

Effective Date: 15 January 2021

These Terms and Conditions of Trade (**'T&Cs'**) apply to any licenced insurance broker (**'Broker'**) advising on and dealing in or wishing to advise on and deal in insurance products provided by The Hollard Insurance Company Pty Ltd (ABN 78 090 584 473, AFSL 241436) (**'Hollard'**) on the Steadfast Platform via SCTP. These T&Cs replace any previous versions of these Terms of Trade or existing service agreements between Hollard and the Broker.

1. INTRODUCTION

The Broker carries on a financial services business including by providing financial product advice for general insurance products, and dealing in a financial product (including by applying for, acquiring, varying or disposing of an insurance product) on behalf of its clients subject to the Broker's Australian Financial Services Licence (**'AFSL'**) authorisations. Where the Broker provides advice or deals in respect of products underwritten by Hollard and in consideration of the Remuneration (set out at section 7 below) by Hollard, the Broker agrees to advise and deal in an insurance product provided by Hollard in accordance with the Broker's AFSL authorisations and to be bound by these T&Cs.

2. RELATIONSHIP

The Broker holds the relevant AFSL authorisations to enable them to advise and deal in insurance products to either retail or wholesale clients (or both). The Broker will advise Hollard immediately if the AFSL is varied, suspended or cancelled.

The Broker acts as agent for their clients and is not an agent of Hollard nor do these T&Cs create any form of binder, employment, joint venture or partnership. Hollard is a registered general insurer under the Insurance Act 1973 (Cth). The Broker acknowledges that by becoming an intermediary of Hollard, product updates and related information will be communicated electronically (including by e-mail) to all staff of the Broker. The Broker agrees that Hollard is entitled to continue to send all such communications to the Broker and its staff and that any unsubscribe request from staff of the Broker will be applied only in respect of marketing initiatives and the staff will continue to receive all updates and related information that is intended to give the Broker more information about Hollard products or assist the Broker to fulfill its obligations as an intermediary, for example by providing information about Hollard systems or processes.

3. ARRANGING INSURANCE – CLOSINGS

The Broker must provide Hollard with all closing instructions received from the insured within 14 days from incepting the contract of insurance.

4. DUTY OF DISCLOSURE

The law (sections 21 and 21A of the Insurance Contracts Act 1984 (**'ICA'**)) requires an insured to tell Hollard, as the insurer, everything known or:

- could reasonably be expected to be known in the circumstances (s21); or
- that a reasonable person in the circumstances would include in their answer (s21A- eligible contracts)

which is relevant to the insurer's decision to accept the risk. This duty requires the insured to tell Hollard of any changes to the information provided up until the time the insured enters into the insurance contract. This duty applies prior to the insured entering into a contract of insurance and prior to each renewal, extension, variation or reinstatement of the contract of insurance. Each person named as an insured has the same duty.

The insured does not need to advise the insurer of anything which:

- reduces the risk;
- is common knowledge;
- the insurer already knows, or ought to know in the ordinary course of the insurer's business; or
- the insurer indicates is not required.

If you do not tell us

If the insured does not comply with the duty of disclosure, Hollard, as 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.

5. PAYMENT OF PREMIUM AND FEES

The Broker will remit:

- annual premium payments on a net basis

to Hollard within 90 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 statutory provisions.

Hollard will remit:

- commission on instalment premium payments and issue a Recipient Created Tax Invoice;
- any collected Broker administration fee inclusive of GST, received on behalf of the broker;
- to the Broker the commission and administration fees within 30 days of the month end in which the related instalment premium was collected by Hollard

The Broker acknowledges that any premium refund, whether arising from a mid-term alteration or cancellation, will be calculated on a net basis. Any commission adjustment arising from the refund or any dishonor of payment will be accounted for and issued to the Broker on record at the time of the transaction on the respective contract of insurance in the next monthly commission statement.

In relation to instalment premium payments, the Broker agrees that any premium paid by way of an instalment premium payment will be subject to the Instalment Premium Terms and Conditions ("**Instalment Premium Terms**") including with respect to Instalment Policy premium refunds, cancellations and fee or commission adjustments.

6. REMUNERATION

Hollard will pay the Broker commission on each base premium in accordance with the rates agreed between the parties. The applicable commission for each policy is in the policy details on the quoting platform. For the avoidance of doubt, the base premium is exclusive of statutory charges (including Goods and Services Tax ('GST'), any emergency services levy or any other fee). Any change to the Broker commission must be communicated by providing 30 day's notice to the Broker.

7. CANCELLATION OF INSURANCE POLICIES

Hollard will have the right to cancel the contract of insurance if premium is not paid in accordance with the terms of the contract of insurance.

Any interim contracts of insurance will be cancelled in accordance with sections 38 and 60(4) of the ICA. The Broker will ensure any instalment contracts of insurance will be cancelled in accordance with section 62 of the ICA and in compliance with the Instalment Premium Terms.

Subject to the terms of the contract of insurance, Hollard maintains any other rights under the ICA to cancel the contract of insurance.

Hollard 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 components:

- (i) a prorated percentage of the net premium received by Hollard; and
- (ii) a prorated percentage of commission earned by the Broker for arranging the contract of insurance.

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

8. CLAIMS

The Broker will provide all reasonable assistance to Hollard, or a party nominated by Hollard, in respect of all claims and agrees that any claim will only be met upon receipt of all outstanding premium and other contributions for that contract of insurance.

9. ELECTRONIC DISTRIBUTION

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

10. MARKETING MATERIAL

Any marketing material for Hollard products created or developed by the Broker must be approved in writing by Hollard. The Broker will not change any marketing material provided by Hollard without the prior written consent of Hollard.

11. INDEMNITY

Each party indemnifies the other, on demand, for all claims, damages, judgments, losses, costs (party/party basis) and expenses to the extent that they are reasonably incurred in connection with any breach by a party of either these T&Cs or statutory requirements. The indemnity survives the expiry or termination of these T&Cs.

12. GST

GST may be payable on all amounts relating to these T&Cs.

In relation to Broker administration fee, both parties agree that:

- the Broker arranges to make supplies and/or acquisitions to or from third parties on behalf of Hollard;
- the arrangement applies where Broker supplies to the insured in exchange for a Broker administration fee;
- the Broker is treated for the purposes of GST law as a principal in making such supplies or acquisitions;
- the Broker will issue all tax invoices and adjustment notes relating to supplies to third parties in the Broker's name and Hollard will not issue tax invoices for the above noted supplies;
- Both parties are registered for GST and will notify the other if the registration ceases.

13. RECIPIENT CREATED TAX INVOICE ('RCTI') FOR COMMISSION

Both parties agree that they are parties to this RCTI Agreement for the purpose of dealing in general insurance products and declare that these T&Cs apply to supplies to which a tax invoice for commission relates. Hollard may issue a recipient created tax invoices for the commission payable on supplies, in which case the Broker will not issue tax invoices for the commission due. Both parties are registered for GST and will notify the other 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.

14. DISPUTE RESOLUTION

The parties will attempt in good faith to negotiate any dispute between them in connection with these T&Cs.

If the parties cannot resolve the dispute by negotiation within 30 days from the original written notice of the dispute, they will mediate in accordance with the Australian Commercial Disputes Centre guidelines for commercial mediation then in operation. This clause does not apply to any urgent court application, including interlocutory relief.

15. PRIVACY

The Broker, if providing Hollard with personal information about other individuals, shall comply with all relevant obligations under the Privacy Act 1988 (Cth), including having made or making the individual(s) aware that their personal information will be disclosed to Hollard and that Hollard will handle their personal information in accordance with Hollard's Privacy Policy available at www.hollard.com.au.

16. TERMINATION AND VARIATION

These T&Cs may be varied by Hollard by providing the Broker with 30 days' written notice. Further, these T&Cs may be terminated without cause by either party by providing 30 days' written notice to the other party or immediately if a party has its AFSL suspended or cancelled. Hollard reserves the right to terminate these T&Cs immediately by providing written notice to the Broker where the Broker is subject to an insolvency event, breaches a material term or condition of these T&Cs or engages in serious misconduct including fraudulent activity. As soon as practicable after any termination of these T&Cs, and in any event within 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 marketing materials supplied by Hollard.

17. GOVERNING LAW

These T&Cs 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 Courts.