove you from our marketing database.
- 12.8** Any failure by us to enforce any right or obligation under these terms, will not in any way limit or waive our right to subsequently enforce such right or obligation.
- 12.9** If any part of these terms becomes invalid or unenforceable for any reason whatsoever, the remaining terms will continue to apply subject to any modifications as is necessary to continue to give them effect.
- 12.10** We accept no liability for instructions received until we acknowledge receipt and acceptance of the instructions to you in writing.
- 12.11** No cover or action by us shall be deemed to be taken or given until confirmed by us in writing.
- 12.12** We shall be entitled to rely on all written instructions without further enquiry, including email instructions.
- 12.13** Termination of this agreement will not, unless otherwise provided, affect the provisions relating to limitation of liability and confidentiality contained in this agreement.

13. Jurisdiction

- 13.1** This Agreement is governed by New Zealand law and the New Zealand courts have exclusive jurisdiction.

- 13.2** All monetary amounts are in New Zealand Dollars (NZD) unless specified and are subject to all relevant New Zealand taxes.
- 13.3** If you have any queries about our services, please contact us on 03 307 9700.