

Financial Services Guide

Version 15 April 2018

One Underwriting Pty Limited

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one
UNDERWRITING

Financial Services Guide

This Financial Services Guide (FSG) explains:

- Our products and services;
- Our remuneration;
- Other important information.

Introduction

We aim to provide you with insurance products and services that protect and enhance your business. To help us achieve this, it's important that you understand what we do as your insurance broker.

Our FSG contains important information about the products and services One Underwriting Pty Ltd offers. It also explains how we, and our representatives, may be remunerated and contains details of our internal and external complaints handling procedures.

By continuing to engage One Underwriting to provide insurance services, you are, in the absence of a formal written retainer agreement, agreeing to the delivery of our services and our remuneration as described in this FSG.

If you are buying a Retail Product (as defined in the Corporations Act 2001), we will, if and when required, also give you a Product Disclosure Statement.

This contains information on the product and its features to assist you make an informed decision about whether or not to buy it. If we give you personal advice about a Retail Product which takes into account your individual objectives, financial situation or needs, we will, if required, also give you a Statement of Advice. This contains the advice we have given, the basis of that advice and other information about our remuneration and any relevant associations or interests which may have influenced the advice provided.

Please tell us if you think we can improve in any way and do not hesitate to raise any questions that you have.

This FSG is also available on our website www.oneunderwriting.com.au

How you can instruct us

You can provide instructions by using the contact details set out in this FSG.

Our products and services

As your insurance broker we are licensed to deal in and provide advice in relation to general insurance products. Under our licence, amongst other things, we are able to:

- Arrange general insurance and life insurance products to help you protect against insurable risks;
- Collect information that insurers require from you;
- Where needed, provide you with information and advice about general insurance and life insurance products;
- Where needed, assist you to make insurance claims.

We will endeavour to arrange insurance that meets your risks and needs. However, as it is you who best understands your risks and needs you should always consider the appropriateness of any advice we provide or any insurance we recommend to you before acting on our recommendations. We also rely on you for the accuracy and completeness of information you provide to us.

Finally, please note that we cannot guarantee the availability of insurance for your particular risks or the solvency of insurers.

Arranging your insurances

While cost is always important, the quality of insurance cover offered by a policy is equally important. Insurance that does not match your needs is worthless, however cheap the premium.

As one of Australia's leading insurance brokers, we have many clients in similar businesses and situations with similar risks and needs. For these groups, we design and develop One Underwriting products specifically for these groups (One Underwriting Products), which combine good pricing and quality cover from reputable insurers. Where we believe

it suits your risks and needs, we will only recommend a One Underwriting Product (rather than alternative insurance products).

Where we do not have a One Underwriting Product suitable to your risks and needs we will, unless you agree otherwise, seek quotes from appropriate insurers and help you identify an alternative insurance product.

Who do we act for?

As your insurance broker, we normally act for you in providing our insurance services. We will tell you before or at the time if we are not acting for you in providing any part of our service. For example, an insurer may give us 'binding authority' to arrange or enter into insurance products on their behalf. We could also agree to handle or settle claims on an insurer's behalf. We will also inform you if we act for an insurer in this way

The people who provide our services

We usually provide our services using One Underwriting employees.

However in some cases we use 'Authorised Representatives' or 'Distributors'.

'Authorised Representatives' are third parties whom we have authorised to provide financial services on our behalf. When you are dealing with one of our Authorised Representatives in relation to a 'Retail Product', an Authorised Representative Profile will be issued to you, setting out their company details, information about their industry experience and the services they are authorised to provide. The Authorised Representative Profile will form part of the FSG. They are authorised to provide general advice only.

'Distributors' are other third parties whom we have authorised to deal in specific insurance products on our behalf.

They can only provide factual information and are not authorised to provide any advice.

Our Authorised Representatives and Distributors are not employees and do not receive a salary. Instead they may be paid a percentage of the commission and/or part of our commission for the financial services they provide. This percentage may range between 0% and 40% of One Underwriting's remuneration.

Our remuneration

Unless we have agreed in writing otherwise, our remuneration will comprise the following:

- For arranging your insurances we usually receive a commission paid by the insurer. This type of remuneration is standard for insurance brokers and our rates of commission typically range between 0% and 40% of the premium (before taxes and statutory charges) depending on the type of insurance. Different insurers may pay different rates of commission;
- A broker service administration charge for policy invoicing, premium collection and remittance and for issuing policies and other insurance administration work. This charge will appear on your invoice and will vary depending on the work involved and the commission we receive;
- In some cases you may need specific risk advice (such as a business interruption analysis or a valuation). Where we refer you for such advice to our related companies or any other provider, they will charge a separate fee for these services, which will be agreed with you beforehand and we may receive remuneration for the referral which would be no more than 40% of the total cost of those services;
- In some cases an insurer may quote its premium net of our commission. Where this happens we may increase the broker service charge by the amount of commission that would normally apply to this type of insurance or agree a specific fee with you;
- Where we provide you with a Statement of Advice in relation to what we call a Retail General Insurance Product, we will advise you of the full amount of our remuneration in relation to that Retail General Insurance Product;

- We may charge an additional administration fee for any change to the policy that necessitates us producing a further statement or invoice or a certificate of currency. We may retain this fee from any premium refund arising in connection with the policy change.

Please note that we treat our remuneration as fully earned when we issue you with a tax invoice, unless we have a written agreement with you that varies this statement. You agree that we may retain all our commission, fees and other remuneration in full in the event of any mid-term cancellation of a policy or future downward adjustment of premium. You also agree that the insurer and One Underwriting may offset such remuneration from any premium refund you are entitled to.

A surcharge may apply to all credit card payments. The nominated surcharge will be displayed on your invoice.

We want to be entirely transparent about our remuneration. So please ask us if you want more information or have any questions.

Do we receive any other remuneration for our service?

Interest

The law requires us to pay your premiums (and certain monies paid to us by insurers for your account) into a trust account pending payment to the insurer. We are entitled to earn and retain interest on these monies to cover the cost of providing these transactional services. Our standard credit terms for premium payments are 14 days from the date of invoice unless our agreement with you or our tax invoice to you specifies another date. We pay insurers within the period dictated by the law or earlier if the insurer requires.

Premium funding

We may offer to arrange premium funding to help spread the cost of your insurance premiums over the year. Please note that One Underwriting offers and arranges premium

funding as agent for the premium funder and not as your credit provider or finance broker. One Underwriting may also act as the premium funder's agent in cancelling any insurance where you have failed to meet your repayment obligations. The details of your premium funding arrangement will be set out in your separate agreement with the premium funder. We have a profit share arrangement with the premium funder where we receive a percentage of the profit they make from the funding we arrange for our clients. We may also receive a separate commission which is a percentage of the amount of funding provided to you.

Should your funded insurance policy be cancelled mid-term, for any reason, you should be aware that there may be a shortfall between the balance of the premium funding contract and the return premium as:

- the premium funder will be entitled to charge interest for up to the full term of the loan under the terms of the funding contract;
- there will be no pro rata refund of our commission or fee as our remuneration is fully earned when we issue you with a tax invoice, unless we have a written agreement with you to the contrary; and
- in some cases, insurers may apply minimum premiums to policies.

Insurers

We or another Aon Group company may sometimes receive additional remuneration from insurers through profit commissions on certain products. Because the amount of the contingent commission earned may vary depending on factors relating to performance of a particular portfolio over an entire insurance period, the amount of contingent commission attributable to any given policy will typically not be known at the time of placement. We will not recommend a product to you unless it is suitable for your general needs. If we receive contingent commission on a product we recommend to you, we will advise you at the time of recommendation.

Aon Group

One Underwriting is part of a large financial and professional services group of companies (Aon Group). There are other parts of the Aon Group that may earn remuneration in connection with insurance we place for you. However, these are kept separate and distinct from the services we provide to you so that they do not influence us in our recommendations to you. The following are more frequent examples.

Reinsurance Broking

The Aon Group has separate reinsurance broking companies that arrange insurance for insurers (called reinsurance). In some cases an insurer may ask one of our reinsurance broking companies to arrange reinsurance in respect of insurance purchased by you, in which case that company may also earn commission or other remuneration.

Aon Product Design and Development

The Aon Group has a separate product design and development company (APDD) which has developed electronic quoting and placement platforms to enable Aon to efficiently obtain competitive quotations from panels of established insurers under the terms of insurance products also developed by APDD. The work that APDD does reduces the insurers' work and costs. In recognition of this, the insurers pay APDD an annual and/or a per transaction license fee for access to and use of these platforms and/or Aon Products. The transaction licence fee is calculated in a range between 2% and 7.5% of premium (excluding statutory charges and taxes) applying to the transaction. We will advise you where we intend to use an Aon Product as part of your insurance placement prior to arranging your insurance.

Binder or Coverholder Authority

Aon Group companies may earn remuneration where they act as an agent for an insurer under a binder or Coverholder authority in respect of insurance that we may recommend to you. We will not recommend placing any insurance with

such an agent unless it is an appropriate solution for your general needs. We will advise you where a product that has been recommended to you has been developed and or managed by another company in the Aon Group.

Lloyds & London Market Aon Carrier Charges

Many insurers in the London market outsource specific administrative services to the Aon Group, which reduces their work and costs. In return, the Aon Group is paid fees known as Aon Carrier Charges which are typically in a range between 2.5% and 6% of premiums applying to a transaction.

Consulting services to insurers and reinsurers

Aon Group companies provide specialised consulting services to insurers and reinsurers for which they may receive remuneration.

Wholesale Broking and International Markets

Aon Group companies may also earn remuneration where they act as a wholesale broker or as agent for an insurer under a binder or coverholder authority in respect of insurance that we may recommend to you. We will not recommend placing any insurance with such an agent or wholesaler unless it is an appropriate solution for your general needs. Your Client Relationship Manager will provide you with details of this commission prior to arranging your insurance.

Sometimes we may need to access international insurance markets as a wholesale broker to meet your insurance needs. Unless we have agreed otherwise, we use our overseas offices where this is necessary and One Underwriting or another Aon group company may receive and retain commission on the policies they place at standard rates in the overseas market. Your One Underwriting Client Relationship Manager will provide you with details of this commission prior to arranging your insurance.

Non-monetary benefits

One Underwriting and its staff may also receive non-monetary benefits from insurers such as sponsorships of

One Underwriting conferences, client functions, meals and/or entertainment. One Underwriting has and monitors its compliance with a policy that ensures that these do not create a conflict with your interests.

Investment Portfolio

Companies in the Aon Group hold equity and loan stock in other companies as part of our investment portfolio. These companies may occasionally be utilised in the delivery of the services we provide and sometimes some of these companies may have an interest in Aon. You can view details at <http://www.aon.com/about-aon/corporate-governance/guidelines-policies/market-relationship.jsp>. We will specifically notify you where we have a material interest in any company involved in the services we provide that is not obviously part of the Aon Group.

Should you require further information regarding any of the above forms of indirect remuneration or benefits, please contact your One Underwriting Client Relationship Manager.

What do we do with our remuneration?

We are one of Australia's leading insurance broking companies so a large part of the remuneration we receive pays the salaries and wages of our staff, and remuneration we may pay to our Authorised Representatives and Distributors. Our remuneration also funds normal business expenses such as rent and technology as well as the profit that our shareholders expect.

We often work closely with trade or industry associations in developing and distributing certain insurance products. Sometimes these associations endorse the insurance product we offer to their members. We may pay part of our remuneration to an association for their assistance or endorsement.

We also have relationships with other businesses which, when they consider it appropriate, will recommend One Underwriting and our services to their clients. We may pay part of our remuneration to these referrers in recognition of this introduction.

Other important information

Conflicts of interest

Conflicts of interest may arise in circumstances where some or all of your interests as our client are, or may be, inconsistent with some or all of our interests.

We have a conflicts of interest policy and procedure, including training and monitoring, to ensure we are aware of and manage any conflicts of interest. Our company, staff and our representatives must comply with this policy and procedure.

Where a conflict is unavoidable we will consult with you and manage the conflict in such a way so as to avoid prejudice to any party.

Professional Indemnity Insurance

In accordance with the requirements of the Corporations Act 2001, One Underwriting maintains adequate Professional Indemnity Insurance. This insurance cover extends to claims in relation to our conduct as an Australian Financial Services licence holder and our employees and representatives both past and present, to compensate clients or their beneficiaries for loss or damage suffered if we provide negligent advice.

Premium and invoice calculations

We adopt industry practice in calculating local statutory charges.

All amounts referred to in our invoices, unless stated otherwise, are to be treated as exclusive of GST. Where the invoice is for a foreign currency amount, any applicable GST is converted to Australian dollars at the exchange rate published by the Reserve Bank of Australia at 4pm on the business day prior to the date of the invoice.

We make every effort to correctly determine the premium and statutory charges 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.

Privacy

We value the privacy of personal information and are bound by the Privacy Act 1988 when we collect, use, disclose or handle personal information. We collect personal information to offer, provide, manage and administer the many financial services and products we and our group of companies are involved in (including those outlined in this FSG).

Further information about our privacy practices can be found in our Privacy Policy that can be viewed on the One Underwriting website at www.oneunderwriting.com.au or alternatively, a copy can be sent to you on request. Please contact One Underwriting or visit our website if you wish to seek access to, or to correct, the personal information we collect or disclose about you.

Insurance Brokers Code of Practice

One Underwriting is a member of the National Insurance Brokers Association and is bound by their Code of Practice (the Code).

The Code sets out standards for brokers to follow when dealing with clients, including requirements to inform clients of remuneration arrangements and any conflict of interest.

The Code is available from the National Insurance Brokers Association website at www.niba.com.au.

Service issues and complaints

We are committed to providing quality services to our clients. This commitment extends to giving you easy access to people and processes that can resolve a service issue or complaint.

If you have a complaint about the service we have provided to you, please address your enquiry or complaint to the staff member providing the service, or phone 1300 000 663 during normal office hours.

If we are not able to resolve the issue immediately, or within five days, we will refer it to the Complaints Officer, who will review the complaint and advise you in writing of the expected time for resolution.

You can also refer your enquiry or complaint to the Complaints Officer at any time by email to oneunderwriting@oneunderwriting.com.au.

More complex complaints may take 45 days to resolve. We may request an extension of time for up to another 45 days if we cannot resolve the complaint within this period.

If you are not satisfied with our response or proposed resolution, you may refer your complaint to the Financial Ombudsman Service (FOS). FOS provides a conciliation and arbitration service to assist consumers in the resolution of complaints. FOS services are free to complainants. FOS deals with all complaints in accordance with the FOS Rules. You can obtain a copy of these from FOS or from the website at www.fos.org.au.

You can contact FOS on 1800 367 287.

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One Underwriting Pty Ltd is a leading provider of insurance and risk services and is part of the Aon Group which is a global leader in the design and provision of insurance, reinsurance, risk and employee benefit services.

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