

TERMS OF BUSINESS ARRANGEMENT

1. Agreement

- 1.1 You have appointed Hazlett Insurance Limited (“we, us”) as your broker in accordance with the terms of this agreement. By allowing us to continue to act as your broker you agree to be bound by the terms of this agreement. We 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 our services to you. These terms apply to all services we provide to you and are subject to any additional or alternative terms which we may advise you of in writing. 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.
- 1.3 These terms apply until they are varied by agreement in writing between you and us, or until our appointment is cancelled. We may vary the services we offer you from time to time by written notice to you.
- 1.4 These terms are in addition to any other terms set out in any letter of authority, appointment, or authorisation signed by you, or any other terms we may provide you with from time to time to you . In the event of any inconsistency between these terms and such additional terms, the letter of authority, appointment, authorisation and additional terms will prevail over these terms.
- 1.5 We are members of:
- (a) The Insurance Brokers Association of New Zealand Inc. (IBANZ), a professional body representing the interests of member insurance brokers, and we subscribe to the IBANZ Code of Practice. This can be found at www.ibanz.org.nz
 - (b) The Steadfast Group Ltd which supplies management, marketing, professional, technical and buying benefits and services to us.
- 1.6 Our business is governed by the Insurance Intermediaries Act 1994 and the Financial Advisers Act 2008.
- (a) The Insurance Intermediaries Act governs our handling of premiums, claims and investment monies.
 - (b) The Financial Advisers Act governs many aspects of our relationship with you. For more information see www.fma.govt.nz
- 1.7 Our role is limited to the provision of insurance broking and risk management related advice and services. 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. In particular
- (a) we are not qualified valuers and you should always be sure to satisfy yourself that all sums insured are adequate.

- (b) We cannot guarantee that all risks to your assets, person or business will be covered by any insurance we arrange. You should carefully read all policies and other documentation we issue so you understand what is or is not covered;
- 1.8 We may arrange insurance for you with insurers domiciled in New Zealand or elsewhere or a combination of both. We may engage the services and assistance of third party brokers, reinsurance brokers, consultants or others to assist us with the provision of the arranging and placement of such insurance for you.
- 1.9 We may provide you assistance with the placing and servicing of insurance for risks domiciled outside New Zealand, or the management of risks outside New Zealand. We may engage the services and assistance of third party brokers, consultants, insurance brokers, reinsurance brokers or others to assist us with the provision of such services to you.
- 1.10 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 New Zealand Insurance Companies (Ratings and Inspections) Act 1994, Schedule of Ratings and Notices of Election Not to be Rated as may apply from time to time. We will inform you of such ratings or non-rating in the terms of the above Act.
- 1.11 We will negotiate with insurers on your behalf and will do our best 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 and store these documents.
- 1.12 Upon our receipt of premiums and related statutory charges from you, we will deal with them in accordance the Insurance Intermediaries Act 1994

2. Remuneration

- 2.1 Unless we tell you otherwise, in accordance with normal market practice we will be remunerated by commission from the insurer when you enter into an insurance contract that we arrange (this includes renewal and some variations). We may also charge you a fee.
- 2.2 The commission is a percentage of the premium (excluding government charges, levies and taxes). Some insurers may pay us more than others. The rate of commission can vary according to the type of insurance and cover provided and the way the transaction is arranged.
- 2.3 If we operate a binder on behalf of an insurer, we may receive a higher commission in respect of that business in accordance with normal market practice.
- 2.4 Where we arrange the placing and servicing of insurance overseas, our overseas representatives may also receive remuneration from insurers in accordance with normal market practice.
- 2.5 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 with you prior to us undertaking those services.
- 2.6 In some cases we may also receive an amount based upon volume or the profitability of insurance placed across our entire portfolio with that insurer over a period of time.

- 2.7 We sometimes pay a fee to a party who has referred you to us and pay this fee out of the commission received from insurers and fees you pay us. We may also earn a fee if we have referred you to another party that performs work for you.
- 2.8 If we 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. We may also charge you a fee.
- 2.9 We may earn interest on funds held in our insurance broking client account and during this time it will generate interest at the standard banking rate.
- 2.10 We also receive non-financial benefits from insurers including training grants, conference fees, equipment, social functions, gifts and gratuities.
- 2.11 We reserve the right to set off any outstanding sums that you owe us in connection to any contract of insurance, from any money we receive on your behalf in relation to that insurance.
- 2.12 We reserve the right to make an administration charge for issuing replacement policies, certificates, copy policies or certificates requested by other parties.
- 2.13 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 insurers subject to any cancellation or administrative fee imposed by the insurer. In these circumstances we do not refund any proportion of any commission, brokerage or fee we have received.

3. Your Responsibilities

- 3.1 You should carefully read and understand the information we have provided to you in the Insurance Documents we have provided to you. If you have not received or have misplaced this important document please ask for another one as it sets out your important obligations in relation to your insurance policies.
- 3.2 You must provide accurate, complete and timely information to us. You are responsible for all information you provide in any proposal, claim form or other material document. 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).
- 3.3 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 and any other information you need to disclose to insurers. Any adjustment to the premium will be advised to you.
- 3.4 You must advise us (or your insurers) in terms of the appropriate policy 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. You will be advised if you need to complete a claim form or produce documentation to support your claim.
- 3.5 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.

- 3.6 You must pay the premium(s), any statutory charges, government levies, taxes, GST and fees when due as set out in our invoice(s), unless premium funding has been arranged. We will give full information about premium payment options when we provide quotations
- 3.7 If you do not pay the premium on time, we are required to advise the insurer. The insurer has the right to cancel the insurance and you will not be insured. The insurer may also charge a short-term premium for the time they have insured the risk.
- 3.8 Please note that 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 canceling the insurance or taking any prejudicial steps as a result of late payment.

4. Disclosure of Interest

- 4.1 We make every attempt not to have a situation where there is a conflict of interest. Should a situation arise where a conflict of interest could be perceived we declare it as soon as it is practicable for us to do so.
- 4.2 We are a shareholder in Steadfast Group Ltd. Steadfast has arrangements with insurers under which Steadfast receives commission for each product arranged by us with those insurers. These payments are used to operate Steadfast. We may receive a proportion of that commission at the end of each financial year.
- 4.3 We may also be shareholders, either directly or indirectly as interrelated directorships through other legal entities we control, in Hazlett Funding & Procurement Limited. We may arrange your premium funding with Hazlett Funding & Procurement Limited.

5. Privacy Act 1993

- 5.1 We will hold any personal information that you provide to us in accordance with the Privacy Act 1993. Any such information that we request from you will be used pursuant to the provision of the services.
- 5.2 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.
- 5.3 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.
- 5.4 You have the right to access and correct any of your personal information that we hold. Such information is held by us at 5 Sir William Pickering Drive, Level 2, Burnside, Christchurch

6. Complaints and Disputes

- 6.1 As a registered financial service provider, we are required to and are members of the Financial Services Complaints Limited (FSCL) dispute resolution service. This is a requirement of our registration and of the Financial Service Providers (Registration and Disputes Resolution) Act 2008.

- 6.2 Our Disputes Process is explained in full on our web site at <http://www.hazlett.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.
- 6.3 As a requirement of membership of our chosen dispute resolution provider, we are required to and have a compliant internal 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 before it is referred to our external complaints resolution service.

7. General

- 7.1 You may cancel our appointment by giving us one month's written notice of cancellation. Upon such cancellation notice being received, we will cease providing you services and:
- (a) Withdraw from any negotiations in progress, including, without limitation, any claims or renewals of policies;
 - (b) Return any premiums we have received from you but not yet disbursed; and
Upon request, deliver to you copies of relevant correspondence we have had with your insurer in respect of any current claim.
- 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.
- 7.2 We will not cancel your contract of insurance without written instruction from a person(s) who is/are authorised to represent each of the parties who are named as insureds in the contract of insurance or the approval of any interested parties noted in the contract. We cannot cancel a policy without the insurers approval and some insurance contracts contain a non-cancellation clause or cancellation penalties which, for the avoidance of doubt, you will be responsible for paying.
- 7.3 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.
- 7.4 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.
- 7.5 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.
- 7.6 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.
- 7.7 These Terms of Business Arrangement are governed by the laws of New Zealand and the parties submit to the exclusive jurisdiction of the New Zealand Courts.
- 7.8 We accept no liability for instructions received until we acknowledge receipt and acceptance of the instructions to you in writing.

- 7.9 No cover or action by us shall be deemed to be taken or given until confirmed by us in writing.
- 7.10 We shall be entitled to rely on all written instructions without further enquiry, including email instructions.