

## DOCUMENT CONTENTS

The following pages contain important documents that you should read before you arrange your motor vehicle insurance with Smartsalary:

- Financial Services Guide
- Important Notices
- Terms of Engagement

If you have any questions regarding anything you've read, please call Marsh Advantage Insurance on 1300 614 843.

# FINANCIAL SERVICES GUIDE

The financial services that are offered in this Financial Services Guide (FSG) are provided by:

## MARSH ADVANTAGE INSURANCE PTY LTD

ABN 31 081 358 303  
AFS Licence No.: 238369  
GPO Box 1229, Melbourne VIC 3000  
Tel.: 1300 614 843  
Fax: (03) 9603 2248  
www.marshadvantage.com.au

## SMARTSALARY PTY LTD

ABN 24 096 796 100  
AR No. 284495  
GPO Box 2739, Sydney, NSW, 2000  
Tel: 1300 476 278  
Fax: 1300 400 510  
www.smartleasing.com.au

This FSG is a guide containing important information about our relationships and associations and is intended to assist you in your decision whether to use any of our services.

The FSG includes information about:

- Who we are
- The services we are authorised to provide to you
- How we and our associates are remunerated
- Any potential conflict of interest we may have
- Our internal and external dispute resolution procedures and how you can access them.

## STATEMENT OF ADVICE

We will only provide you with general advice about the insurance products offered. This advice does not take into account your personal circumstances, objectives or needs. You should read the Product Disclosure Statement available from us before making a decision to acquire insurance.

We will provide you with information about how we are remunerated including any benefits we would receive and any relevant interests or relationships that might be considered as influencing us in the advice or recommendation we have provided.

## PRODUCT DISCLOSURE STATEMENT (PDS)

If we recommend that you acquire or we offer to issue or arrange to issue you a financial product, we will give you information about the particular financial product by providing you with a Product Disclosure Statement (PDS). The PDS will help you make an informed decision about the financial product.

## WHO WILL BE PROVIDING THE FINANCIAL SERVICE?

Marsh Advantage Insurance Pty Ltd (Marsh Advantage Insurance) is an AFS licensee and has appointed Smartsalary Pty Ltd (Smartsalary) as its authorised representative to provide the financial services to you.

Marsh Advantage Insurance is a subsidiary of Marsh Inc.. Marsh Inc. is a world leader in delivering risk and insurance services and solutions to clients. Global risk management consulting, insurance broking and insurance program management services are provided for business, professional service organisations and private clients under the Marsh Advantage Insurance name.

Marsh Advantage Insurance's ultimate parent is Marsh & McLennan Companies, Inc. (MMC) which is a public company listed on the New York, Chicago, and London stock exchanges.

## WHO DO MARSH ADVANTAGE INSURANCE AND SMARTSALARY ACT FOR WHEN PROVIDING FINANCIAL SERVICES?

We will act on your behalf. When we provide you with general advice we act on your behalf.

## WHAT KIND OF FINANCIAL SERVICES ARE MARSH ADVANTAGE INSURANCE AND SMARTSALARY AUTHORISED TO PROVIDE YOU WITH AND WHAT KIND OF FINANCIAL PRODUCT/S DO THOSE SERVICES RELATE TO?

We are authorised to provide general financial product advice and deal in motor vehicle insurance products.

## **WHAT COMMISSIONS, FEES OR OTHER BENEFITS DOES MARSH ADVANTAGE INSURANCE AND SMARTSALARY RECEIVE FOR PROVIDING THE FINANCIAL SERVICES?**

Marsh Advantage Insurance is paid a commission by the insurer for arranging the policy which is based on a percentage of the premium less stamp duty, fire services levy, GST and any other government charges, taxes, fees or levies. The rate of commission is 23.5% of the base premium paid (less stamp duty, fire services levy, GST and any other government charges, taxes, fees or levies). This commission is retained by Smartsalary when paid by the insurer, then shared with Marsh Advantage Insurance (at a rate of 1.5% of the base premium paid).

In respect of the comprehensive motor vehicle policies arranged under this facility, Smartsalary may also obtain financial benefits from the insurer in the form of 'claims experience benefits' which are subject to the claims not exceeding certain agreed levels or a certain number of repairs being completed by nominated insurer service providers. If payable, these benefits are received by Marsh Advantage Insurance and will be paid to Smartsalary, not you. This arrangement can mean Marsh Advantage Insurance and Smartsalary may be considered to not be impartial in placing insurance with this specific insurer or in handling claims. In order to control any potential conflict of interest arising from this arrangement, Marsh employs policies and procedures to avoid such conflicts arising.

We may also receive the above mentioned commission on each renewal and some variations of your policy.

Smartsalary charges a separate administrative fee, plus GST, to administer the comprehensive motor vehicle insurance.

Our representatives receive an annual salary which may include a bonus based on performance. They may also from time to time be eligible to receive incentives or bonuses based on service, retention and increasing new business.

If there is a refund of premium owed to you as a result of a cancellation to a policy, the premium, fire services levy (if applicable), GST and any other government charges, taxes, fees or levies will be returned to you on a pro rata basis less any fee and/or commission charged/earned by us which is deemed to be fully earned by us on placement of the policy.

Our representatives may also receive non-monetary benefits from insurers. This may include entertainment at sporting events, hospitality including lunches and attendance at insurer sponsored functions. It is not possible to determine in advance what, if any, nonmonetary benefit a representative may receive and these benefits are not generally attributed to any particular product.

Marsh receives separate compensation from insurers for providing consulting, data analytics or other services. The services are designed to improve the product offerings available to our broking clients, assist insurers in identifying new opportunities and enhance insurers' operational efficiency. The scope and nature of the services vary by insurer and by geography. In Australia this separate compensation is paid in the form of a fixed fee. Where Marsh is involved in such arrangements, Marsh may be considered to have an incentive to place a broking client's insurance with these insurers. In order to control any potential conflict of interest arising from the provision of these services to insurers, Marsh employs and acts in accordance with its policies and procedures.

We will answer any questions you may have about our remuneration to ensure you are clearly informed.

## **WHAT RELATIONSHIPS OR ASSOCIATIONS EXIST WHICH MIGHT INFLUENCE MARSH ADVANTAGE INSURANCE AND SMARTSALARY IN PROVIDING FINANCIAL SERVICES?**

Where you have been referred to us by someone else, if we pay them a fee or commission in relation to that referral, we will tell you.

Some insurance risks may be placed by us with companies in the Marsh group of companies ('Intermediary Company') who act as intermediaries. An Intermediary Company is remunerated under its contractual arrangements with the relevant insurer. The rate of remuneration depends on the policy and the insurer and may range from 0% to 24%. The amount that we are remunerated is not affected if we place an insurance risk through an Intermediary Company.

Marsh Advantage Insurance receives compensation from insurers for providing consulting, data analytics, or other services. The services are designed to improve the product offerings available to our insurance broking clients, assist insurers in identifying new opportunities, and enhance insurers' operational efficiency. The scope and nature of the services vary by insurer and by geography. In Australia this compensation is paid in the form of a fixed fee.

Where Marsh Advantage Insurance is involved in such arrangements, Marsh Advantage Insurance will be considered to have an incentive to place a client's insurance with these insurers. In order to control any potential conflict of interest arising from the provision of these services to insurers, Marsh Advantage Insurance employs and acts in accordance with its policies and procedures. We will answer any questions you may have about the above and in particular our remuneration to ensure you are clearly informed.

We will answer any questions you may have about the above and in particular our remuneration to ensure you are clearly informed.

## WHAT SHOULD YOU DO IF YOU HAVE A COMPLAINT?

1. Contact us and tell us about your complaint. We have our own internal dispute resolution procedure, a copy of which is available upon request. In the first instance you should address any concern or complaint to the Marsh Advantage Insurance representative servicing your account. Alternatively, you may contact the Marsh Advantage Insurance Complaints Officer on (03) 9603 2338.
2. If your complaint is not resolved to your satisfaction, the matter will be referred to the Marsh Advantage Insurance Complaints Officer to investigate and take appropriate action. You will be advised within 15 working days of our decision. If the matter is complex and a longer period is required you will be informed.
3. We are a member of an external dispute resolution scheme. If your complaint cannot be resolved to your satisfaction by us you may be able to refer the matter to the free consumer service offered by this scheme.

## THE FINANCIAL OMBUDSMAN SERVICE LIMITED (FOS)

You may be able to refer your complaint to the FOS which is a national scheme for consumers aimed at resolving disputes between clients and their broker or insureds and their insurance companies or claimants who have a dispute with another person's insurance company in relation to motor vehicle property (ie third party) claim. The FOS also provides advice and other information about general insurance matters.

If you have any query about whether your complaint can be handled by FOS, call 1300 78 08 08 or e-mail [info@fos.org.au](mailto:info@fos.org.au).

## COMPENSATION ARRANGEMENTS

In accordance with s912B of the Corporations Act, Marsh Advantage Insurance holds professional indemnity insurance which may cover claims arising out of the conduct of Marsh Advantage Insurance, its employees and representatives in the provision of services by Marsh Advantage Insurance. The policy also covers Marsh Advantage Insurance (subject to its terms and conditions) for work done for Marsh Advantage

Insurance by employees and representatives who no longer work for Marsh Advantage Insurance (but who did at the time of the relevant conduct).

In some instance our authorised representatives may hold their own insurance for this purpose.

## PREMIUM AND INVOICE CALCULATIONS

We make every effort to correctly determine the premium, fire services levy (if applicable), GST and any other government charges, taxes, fees or levies that apply to your insurance. However, occasionally errors can occur. We may correct any such error and (except to the extent prohibited by law) we will not be responsible for any loss you suffer as a result of the error and its correction.

## AUTOMATIC RENEWALS

To help simplify things, we will use an Automatic Renewal process for your next policy renewal. In summary, where:

- we offer you renewal terms; and
- you are happy with the renewal terms and do not have any further disclosure to make under your duty of disclosure,

you will not need to contact us before expiry. We will automatically renew the policy on the terms proposed unless we hear from you otherwise. You must pay the renewal premium by the due date.

If you don't want to renew, want to change the terms or need to disclose any matter to the insurer, you need to contact us before expiry. We can change terms offered on renewal or choose not to arrange a renewal by providing you with written notice at least 14 days before expiry.

## HOW DO I CONTACT MARSH ADVANTAGE INSURANCE AND SMARTSALARY?

- Smartsalary can be contacted:

GPO Box 2739, Sydney, NSW 2000  
Tel: 1300 476 278  
Fax: 1300 400 510  
[www.smartleasing.com.au](http://www.smartleasing.com.au)

- Marsh Advantage Insurance can be contacted:

727 Collins Street  
Melbourne, VIC, 3008  
Tel: 1300 614 843  
Fax: (03) 9603 2248  
[www.marshadvantage.com.au](http://www.marshadvantage.com.au)

The Financial Service Guide is dated December 2017.

# IMPORTANT NOTICES

These notices outline your rights and obligations in relation to entering into contracts of general insurance. It is essential that you read these notices carefully and advise Marsh Advantage Insurance Pty Ltd (Marsh Advantage Insurance) immediately if you wish to make a further 'declaration' or have questions about general or policy specific notices.

## DISCLOSURE

### **Your Duty of Disclosure – contracts of general insurance subject to the Insurance Contracts Act, other than eligible contracts of insurance (see below).**

Before you enter into an insurance contract, you have a duty to tell the insurer anything you know, or could reasonably be expected to know, may affect the insurer's decision to insure you and on what terms. You have this duty until the insurer agrees to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract. You do not need to tell the insurer anything that:

- reduces the risk they insure you for; or
- is common knowledge; or
- they know or should know as an insurer; or
- they waive your duty to tell them about.

### **If you do not tell the insurer something**

If you do not tell the insurer anything you are required to, they may cancel your contract or reduce the amount they pay you if you make a claim, or both. If your failure to tell the insurer is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

### **Your Duty of Disclosure – eligible contracts of insurance subject to the Insurance Contracts Act (i.e. a policy where one of the insureds is an individual and the contract is wholly one or more of the following types – motor vehicle, home buildings, home contents, accident and sickness, consumer credit and travel insurance)**

#### **When first entering into eligible contracts of insurance with a new insurer**

Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984.

If the insurer asks you questions that are relevant to their decision to insure you and on what terms, you must tell them anything that you know and that a reasonable person in the circumstances would include in answering the questions. You have this duty until the insurer agrees to insure you.

### **If you do not tell the insurer something**

If you do not tell the insurer anything you are required to tell them, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both. If your failure

to tell the insurer is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

### **Renewal of eligible contracts of insurance with the same insurer**

Before you renew an eligible contract of insurance, you have a duty of disclosure under the Insurance Contracts Act 1984.

If the insurer asks you questions that are relevant to their decision to insure you and on what terms, you must tell them anything that you know and that a reasonable person in the circumstances would include in answering the questions.

Also the insurer may give you a copy of anything you have previously told them and ask you to tell them if it has changed. If the insurer does this, you must tell them about any change or tell them that there is no change. If you do not tell the insurer about a change to something that you have previously told them, you will be taken to have told them that there is no change. You have this duty until the insurer agrees to renew the contract.

### **If you do not tell the insurer something**

If you do not tell the insurer anything you are required to tell them, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell the insurer is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

## DISCLOSURE – SUBSIDIARY & ASSOCIATED COMPANIES

Your Duty of Disclosure - Cover which is arranged for subsidiary and/or associated companies in addition to named insureds.

If you enter into a contract of insurance on behalf of any subsidiary and/or related company of the named insured, that subsidiary and/or related company has the same duty of disclosure as the named insured. We recommend that you ensure that each subsidiary and/or related company is made aware of the duty of disclosure and given an opportunity to make any necessary disclosures.

## UTMOST GOOD FAITH

Every insurance contract is subject to the doctrine of utmost good faith, which requires that parties to the contract should act toward each other honestly and fairly, avoiding any attempt to deceive in assuming and performing contractual obligations. Failure to do so on the part of the insured may permit the insurer to refuse to pay a claim or to cancel the policy or both.

## ESSENTIAL READING OF POLICY WORDING

We will provide you with a full copy of your policy as soon as it is received from the insurer. It is essential that you read this document without delay and advise Marsh Advantage Insurance Pty Ltd in writing of any aspects which are not clear or where the cover does not meet with your requirements.

## CHANGE OF RISK OR CIRCUMSTANCE

It is vital that you advise the insurer of any changes to your company's usual business. For example, insurers must be advised of any:

- mergers or acquisitions,
- changes in occupation or location,
- new products or services, or
- new overseas activities.

If you are in doubt as to whether to notify your insurer of a change in business operations, please consult Marsh Advantage Insurance. Please note that your duty to disclose applies also when you amend, alter, vary or endorse a policy.

## SUBROGATION

Some policies contain provisions that either exclude or reduce the insurer's liability for a claim if you waive or limit your rights to recover damages from another party in relation to any loss. You may prejudice your rights with regard to a claim if, without the prior agreement from your insurers, you make any agreement with a third party that will prevent the insurer from recovering the loss from that, or another party.

If you have such agreements, we may be able to negotiate with the insurer to permit them and therefore we request you advise Marsh Advantage Insurance of their existence.

Examples of such agreements are the "hold harmless" clauses which are often found in leases, in maintenance or supply contracts from burglar alarm or fire protection installers and in repair contracts. If you are in doubt, please consult Marsh Advantage Insurance.

## UN-NAMED PARTIES

Most policy conditions will exclude indemnity to other parties (e.g. mortgagees, lessors, principals, etc.) unless their interest is properly noted on the policy. If you require the interest of a party other than the named insured to be covered, you must specifically request this.

## GENERAL ADVICE WARNING

It is important that you understand and are happy with the policies Marsh Advantage Insurance can arrange for you. Any recommendations we have made have been based on a consideration of the premium quoted and the scope of cover offered by an insurer. We can give you general information to help you decide but unless we have specified otherwise, we have not advised you on whether the terms are specifically appropriate for your individual objectives, financial situation or needs. We therefore recommend that you should carefully read the relevant Product Disclosure Statement and other information we provide before deciding.

## PRIVACY NOTICE

Marsh Advantage Insurance Pty Ltd (ABN 31 081 358 303 AFS licence number 238 369) and our associated entities value the privacy of your personal information and we are committed to handling your personal information in a responsible way in accordance with the Australian Privacy Principles (APPs) and the Privacy Act 1988 (Cth). Full details of how, when and from where we collect, hold, use and disclose personal information is available in our Privacy Policy at the Legal Notices section of [www.marshadvantage.com.au](http://www.marshadvantage.com.au). Our Privacy Policy also contains information about how you may complain about a breach of the APPs and our complaint handling process.

In the course of performing our business activities including providing insurance and risk services such as arranging insurance policies and advising on insurance options, reinsurance, managing claims or consulting on other risks for our clients and those of our associated entities, insurers and other insurance intermediaries we (and our authorised agents) may collect or disclose your personal information from or to other persons, which include:

- a person authorised by you;
- a third party such as your employer;
- our employees, authorised representatives, associated entities and contractors and other business support service providers for the purposes of the operation of our business;
- insurers, reinsurers; other insurance intermediaries and premium funders;
- persons involved in claims such as solicitors, assessors, repairers, builders, investigators, your employer or



- medical practitioners and rehabilitation providers; or
- government bodies, regulators, the Financial Ombudsman Service, law enforcement agencies and any other parties where required or authorised by law.

Information that you provide may be shared between Marsh Advantage Insurance Pty Ltd (ABN 31 081 358 303) and Smartsalary Pty Ltd (ABN 24 096 796 100).

Marsh Advantage Insurance may also collect and disclose your personal information for other purposes as outlined in our Privacy Policy, which includes marketing activities. We will only use and disclose your personal information for a purpose permitted by law or that you would reasonably expect. We will request your consent for any other purpose.

When you give Marsh Advantage Insurance personal information about other individuals, we rely on you to have made them aware that you will or may provide their information to us, the purposes for which we use it, the types of third parties we disclose it to and how they can access it (as described in this notice). If it is sensitive information we rely on you to have obtained their consent to these matters. If you have not done these things, you must tell us before you provide the relevant information.

If you do decide not to provide us with the information required we may not be able to provide a service or arrange a product.

Your personal information may be disclosed to our associated entities, service providers, insurers, reinsurers and other insurance intermediaries located in countries outside of Australia. The countries this information may be disclosed to will vary from time to time, but may include the United Kingdom, the United States, Canada, India for business support services and international insurance market hubs in Bermuda, Brazil, China, Dubai, Hong Kong, Ireland, Japan, Singapore, South Korea, United Kingdom, and the United States. We take reasonable steps to ensure that overseas recipients of your information do not breach the privacy obligations relating to your personal information.

By continuing to engage us, you confirm that you have read this Notice and the Marsh Advantage Privacy Policy available on our website and you authorise and consent to Marsh Advantage collecting, holding, using and disclosing any personal information related to your application for insurance in accordance with those terms, including for the purposes explained and to the persons and authorised third parties identified. You may modify or withdraw your consent at any time by contacting our Privacy Officer (whose details are outlined in the Privacy Policy and Notices). If you do not give us consent or subsequently modify or withdraw your

consent, we may not be able to provide you with the products or services you want.

If you have any questions or comments in relation to Privacy or if you wish to access your personal information or update it please contact our Privacy Officer by:

Post: PO Box H176, Australia Square NSW 1215

Phone: 02 8864 7688 Email: [privacy.australia@marsh.com](mailto:privacy.australia@marsh.com)

## WHAT SHOULD I DO IF I HAVE A COMPLAINT?

1. Contact us and tell us about your complaint. We have our own internal dispute resolution procedure, a copy of which is available upon request. In the first instance you should address any concern or complaint to the Marsh Advantage Insurance representative servicing your account. Alternatively, you may contact the Marsh Advantage Insurance Complaints Officer on (03) 9603 2338.
2. If your complaint is not resolved to your satisfaction, the matter will be referred to the Marsh Advantage Insurance Complaints Officer to investigate and take appropriate action. You will be advised within 15 working days of our decision. If the matter is complex and a longer period is required you will be informed.
3. We are a member of an external dispute resolution scheme. If your complaint cannot be resolved to your satisfaction by us you may be able to refer the matter to the free consumer service offered by this scheme.

## THE FINANCIAL OMBUDSMAN SERVICE LIMITED (FOS)

You may be able to refer your complaint to the FOS which is a national scheme for consumers aimed at resolving disputes between clients and their broker or insureds and their insurance companies or claimants who have a dispute with another person's insurance company in relation to motor vehicle property (i.e. third party) claim. If you have any query about whether your complaint can be handled by FOS, call 1300 78 08 08 or email [info@fos.org.au](mailto:info@fos.org.au).

## EVENTS OCCURRING PRIOR TO COMMENCEMENT

Some policies provide cover on an "occurrence" basis. Your attention is drawn to the fact that such policies do not provide indemnity in respect of events that occurred prior to commencement of the contract.

# TERMS OF ENGAGEMENT

These Terms of Engagement apply between you and Marsh Advantage Insurance Pty Ltd (“Marsh Advantage Insurance”) (ABN 31 081 358 303, AFSL 238 369). In particular we wish to draw your attention to the limitation of liability in clause 8 below.

## 1. Introduction

1.1 Payment of our invoice or verbal or written acceptance of the quotation proposal or renewal invitation shall be deemed as acceptance of these Terms of Engagement.

## 2. Making a claim

2.1 Most insurance policies have strict requirements about what the insured should do if they have a claim or if they know about something that might lead to a claim in the future. It is your responsibility to understand these requirements and any relevant limitation period for commencing legal proceedings or other forms of dispute resolution against insurers should the need occur.

## 3. Market security

3.1 Marsh Advantage Insurance only places insurance with insurers that meet its minimum financial standards, unless a client provides specific instructions to the contrary. Marsh Advantage Insurance does not guarantee the solvency or continuing solvency of any insurer and you should note that the financial position of an insurer can change.

3.2 Where Marsh Advantage Insurance advises you of an insurer’s ‘Standard & Poors’ (or equivalent) credit rating this does not apply in relation to any insurances arranged for you as a Retail Client as that term is defined in Chapter 7 of the Corporations Act 2001 (Cth).

## 4. Products and Services

4.1 Marsh Advantage Insurance will normally make a recommendation to you for insurance policies. You will need to make your own choice about how to proceed and, on receipt of your instructions, Marsh Advantage Insurance will endeavour to arrange insurance, subject to availability.

4.2 Marsh Advantage Insurance shall provide the Services either itself or, where it considers it appropriate, through one or more of its Associated Entities (as that term is defined in the Corporations Act 2001 (Cth)) or sub-contractors.

4.3 Marsh Advantage Insurance does not consider or assume

any liability for the effectiveness or completeness of your existing insurance program (if any) or any insurance policies placed by you directly or by or through another insurance broker or intermediary, or for any acts or omissions occurring prior to the date of the commencement of Marsh Advantage Insurance’s engagement.

4.4 You should note that Marsh Advantage Insurance is not qualified to provide, and will not provide legal, accounting, regulatory or tax advice (including on any liability for Government or other taxes, levies and duties).

4.5 Marsh Advantage Insurance may communicate with you by electronic means, including sending renewal notices and policy documentation, unless you specifically request that this is not done.

4.6 Unless advised otherwise we will forward all correspondence and policy documentation to the email or postal address that you last provided to us as your correct contact details for the receipt of policy notices and information. This email or postal address is the only official contact details on which we rely. It is your responsibility to ensure that these details are accurate and complete.

4.7 Marsh Advantage Insurance may in the course of providing the Services collect, hold, use and disclose Personal Information (as that term is defined in the Privacy Act 1988 (Cth)). All Personal Information collected, held, used or disclosed in the course of providing the Services will be handled in accordance with the Privacy Act 1988 (Cth), the Privacy Principles and Marsh’s Privacy Policy (as amended from time to time, available at [www.marshadvantage.com.au](http://www.marshadvantage.com.au)).

4.8 You warrant that:

- a) you will comply with the Privacy Act 1988 (Cth) when collecting, holding, using and disclosing Personal Information;
- b) you have any required consent(s) in respect of the transfer of Personal Information to us by you or any third party on your own behalf; and
- c) where Personal Information of an individual is collected by Marsh Advantage Insurance from you or a third party on your behalf, you will notify the individual of the collection of their Personal Information by Marsh Advantage Insurance and the matters required by law.



## 5. Remuneration

- 5.1 Marsh Advantage Insurance will be remunerated for its Services in one of three ways:
- A specific fee(s) paid by you; or
  - A percentage commission of the premium due to the insurer for your insurance policies (please note that this will be the basis for Marsh Advantage Insurance's remuneration unless otherwise agreed); or
  - A combination of fee(s) and commission.
- In addition to the matters set out in these Terms of Engagement, Marsh Advantage Insurance will advise you of the way it is remunerated in the correspondence communicating the recommended insurance program to you.
- 5.2 You are entitled, at any time, to request information regarding any remuneration which Marsh Advantage Insurance may have received as a result of placing your insurance business. Marsh Advantage Insurance discloses its wider compensation arrangements in a document entitled "Compensation Guide for Australian Clients" available at [www.marshadvantage.com.au](http://www.marshadvantage.com.au).
- 5.3 Marsh Advantage Insurance shall be considered to have earned all remuneration in full at the time the policy is placed. Marsh Advantage Insurance reserves the right to retain in full all remuneration so earned even where an insurance policy is amended, terminated or otherwise cancelled. This does not affect any statutory cancellation rights. The remuneration of Marsh Advantage Insurance (especially the fee paid by you) is not conditional on the placement of an insurance policy being made, and Marsh Advantage Insurance reserves the right to be remunerated for the work it has undertaken.
- 5.4 You will promptly pay the premium and any other charges (including statutory taxes/duties/levies) that any insurer or Marsh Advantage Insurance invoices to you. Where the policy includes a premium payment warranty or condition, you acknowledge that failure to pay the insurer or Marsh Advantage Insurance in sufficient time may result in the insurer having the right to cancel the policy. You may remain liable to the insurer for any premium due prior to cancellation of the policy.

5.5 All fees, commissions and expenses are (unless otherwise expressly stated) exclusive of GST, which will be added as appropriate.

5.6 You must pay Marsh Advantage Insurance's invoices within 14 days of the date of invoice.

5.7 Marsh Advantage Insurance may earn interest or benefit from investment income or from foreign exchange differentials in the process of handling client money. Marsh Advantage Insurance reserves the right to retain all such benefits. This limits the need for additional charges that Marsh Advantage Insurance might otherwise have to make.

5.8 If the Services Marsh Advantage Insurance provides include negotiating the settlement of any claims:

- There will be no additional charge for up to twenty (20) hours work provided in negotiating the settlement of any non-Major Claim or series of related non-Major Claims arising from the one originating cause, whether in one or more Policy years;
- In addition to any remuneration otherwise payable under this Agreement, Marsh Advantage Insurance will be remunerated at the rate of AU\$275 per hour plus GST, or part thereof, for any claims management services provided with respect to (i) Major Claims; and (ii) non-Major Claims, other than to the extent subclause a) applies.

'Major Claim' means a claim for which the loss is estimated at any time to exceed US\$5 million, or that relates to a CAT event as defined by the Insurance Council of Australia, or that is reasonably complex or contentious.

5.9 If during the term of this Engagement, you instruct Marsh Advantage Insurance to arrange a contract of insurance (that was not included in the insurance program at the commencement of this Engagement) or premium funding contract, Marsh Advantage Insurance will receive additional remuneration as agreed with you and which may include:

- Commission from an insurer or premium funder as the case may be in accordance with customary market practice; and/or
- An additional fee from you or the premium funder.

5.10 Marsh Advantage Insurance may recommend contracts of insurance which are arranged through facilities that Marsh Advantage Insurance has in place with insurers whereby Marsh Advantage Insurance acts as the agent of the insurer and/or Marsh Advantage Insurance may obtain the assistance of another broker or Associated Entity, in order to carry out your instructions to arrange contracts of insurance. Where Marsh Advantage Insurance does so, Marsh Advantage Insurance, an Associated Entity, the other broker and/or the agent may receive additional remuneration from the relevant insurer or charge a fee to you.

## 6. Your Obligations

- 6.1 Provision of information: In order to be able to arrange insurance for you, you must:
- a) Act at all times with utmost good faith towards your insurers and Marsh Advantage Insurance;
  - b) Disclose to insurers before the policy is placed, and before the policy is renewed, extended, varied or reinstated, and at any other time when providing information to the insurer, all information, facts or circumstances which are, or ought to be, known to you and which are material to the risk or which is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms;
  - c) Ensure that when completing and signing any proposal form, or otherwise confirming information to insurers, the information provided is complete, accurate and provided within an agreed timescale.
- 6.2 You acknowledge that this duty is not limited to answering specific questions that may be asked by Marsh Advantage Insurance or the insurer, and further that the duty of disclosure arises again if you wish to make changes to your policy or when the policy is renewed, extended, varied or reinstated.
- 6.3 If you have any doubt whether information is material, you should disclose it to Marsh Advantage Insurance, as failure to do so might lead to your policy being avoided or cancelled by insurers or your claim being reduced to nil.
- 6.4 You shall be solely responsible for the accuracy and completeness of all information that you furnish to Marsh Advantage Insurance and/or insurers, and you shall sign any required application for insurance. Marsh Advantage Insurance shall not be responsible to verify the accuracy or completeness of any information that you provide and Marsh Advantage Insurance shall be entitled to rely on that information. Marsh Advantage Insurance shall have no liability for any errors, deficiencies or omissions in any Services provided to you, including the placement of insurance on your behalf, that are based on inaccurate or incomplete information provided to Marsh Advantage Insurance. You understand that the failure to provide all necessary information to an insurer, whether intentional or in error, could result in the impairment or voiding of coverage.
- 6.5 You agree that all decisions regarding the amount, type or terms of coverage shall be your sole responsibility. While Marsh Advantage Insurance may provide advice and recommendations, you must decide the specific coverage that is appropriate for your particular

circumstances and financial position.

- 6.6 You agree to promptly check all documentation supplied to you by Marsh Advantage Insurance or insurers to ensure there are no mistakes or misunderstandings. You will advise your usual Marsh Advantage Insurance contact or the insurer immediately of any errors or anything you believe is not in accordance with your instructions or specifications.
- 6.7 You are responsible for maintaining copies of your insurance policies, and any amendments to them, in a safe place for as long as it is possible for a claim to be made under them. New documentation may not be issued every year, and subject to any regulatory requirements, after expiry or termination (whatever the reason) of Marsh Advantage Insurance's appointment as your insurance broker, Marsh Advantage Insurance may not retain copies of policies placed by it on your behalf.
- 6.8 You agree Marsh Advantage Insurance may include, on an anonymous basis, information relating to your insurance program in benchmarking, modelling and other analytics offerings.

## 7. Term and Termination

- 7.1 Either of us may terminate these terms of engagement by giving the other party fourteen days written notice. On receipt of your notice of termination, we will immediately stop acting as your insurance broker (including when assisting you in claim settlements). Because we earn our remuneration for arranging your insurance, we both agree no refund of commission or broker fee will be due to you on termination of our appointment.
- 7.2 In the event that you do not wish to agree to any increase in Marsh Advantage Insurance's transaction fees, you may terminate these terms of engagement immediately by giving Marsh Advantage Insurance written notice.

## 8. Limitation of Liability

- 8.1 In no event shall either party to this Engagement be liable for any:
- a. indirect;
  - b. incidental;
  - c. Special;
  - d. Consequential loss;
  - e. loss of profits (other than that derived from Marsh Advantage Insurance's remuneration);

- f. loss of revenue;
- g. anticipated savings;
- h. loss of data; or
- i. Loss of goodwill or reputation;

arising out of or in connection with any Services provided by Marsh Advantage Insurance and/or Marsh Advantage Insurance's Associated Entities and their representatives (including but not limited to Marsh Advantage Insurance or their employees, agents, consultants and authorised representatives (collectively the "Relevant Persons").

Consequential loss means any loss that does not flow directly and naturally from the relevant breach or circumstances, and which could not reasonably have been in the contemplation of both parties as a probable result of the breach or the circumstances at the time then parties entered into these Terms of Engagement.

- 8.2 The aggregate liability of Marsh Advantage Insurance and the Relevant Persons combined, arising out of or relating to the provision of Services shall not exceed AUD\$1 million.
- 8.3 The provisions in clauses 8.1 and 8.2 apply to the fullest extent permitted by applicable law for all events giving rise to any liability on Our/the Relevant Persons' part, whether arising in contract, tort (including negligence) or on any other basis, but do not apply to any liability arising as a result of fraud or wilful default by Marsh Advantage Insurance and/or the Relevant Persons.
- 8.4 The provisions in clause 8.2 do not apply in relation to any Services supplied to you as a Retail Client.
- 8.5 Marsh Advantage Insurance's liability will further be limited to the extent it or the Relevant Persons' conduct causes the loss, damage or expense. If you caused or contributed to the loss, damage or expense, Marsh Advantage Insurance's liability and/or that of the Relevant Persons will be reduced to the extent which takes into account your conduct.
- 8.6 You will and you will further ensure that any entities for which you act as representative in relation to the Services performed by Marsh Advantage Insurance indemnifies Marsh Advantage Insurance and the Relevant Persons against all demands, claims, proceedings, costs or damages made against Marsh Advantage Insurance by a third party connected with the Services.

- 8.7 Marsh Advantage Insurance is not liable to you in respect of loss or damage caused by any matter beyond Marsh Advantage Insurance's reasonable control.
- 8.8 Marsh Advantage Insurance and its Associated Entities operate as an independent contractor and not in any other capacity, including as a fiduciary. No fiduciary relationship shall arise by reason of this Engagement or the performance of the Services except in the capacity where Marsh Advantage Insurance holds client funds on trust pursuant to s981B Corporations Act 2001 (Cth).
- 8.9 The benefit of the rights provided in this clause 8 to Relevant Persons is also held on trust by Marsh Advantage Insurance for the Relevant Persons.

## 9. Governing Law and Jurisdiction

- 9.1 These Terms of Engagement, and the services provided under them, shall be governed by Australian law, and any dispute shall be submitted to the exclusive jurisdiction of the Australian Courts.