Terms of Engagement

We want to let you know about our services and how we'll do business with you. Have a read, and then sign your name to show you have understood.

Your insurance mate

ABOUT US:

Buddy Financial Advisers Limited (**Buddy**) is a New Zealand wide mortgage and insurance brokerage. We have a team of advisers who work with people and companies to find the best loans and insurance cover for their needs.

100% independent – we work for you: Because we're not owned by a bank, insurer or finance company, we can source loans and insurance policies from a wide range of providers. The mortgage or insurance policy we recommend depends on your situation – you might need the lowest interest rate, a special structure, cover for a particular risk or comprehensive cover - either way, we'll find the right one for you.

Great advice at no cost: Our advisers will take the time to understand what you want before they recommend anything. They'll take care of the paperwork when you apply for a loan or insurance policy, and act as a go-between with the bank or insurance provider. If you're looking to protect yourself or your business with insurance – whether it's a new policy or reviewing your existing coverage to ensure it still meets your needs – or if you want to renew, restructure or refinance your loan or if you have any questions at all – just get in touch and we'll do our best to help you.

No stress: We know life is complicated, but getting your insurance policies in place doesn't have to be. Our advisers have worked in the industry for years, so we know how to cut through the complexity and keep things simple, easy and stress free.

SCOPE OF SERVICE:

Here are the things we can help you with.

- Assessing your risk of serious illness and disability, so you can have the protection of trauma insurance and also permanent disability insurance.
- Advice on income protection insurance to help safeguard your income if sickness or disability affected your ability to earn.
- Advice on life insurance to protect those who depend on you financially.
- Advice on health insurance to provide access to private hospital or specialist treatment when you need it.
- Protecting your business - maintaining business continuity with partnership and co-shareholder protection.
- Securing company stability with key person cover.
- Advice on tailored solutions for your unique business needs.
- Finding the right home loan/mortgage and managing the paperwork when you apply for your loan.

HOW WE ARE COMPENSATED:

Buddy receives commissions from the providers on whose products we give financial advice for. If you decide to take out insurance, the provider will pay a commission of between 6% and 30% of your first year's annual premium to help towards compliance costs to Buddy and anywhere from 10% and 200% of your first year's premium to your financial adviser Evan Kennerley. This amount can be reversed if you cancel your policy within two years.

The amount of commission is based on the amount of the premium. From time to time, product providers may also compensate us for the quality of the advice we give which encourages good behaviour and conduct. They may give us tickets to sports events, hampers, or other gifts.

To ensure our financial advice prioritises clients' interests above our own, we follow an advice process that ensures our recommendations are made based on each client's goals, circumstances, and the quality of the insurers products, claims history and premiums charged for the products.

Buddy undergoes annual training about how to manage conflicts of interest. We maintain registers of conflicts of interest, and the gifts we receive. Buddy monitors these registers and provides additional training where necessary. Buddy performs an annual review of our compliance programme.

Transparency and clarity is important to Buddy so we provide full details of any commission.

THE PRODUCT PROVIDERS WE DO BUSINESS WITH:

Who we use for personal risk and health insurance: We believe the following companies offer an excellent choice of personal and health cover: Partners Life, Fidelity Life, Asteron Life, Resolution Life, Chubb, nib and AIA.

Who we use for fire and general insurance: We will recommend the products and solutions we think best fit your circumstances from the following companies: Tower & Ando.

Who we use for mortgages: Buddy is accredited and works with a wide range of lenders to find the best rates and terms for you: ANZ, ASB, BNZ, Westpac, Kiwibank, Avanti Finance, The Co-operative Bank, Cressida, Liberty Financial, NZCU, PSIS, Public Trust, Sovereign Home Loans, SBS Bank, TSB, Sentinel, DBR and Resimac.

Who we use for KiwiSaver and managed funds: Generate, NZ Funds, Milford, Booster, SBS Wealth.

Occasionally we may work with lenders who don't pay a commission to Buddy. In this scenario, we may charge a one-off fee for any work we do on your behalf. We would discuss this with you beforehand and get your permission in writing.

Claw backs: If you repay a mortgage in full within 27 months of drawdown, the lender may take back some of the commission Buddy earned. If you have made an additional lump sum repayment, refinanced using another broker or by going direct to a bank, Buddy may charge you a one-off fee to cover the income we've lost.

Here's some good news. There are no claw backs if you use Buddy to refinance at any time.

Claw backs: If you cancel an insurance policy within 24 months from inception date, the insurance provider may take back some of the commission Buddy or your financial adviser earned. Buddy may charge you a one-off fee to cover the income we've lost.

PRIVACY ACT:

Anything you tell us, and any information we gather when working with you, is personal to you. We will keep it secure and won't share it with other companies, except when asking a lender or insurer to put together recommendations for you.

We may release some information to compliance advisers, assessors or claim investigators, as well as professionals such as solicitors, accountants, finance brokers, insurance brokers and financial planners, if they require this information to complement any service we provide to you.

You have the right to see or correct any information we hold on you, at any time.

A BIT ABOUT YOUR ADVISER:

Buddy employs advisers who have experience working in the industry for banks and other financial companies. Your financial Buddy will be happy to provide more details of his or her professional qualifications and experience - just ask.

YOUR OBLIGATIONS:

Our advice depends on the information you give us. So we ask you to provide as much information as possible, and to make sure it's correct. Take your time if necessary, and don't be afraid to ask questions. It will help us help you.

ACKNOWLEDGMENTS:

I/we may be required to provide evidence that I have explained specific requirements or obligations and provided certain information to you. Can you please acknowledge by signing below that these requirements have taken place?

If you are completing a joint application, you agree that in the event that only one of you signs an authority, instruction or confirmations, the person signing confirms that they have the consent of the other party.

Acceptance and confirmation of Buddy's Terms of Engagement:

I/we acknowledge these terms of engagement:

Signed:

Name:

Date:

Signed:

Name:

Date:

Declaration Form

Your insurance mate

I/we give the adviser express authority to act on my/our behalf with all lenders, product providers and associated parties in respect of obtaining a home loan eligibility and/or insurance products associated with this application.

I/we understand that the adviser does not charge me/us for these services, unless specifically agreed in writing in advance, but receives a commission from the lender providing the loan or the insurance company providing the policy. I/we understand that, as detailed in the adviser's Terms of Engagement, the only exception to this is a fee that may be payable by me/us to the adviser if a product or service requires that the adviser repay commission within 27 months of settlement of a mortgage or within 24 months of a risk insurance policy that I/we have entered into.

I/we acknowledge that any personal information collected in this form and in the course of my/our dealings with the adviser named in this application will be collected, used and disclosed in accordance with the adviser's privacy policy (as updated from time to time), which is available on Buddy's website or upon request. A summary of the privacy policy, at the date of this declaration, is set out below.

I/we accept that my/our personal information is collected initially for the purpose of assessing my/our application for mortgage finance and insurance products and may be given to a number of other parties (recipients), including lenders and insurance companies at the discretion of the adviser and in accordance with the adviser's privacy policy and the applicable lender's and/or insurance companies privacy policy. If my/our application is successful, I/we accept that the information will be used by the lender or insurance provider for the purpose of administering the loan or insurance policy and by the lender/insurance provider and adviser for administering any ongoing commission payments to the adviser.

If the adviser has an arrangement with the lender that the lender will pay ongoing commission over the term of the loan, the lender will periodically disclose the loan balance to the adviser.

I/we accept that the adviser, lender or insurance provider might use my/our personal information for market research purposes and for direct marketing purposes (whether through mail, email or telephone (including SMS/MMS) or other electronic means) to notify me/us of products or services that may be of interest to me/us.

I/we accept that the lender will, from time to time, make the information available to the lenders mortgage insurer (if any) any person with whom the lender proposes to enter into contractual arrangements, any person who provides a guarantee or security, trustee and any assignee or potential assignee of the lenders rights (the recipients).

The name and address of the broker that will collect and hold this information is:
Name of Company: Evan Kennerley (Adviser) from Buddy Financial Advisors Limited
Address: Level 2, Suite 6, 72 Dominion Road, Mount Eden Auckland 1024

I/we authorise my/our personal information to be collected, stored, used and disclosed in accordance with this Declaration, the adviser's privacy policy and the lender and/or insurance companies privacy policy (available on the lender and insurance provider's website), each as updated from time to time.

I/we understand that I/we are not required by law to provide any personal information to the adviser but any failure to do so might prejudice any chances of obtaining finance.

I/we confirm that, if I/we provide any personal information about anyone else to the adviser or a lender or insurance company or recipient, that person consents to and authorises the collection and use of their personal information in accordance with this Declaration and the adviser and/or lender's and insurance companies privacy policy from time to time (as applicable) and that I/we have advised such persons of their rights to access and request correction of their personal information.

I/we authorise:

- The adviser, the lender, Insurance company and the recipients to collect personal information about me from third parties including, but not restricted to, credit reporting agencies, banks and employers, and for those third parties to disclose information to the adviser, the lender and the recipients.
- The lender to disclose my personal information to the adviser during the term of the loan in order to answer my queries or assist me with my financial arrangements as my circumstances change.
- The adviser, the lender and the recipients to disclose my personal information to credit reporting agencies and also to any third party making an authorised enquiry about me.
- The credit reporting agencies of the adviser, the lender and the recipients to hold my personal information on their systems and to use my personal information held on their systems to provide credit reporting services.

- The credit reporting agencies of the adviser, the lender and the recipients to provide my/our information to its customers using their credit reporting services.
- The adviser, the lender and the recipients to use the services of their credit reporting agencies in future for the purposes related to the provision of the loan and/or any other credit to me. This authorisation shall include the use of any monitoring services to receive updates about me if any of the personal information held about me changes.
- The adviser, the lender and the recipients to give information to credit reporting agencies about my default in any payment obligations.
- The credit reporting agencies of the Adviser, the Lender and the Recipients to provide information about my default in any payment obligations to other customers of the credit reporting agencies.
- The adviser to disclose my personal information to Buddy and other third parties in accordance with the adviser's privacy policy.

I/we understand that pursuant to the Privacy Act 2020 I have the right to request access to and correction of any personal information held by the adviser or by the lender.

I/we confirm that: (delete those not applicable)

☐ The information contained in the application is true and correct.

I/we have been offered the option to review my/our Kiwisaver and investment requirements by a specialist investment adviser and have decided to: (delete not applicable)

☐ Accept the offer of a review

☐ Decline the offer and exempt the adviser, consultants or investment advisers from any liability or loss that may result from this decision.

The signing of this application form in no way implies an application has been made to the adviser for such review. I/we understand that, subject to any applicable laws, should my/our circumstances change before the loan is repaid, it is my/our responsibility to continue to make loan repayments.

I/we acknowledge that I/we have received a copy of my/our loan application form or insurance application form and confirm that the information included in this application including my asset & liability statement is true and correct as well as making a full disclosure of any pre existing health conditions in relations to applying for an insurance application.

I/we acknowledge that I/we have been provided a copy of the adviser's Terms of Engagement and can access Buddy's Public Disclosure at www.buddymortgages.co.nz/important-info.

Signed:

Name:

Date:

Signed:

Name:

Date: