



Terms and Conditions of Trade

Effective Date: 10 April, 2018

These Terms and Conditions of Trade ("Terms and Conditions") shall replace any prior or existing agreement (whether verbal or in writing) between Quanta Insurance Group Pty Ltd (ABN 29 118 886 927) (AFSL: 302520) ("Quanta") and _____ (ABN _____) (AFSL _____) ("Broker"). Any Broker that is authorised by Quanta to advise on and deal with insurance products provided by Quanta, in accordance with the *Corporations Act 2001* (Cth), agrees to be bound by these Terms and Conditions.

1. Background

The Broker wishes to carry on a financial services business by providing financial product advice for general insurance products, and deal in a financial product by either applying for, acquiring, varying or disposing of an insurance product provided by Quanta. The Broker acknowledges that their ability to provide financial services are dependent on their Australian Financial Services Licence (AFSL) authorisations. The Broker agrees to be bound by these Terms and Conditions in all of its dealings with Quanta. In consideration of the Remuneration (set out in clause 7 below) by Quanta, the Broker agrees to advise and deal in an insurance product provided by Quanta within the limitations of their AFSL authorisations.

2. Relationship

The Broker holds an AFSL that authorises them to advise and deal in insurance products to either retail or wholesale clients (or both). A copy of this AFSL must be provided to Quanta from the Broker upon receipt of a written request from Quanta. The Broker must advise Quanta immediately in the event that their AFSL is varied, suspended or cancelled. The Broker acts as an agent for their client and is not an agent of Quanta. These Terms and Conditions do not create any relationship of employment, binder, joint venture or partnership between Quanta and the Broker. Quanta acts as an agent for the insurers only.

3. Financial Services Guide ("FSG")

If the Broker distributes any retail products by Quanta, where there is no combined FSG/Product Disclosure Statement (PDS) for the insurance product, the Broker will be required to issue the applicable FSG on behalf of Quanta to the Broker's client.

4. Arranging Insurance- Closings

The Broker is required to provide Quanta with all closing instructions received from the insured within fourteen (14) days from incepting the contract of insurance.

5. Duty of Disclosure

Section 21 and 21A of the *Insurance Contracts Act 1984* (Cth) ("ICA"), as amended from time to time, requires an insured to disclose to Quanta everything known (or could reasonably be expected to be known in the circumstances) which is relevant to Quanta and the insurer's decision to accept the risk.

This duty applies to the insurer prior to entering into a contract of insurance and prior to each renewal, extension, variation or reinstatement of the contract of insurance. Each individual that is named as an insured on the policy/certificate of currency has this same duty.

The insured is not required to advise Quanta and the insurer of anything that:

- a) reduces the risk;
- b) is common knowledge;
- c) Quanta or the insurer already knows, or ought to know in the ordinary course of business; or
- d) Quanta or the insurer expressly states is not required.

a. Non-Compliance with the Duty of Disclosure

If the insured does not comply with the duty of disclosure, the insurer may reduce or refuse to pay a claim and/or cancel the contract of insurance. Once the contract of insurance has been entered into by the insured, ongoing disclosure obligations may apply.

6. Payment of Premiums and Fees

The Broker will remit premium on a net basis and any applicable fees on a gross basis to Quanta within sixty (60) days of the contract of insurance inception date. All collected premium and applicable fees are to be held in a trust account in accordance with the statutory provisions.

7. Remuneration

Quanta will pay the Broker commissions on each base premium in accordance with the rates agreed in writing between the parties. For the avoidance of doubt, the base premium is exclusive of statutory charges (including GST), any fire services levy or any other fee. Any change to the Broker commission will be communicated to the Broker by Quanta by providing fourteen (14) days written notice to the Broker.

8. Cancellation of the Contract of Insurance

Quanta will have the right to cancel the contract of insurance if the premium is not paid in accordance with the terms of the contract of insurance and these Terms and Conditions.

Any interim contract of insurance will be cancelled in accordance with sections 38 and 60(4) of the ICA, as amended from time to time.

Subject to the terms of the contract of insurance, Quanta maintains any right under the ICA to cancel the contract of insurance.

Quanta must notify the Broker of any intention to cancel or avoid a contract of insurance.

If a contract of insurance is cancelled following the cooling off period (if applicable), the premium refund will be made up of two (2) components:

- a) a prorated percentage of the net premium received by Quanta; and
- b) a prorated percentage of commission earned by the Broker for arranging the contract of insurance.

Note: Fees will be non-refundable unless the contract of insurance is cancelled within the cooling off period (if applicable) or is a full term cancellation.

9. Claims

The Broker will deal with the insurer directly in relation to any claims that may arise from time to time. If the Broker is uncertain about where claims information needs to be directed, the Broker can contact Quanta who will provide the Broker with the applicable information.

10. Electronic Distribution

If the Broker chooses to distribute insurance documentation via electronic means, the Broker must comply with any ASIC regulatory guides and statutory requirements.

11. Marketing Material

Any marketing material for Quanta products created or developed by the Broker must be approved by Quanta prior to any distribution of the material taking place. Also, the Broker is not authorised to amend any marketing material provided by Quanta without the prior written consent of Quanta.

12. Indemnity

The Broker will indemnify Quanta, on demand, for all claims, damages, judgements, losses, costs (party/party basis) and expenses to the extent that they are reasonably incurred in connection with

any breach of the Broker of these Terms and Conditions or of any statutory requirements. This indemnity survives the expiry or termination of these Terms and Conditions.

13. GST

Quanta discloses that GST may be payable on all amounts relating to these Terms and Conditions.

14. Recipient Created Tax Invoice ("RCTI")

Both parties agree that they are parties to this RCTI Agreement for the purpose of dealing in general insurance product and acknowledge and accept that these Terms and Conditions apply to supplies to which a tax invoice relates. Quanta may issue tax invoices for the supplies, in which case the Broker will not issue tax invoices for the supplies. Both parties are registered for GST and will notify the other party if the registration ceases. Both parties agree to comply with the Australian Taxation Office requirements for a valid RCTI, which may be amended from time to time.

15. Dispute Resolution

Quanta and the Broker will agree to negotiate in good faith any dispute that may arise between them in relation to these Terms and Conditions within thirty (30) days after written notice from the other party. If the parties cannot resolve the dispute by negotiation within thirty (30) days from the original written notice, they will mediate in accordance with the Australian Commercial Disputes Centre guidelines (the **Guidelines**), as amended from time to time, for commercial mediation then in operation. This clause does not apply to an urgent court application, including interlocutory relief. To gain access to the Guidelines please navigate to the dispute centres website and download the Guidelines.

16. Privacy

The Broker, if providing Quanta with personal information about other individuals, shall comply with all relevant obligations under the *Privacy Act 1988* (Cth) (the **Privacy Act**), including having made or making the individual(s) aware that their personal information will be disclosed to Quanta and handled in accordance with Quanta's data protection policy. The Broker discloses that they are aware of the Notifiable Data Breaches Scheme under Part III of the Privacy Act. The Broker agrees to abide by the breach notification obligations within the Privacy Act and must also notify Quanta in the event that there is any unauthorised access of the personal information of clients.

17. Termination and Variation

These Terms and Conditions may be varied by Quanta without cause by providing the Broker with fourteen (14) days' written notice. Further, these Terms and Conditions may be terminated by Quanta immediately if the Broker has its AFSL varied, suspended or cancelled.

In addition to the above, Quanta reserves the right to terminate these Terms and Conditions immediately by providing written notice to the Broker, if the Broker is subject to an insolvency event; breaches a material term or condition of these Terms and Conditions; or engages in serious misconduct including fraudulent activity. As soon as practicable after any termination of these Terms and Conditions and in any event within ninety (90) days, each party must pay all money owed to the other if any, after taking into account any adjustments required and the Broker must return, at its own expense, all documents including any marketing materials that were supplied by Quanta.

18. Governing Law

These Terms and Conditions will be governed by the laws of New South Wales and the parties irrevocably submit unconditionally to the non-exclusive jurisdiction of the Courts of New South Wales and any courts which may hear appeals from those Court.