

we may, with your verbal consent, provide limited personal information including your contact details, date of birth, occupation and smoking status to assist in the preparation of life insurance recommendations.

Consolidated does not act under binder agreements for business placed with insurers. From time to time, Consolidated may enter into a referral agreement with third parties and pay the referrer up to 30% of commission / fee income received. If you are a customer who's business has been referred subject to a referral agreement, this will be disclosed to you on request.

Steadfast - Consolidated is a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive arrangements with some insurers and premium funders (Partners) under which Steadfast will receive between 0.5 - 1% commission for each product arranged by us with those Partners. Steadfast is also a shareholder of some Partners. We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

As a Steadfast Network Broker we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee. You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

Zurich - Consolidated participates in a program provided by Zurich under which we may obtain additional benefits by way of reward for growth. The reward for growth (if any) is determined by Zurich in April of each year. If we exceed the targeted growth in gross written premium placed by us with Zurich in the preceding calendar year, Zurich will pay us a percentage of the amount by which we exceed this target.

7. Privacy Procedures and Personal Information

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We provide your information to insurance companies and agents that provide insurance quotes and offer insurance terms to you or the companies that deal with your insurance claim (such as loss assessors and claims administrators). Your information may be given to an overseas insurer (like Lloyd's of London) if we are seeking insurance terms from an overseas insurer, or to reinsurers who are located overseas. We will try to tell you where those companies are located at the time of advising you. We do not trade, rent or sell your information.

If you do not provide us with full information, we can not properly advise you, seek insurance terms for you, or assist with claims and you could breach your duty of disclosure.

For more information about how to access the personal information we hold about you and how to have the information corrected and how to complain if you think we have breached the privacy laws, ask us for a copy of our Privacy Policy or visit our website.

8. Feedback and Dispute Resolution Procedures

It is Consolidated's Policy that all customer complaints are given priority and every effort is made to resolve the problem in an honest, efficient and fair manner, to the customer's full satisfaction. Where a complaint arises, the Compliance Officer will acknowledge the complaint in writing by the end of the following business day and a full investigation will be undertaken with a written response to be forwarded within 20 days.

If your complaint cannot be resolved to your satisfaction, we are a member of the Financial Ombudsman Service Limited ("FOS") a free consumer service and you have the right to refer the matter to them. FOS can be contacted on 1300 780 808 or visit www.fos.org.au.

9. Arrangements for Compensation

Consolidated Insurances Pty Ltd has a Professional Indemnity Policy ("PI") in place to help protect clients in the event of any loss arising from matters for which Consolidated may be held at fault. Our PI policy provides coverage for both direct employees of Consolidated as well as our Authorised Representatives who are engaged in the provision of financial services relating to general insurance. Our cover extends to cover us for claims relating to the conduct of our employees (during the period employed by Consolidated) who no longer work for us.

Contact Us

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CONSOLIDATED
INSURANCE
BROKERS

Financial Services Guide

"We're Here to Help"

Effective: 12 March 2014
FSG Version: 140312 v2.2



Financial Services Guide

This Financial Services Guide ("FSG") provides key information about Consolidated Insurances Pty Ltd ("Consolidated") to assist you to decide whether you wish to obtain any of the services set out in this FSG. It contains information about:

- the services we can provide to you
- how we, our representatives and our associates are paid
- actual and potential conflicts of interest we may have when providing services
- how you can make a complaint

1. Who is Responsible for the Financial Services

Consolidated is responsible for the financial services provided to you, including the distribution of this FSG. We provide these services through Brokers who will act on your behalf.

2. Other Documents you are Entitled to Receive

Product Disclosure Statement

If you are a Retail client and we arrange or recommend you purchase an insurance policy, we will provide you with a Product Disclosure Statement ("PDS"). The PDS is prepared by the insurer to give you important information about both the insurer and the policy you have acquired.

Statement of Advice

If you purchase a prescribed product that requires further disclosure, such as a Personal Accident policy, you will receive a Statement of Advice "SOA" which outlines the basis of our recommendations.

Record of Further Details

If you are a Retail client purchasing a prescribed product you may request a record of further details regarding our advice to you. This can be requested by contacting our office within 7 years.

3. Financial Services Consolidated can Provide

Consolidated offers both personal and general financial services to retail and/or wholesale clients in respect of general insurance products only. Within the scope of our authorisation, we will review and advise on your general insurance needs, arrange premium funding at your request and assist you with managing any insurance claims that may arise.

A retail client is an individual or small business (manufacturing less than 100 employees and other businesses less than 20 employees) who receives advice or service in relation to a Prescribed Product—i.e. Motor Vehicle (<2T); Home & Contents; Sickness and Accident; Consumer Credit; Travel; Personal and Domestic Property etc.

Consolidated's representatives provide tailored advice which takes into account your personal needs. This advice is limited by the quality of the information you provide to us. Where your Broker has information that is inaccurate or incomplete, you must assess any advice in light of your own individual circumstances and decide whether it is appropriate to act on this advice.

We research a range of insurance products to assess quality and price but do not deal with and provide comparisons with all insurers. It is your responsibility to decide whether our advice meets your particular needs. You should consider any advice provided with the information available in the PDS and other documents you receive before making a decision about the policy.

4. Payment and Remuneration

Method of Payment - You may pay Consolidated within the timeframe set out on your invoice by any of the payment methods specified including cash, cheque, direct deposit, premium funding or credit card.

Trust Account - When you pay us your premium it will be banked into our trust account. We retain commission/fees due and remit the balance to the insurer. We may earn and retain interest on monies passing through our trust account.

Commission & Broker Fees - We are primarily remunerated by commission from the relevant insurer whenever you enter into an insurance policy arranged by us. The commission is calculated as a percentage, ranging from 0 – 40% of the insurer's base premium (for example, a home insurance policy may have a base premium of \$1,000 with commission of 20%, this means we receive \$200 of this \$1,000 premium). We may also charge you a non-refundable Broker Fee which will be clearly shown on our invoice in addition to or in place of commission.

Consolidated engages a number of Brokers who receive market salaries and may receive up to 30% of the commission received by Consolidated for business written. Corporate Authorised Representatives may receive up to 80% of the commission/fees received by Consolidated.

Cancellation - If there is a refund of premium as a result of the cancellation or adjustment of your policy, we reserve the right to retain our fees and commission earned prior to the cancellation or adjustment. We may also charge you a fee for the cancellation. In some cases the Insurer may apply penalties to midterm cancellations. Refer below for Cooling Off Period details.

Disclosure - When purchasing a prescribed product, the remuneration we are paid will be clearly detailed in the Important Information Regarding our Advice ("IIROA") on the last page of your invoice.

Premium Funding - If you instruct us to arrange premium funding to spread payments over a number of months, we generally outsource this

function to Integrated Premium Funding (IPF). IPF is owned by directors of Consolidated and earns interest on the premium funding contracts. Corporate Authorised Representatives of Consolidated may receive a profit share from IPF for these transactions. Consolidated may also utilise an alternative premium funding company and receive commission calculated as a percentage of your total insurance premium in the range of 0-4.0%.

Alternative Remuneration - Consolidated and your Broker may receive alternative remuneration, such as entertainment and gifts, from insurance service providers. In accordance with the Industry Code of Practice, Consolidated maintains a register of all material alternative remuneration paid and received. A copy of this register is available on request.

Further Details - If you require further details regarding the remuneration we receive before making a decision to engage Consolidated, please advise your Broker and a member of the management team would be pleased to discuss this with you.

5. Cooling Off Periods

If you purchase a prescribed product as a Retail Client you may be entitled to a 14 day cooling off period during which time you can return the policy and receive a premium refund. The cooling off period is subject to legal requirements and terms and conditions which will be detailed in your PDS.

6. Professional Associations & Conflicts of Interest

CQIB - Consolidated is a member of the Council of Queensland Insurance Brokers ("CQIB") and may recommend policies with wordings that have been endorsed by CQIB. These policies include override commissions that provide a financial benefit to CQIB. CQIB is a not for profit organization that promotes education, training and development within the insurance broking industry.

Consolidated Life - If you require advice from a Life Insurance adviser we will recommend the services of Consolidated Life Pty Ltd which is a Corporate Authorised Representative of Madison Financial Group Pty Ltd. Consolidated Life is part of the Consolidated Insurance Group of companies and directors of Consolidated Insurances are also directors of Consolidated Life. Where you accept a referral to Consolidated Life,



IMPORTANT INFORMATION

Please read this information carefully and contact us immediately if you have any queries

Average Clause – Underinsurance - Personal Insurance (e.g. home and contents policies), and business insurance (e.g. fire, business interruption, industrial special risks) often contain an average clause. Such clauses enable the insurer to reduce your claim settlement in proportion to the amount of any underinsurance. Therefore, you should always insure for full value, which may be replacement, indemnity or market value depending on the type of cover arranged.

Changes to your Risk and Change of your Circumstances - Advise us immediately of any changes to the risk covered or your circumstances. Some examples of such changes are: change of location, risk, activity, insured names, values to be insured, installation or removal of smoke or burglar alarms and the like.

Claims - To ensure any entitlement under your policy is protected, you must report all incidents that may give rise to a claim against you, to the Insurers without delay after such incidents come to your attention and prior to the expiration of the policy period. Your attention is also drawn to the fact that your policies do not provide indemnity in respect of events that occurred PRIOR to commencement of the insurance contract.

Contractual Liability - Many commercial or business contracts/leases contain clauses dealing with your liability (including indemnities or hold harmless clauses). Such clauses may entitle your insurers to reduce cover, or in some cases, refuse to indemnify you at all. You should seek legal advice before signing and accepting contracts. You should inform us of any clauses of this nature before you enter into them.

Duty of Disclosure - Before you enter into a contract of general insurance with an insurer, you have a duty under the Insurance Contracts Act 1984 to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance and, if so, on what terms. The same duty arises on renewal, extension, reinstatement or variation of the policy. The disclosure required is especially important in matters relating to the physical risk, past claims, cancellation of insurance covers, the imposition of increased premiums, insolvency or criminal convictions. Disclosure is not limited to specific questions in a proposal or matters applying to the insured named in the policy, but includes other relevant matters including past business or businesses or private insurances – this is referred to as the doctrine of utmost good faith. If you breach the duty, even innocently, the insurer may be able to reduce its liability in respect of a claim, or may cancel the contract. If the non-disclosure is fraudulent, the insurer may also have the option of avoiding the policy from inception.

Insured Name and Interests of Other Parties - Always ensure you advise us of every interested entity so that each can be properly advised to the insurer and noted as insured and/or for their respective rights and interests. Most policies will exclude indemnity to parties unless their interest is noted on the policy.

Leasing, Hiring and Borrowing Property - When you lease, hire or borrow property, make sure that the contract clearly identifies who is responsible to insure the property. This will help avoid arguments after a loss and ensure that any claims are efficiently processed.

Premium Funding Non Payment - In the event you fail to fulfil the requirements of a funding contract, the premium funder has full power of attorney over your policy(ies). The funder can request the Insurer to cancel your policy(ies) and the funder has the right to any refund of premium. In this instance we are obliged to act on the instructions of the Funder.

PDS/Policy Wording - A PDS or Policy Wording has been provided to you or a Policy Wording will be passed to you as soon as it is received from the Insurer. It is in your best interests to read this document without delay and advise us of any aspects which are not clear to you or where any aspect of the cover does not meet with your requirements.

Privacy - We use the information you provide to advise about and assist with your insurance needs. We provide your information to insurance companies and agents that provide insurance quotes or the companies that deal with your insurance claim (such as loss assessors/claims administrators). Your information may be given to an overseas insurer (like Lloyd's of London) if we are seeking insurance terms from an overseas insurer, or to reinsurers who are located overseas. We will try to tell you where those companies are located at the time of advising you. We do not trade, rent or sell your information. If you do not provide us with full information, we cannot properly advise you, seek insurance terms for you, or assist with claims and you could breach your duty of disclosure. For more information about how to access the personal information we hold about you and how to have the information corrected and how to complain if you think we have breached the privacy laws, ask us for a copy of our Privacy Policy or visit our website.

Refunds and Reservation of Remuneration - If there is a refund of premium owed to you as a result of a cancellation or alteration to a policy (excluding cancellation within the cooling off period), Consolidated will retain any fee we have charged you and reserve the right to retain the full commission.