

FINANCIAL SERVICES GUIDE

PURPOSE AND CONTENT OF THIS STATEMENT

This Financial Services Guide (FSG) contains important information about the services provided by Capricorn Insurance Services Pty Ltd (CIS) and its corporate authorised representative.

The purpose of this FSG is to assist you in deciding whether and when to use the services offered by CIS. It includes information about:-

- Us and our corporate relationships.
- The services we are authorised to provide.
- How we (and any other relevant persons or entities) are remunerated for those services.
- Our management of conflicts of interest.
- Our professional indemnity insurance.
- The available avenues and procedure for making an internal or external complaint against us.
- Other important information.

This FSG was prepared on 25 January 2016.

Please retain this document for your reference and any further dealings with CIS and its corporate authorised representative.

WHO ARE WE?

Capricorn Insurance Services Pty Ltd (ACN 154 801 377) is authorised as a general insurance broker and provides financial product advice (both general and personal advice) and deals in general insurance products for retail and wholesale clients (AFSL No. 435197).

Capricorn Risk Services Pty Ltd (ACN 111 632 789) ("CRS") is an authorised representative for CIS.

CIS and CRS's contact details are:

Mail: Locked Bag 3003, West Perth, WA 6872
Phone: 1800 007 022
Email: info@capricornrisk.com

CIS and CRS are part of a group of companies ultimately owned by Capricorn Society Ltd (**Capricorn Group**). Other members of the Capricorn Group may be involved in the provision of financial services to you. How this might influence CIS and CRS in providing financial services to you is set out below in the section headed "What relationships or associations exist which might influence us in providing the financial services."

Giving us instructions

You can give instructions to CIS and CRS by using the contact details set out in this FSG or by providing the instructions to your CRS Account Manager.

Who are our authorised representatives

CRS is an authorised representative of Capricorn Insurance Services Pty Ltd (ACN 154 801 377) (Authorised Representative No 460893).

CRS's contact details are:

Mail: Locked Bag 3003, West Perth, WA 6872
Phone: 1800 007 022
Email: info@capricornrisk.com

CRS is also an authorised representative of Capricorn Mutual Ltd (ACN 104 601 194) (Authorised Representative No 460893). Capricorn Mutual Ltd is authorised to deal in and provide general advice about its commercial and personal protection miscellaneous financial risk products (AFSL No 230038). The protections offered by Capricorn Mutual Ltd are not contracts of insurance.

Capricorn Mutual Ltd.'s contact details are:

Mail: Locked Bag 3003, West Perth, WA 6872
Phone: 1800 007 022

For details concerning the relationship between CRS and CML please refer to "Services provided by CRS related to insurance brokered through Capricorn Insurance Services Pty Ltd"

WHAT SERVICES ARE WE AUTHORISED TO PROVIDE?

CIS provides financial product advice (including general and personal advice) and deals in general insurance products for retail and wholesale clients.

When you ask CIS to recommend an insurance policy to you, CIS will usually only consider those products offered by Insurers or Insurance providers on CIS's recommended insurer/product list.

Services provided by CRS related to insurance brokered through Capricorn Insurance Services Pty Ltd

CRS has an exclusive or tied agency arrangement to deal solely on behalf of Capricorn Mutual Ltd and provide general advice about commercial and personal protection miscellaneous financial risk products. The protections offered by Capricorn Mutual Ltd are not contracts of insurance. When acting on behalf of CML, CRS will provide you with a separate FSG and inform you accordingly.

When acting on behalf of CML, CRS only provides general advice in respect of the protections offered by Capricorn Mutual Ltd and does not search the market for any risk protection or insurance product that competes with or is a substitute for the protections offered by Capricorn Mutual Ltd unless:

1. The product you require falls outside of CRS's exclusive arrangement with Capricorn Mutual Ltd, which includes but is not limited to products relating to:
 - a) Workers Compensation;
 - b) Management Liability;
 - c) Professional Indemnity;
 - d) Directors & Officers;
 - e) Personal Accident;
 - f) Commercial Property;
 - g) Pleasure Craft; and
 - h) Landlord Cover
2. You are not eligible to be a member of Capricorn Mutual Ltd;
3. Capricorn Mutual declines to provide you with protection; or
4. You inform CRS prior to receiving a quotation for protection from Capricorn Mutual Ltd that you do not wish to receive protection.

Where CRS may provide you with services outside of its exclusive arrangement to deal solely on behalf of Capricorn Mutual Ltd, CRS may only provide you with information about general insurance products brokered by CIS.

CRS when acting on behalf of CIS concerning general insurance products will only provide you with general advice, which means that the advice will not take into account your particular objectives, financial situation or needs. You need to make your own assessment of whether any general insurance products brokered through CIS are suitable for your needs in light of your own circumstances.

CRS when providing general advice on behalf of CIS, only details those products offered by Insurers or Insurance providers on CIS's approved insurer/product list.

Other documents that may be provided to you in connection with services or products offered to you

Depending on the scope of services requested by you, when appropriate, CIS may be required to provide you with:

1. a PDS which will include full and detailed information about the financial products being offered to you, including features, benefits, risks and fees associated with the product (CRS will also provide you with this document when acting on your behalf); and/or
2. a SOA, which will detail any personal advice and recommendations provided to you by CIS.

Product Disclosure Statement

When you request a quotation or information about an insurance policy, if it is a retail product, a PDS will be provided to you. The PDS is prepared by the relevant product licensee and contains information to assist you to make a fully informed decision about whether or not to purchase the product.

Statement of Advice

Sometimes it will be appropriate to provide you with personal advice that takes into account your individual objectives, financial situation or needs. This may include requests for recommendations or information about available cover, benefits, restrictions, exclusions and conditions. If provided, any personal advice will be provided by CIS. Such advice may be provided to you orally or in writing, depending on your requirements. You will be provided with a SOA where this is required by law or requested by you in writing (personally or by mail to CIS's contact address) within 7 years of the provision of the advice.

It is recommended that you carefully read and fully understand any relevant PDS or SOA provided to you prior to purchasing any products or services offered to you.

No tax, accounting or legal services advice

It is not the role of CIS or CRS to provide you with advice in relation to tax, accounting, regulatory or legal matters.

WHAT RELATIONSHIPS OR ASSOCIATIONS EXIST WHICH MIGHT INFLUENCE US IN PROVIDING THE FINANCIAL SERVICES?

The Capricorn Group

Other members of the Capricorn Group may be involved in the provision of financial services to you, including the following:

- Capricorn Society Ltd. CIS and CRS's ultimate parent company and a provider of premium funding and trade credit accounts that may be used to finance and pay for financial services CIS and CRS are involved in providing to you.
- Capricorn Mutual Management Pty Ltd. A subsidiary of Capricorn Society Ltd that provides CIS and CRS with support services.

Arrangements within the Capricorn Group are kept separate and distinct and do not influence the services provided to you.

Dealing with conflicts of interest

When providing services, relating to brokered insurance, CIS and CRS normally act for you. A conflict may arise when your interests are inconsistent with the interests of CIS and CRS.

CIS has a conflict of interests policy and monitoring and training procedures (which cover CRS) to ensure that CIS and CRS identify and manage any actual or potential conflicts. Where a conflict is unavoidable you will be consulted with to avoid any prejudice to your interests.

WHO DO WE ACT FOR WHEN PROVIDING THE FINANCIAL SERVICES?

When providing services relating to brokered insurance CIS and CRS normally act for you. CIS and CRS acts as your agent when advising on and placing insurance policies and any advice is for your benefit. CIS and CRS will tell you before or at the time if we are not acting for you in providing insurance related services. For example an insurer may give CIS or CRS 'binding authority' to arrange, or enter into, insurance policies on their behalf.

WHAT COMMISSIONS, FEES OR OTHER BENEFITS DO WE RECEIVE FOR PROVIDING FINANCIAL SERVICES?

Commissions, fees or benefits related to insurance brokered through CIS

Commission from Insurers

CRS receives 50% of any commission received by CIS.

CIS is usually paid a commission by the insurer for arranging or renewing an insurance policy. This is 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 depends on the policy and may range from 0% to 30%. The commission is included in the premium charged to you.

Broker fee or administration fee

If we accept commission, CIS may also charge you a broker fee or administration fee for arranging insurances on your behalf. You will be advised of the amount of any such fee when you are provided with insurance terms.

Commission from premium funders

CIS may arrange premium funding to help spread costs of your insurance premiums over the year, including premium funding financed by our parent company, Capricorn Society Ltd. CIS arranges premium funding as agent for the premium funder and not as your credit provider or credit broker. CIS may act as the premium funder's agent in cancelling insurance if you have failed to meet your premium funding obligations. Any premium funding arrangements will be contained in a separate agreement between you and the premium funder. Premium funders may pay CIS a commission for arranging premium funding (usually between 0% – 5% of the premiums funded).

Commissions, fees or benefits received by employees

CIS and CRS employees receive an annual salary. They may also receive performance based monetary incentives or bonuses which is weighted towards general overall performance and may include components such as the number and value of insurance policies acquired by, or sold to, customers.

CIS employees and employees of CRS may also receive non-monetary benefits such as gifts, entertainment and other incidental benefits. These benefits are provided at no additional cost to you. CIS and CRS each maintain a register of these non-monetary benefits which you can request to see at any time.

Commissions, fees or benefits received by the Capricorn Group

Other parts of the Capricorn Group may earn remuneration in connection with financial services CIS and CRS provide as described below.

Management fees for outsourced services

CMM receives a fee for providing outsourced services to CIS and CRS. This fee is not attributable to any specific financial services provided.

Fees associated with Capricorn Society Ltd provided premium funding

Capricorn Society Ltd may provide premium funding to its members which allows members to spread the costs of their insurance premiums over the year. Members pay Capricorn Society Ltd a fixed rate fee for premium funding, which is calculated as a percentage of the premiums funded. This means that Capricorn

Society will receive the fixed rate fee in respect of any insurance brokered through CIS that is financed through premium funding provided by Capricorn Society Ltd.

Service fees associated with Capricorn Society Ltd provided trade credit account

Capricorn Society Ltd provides trade credit accounts to its members which allow members to make purchases on credit from various preferred suppliers. It receives a service fee from each preferred supplier, which is generally a percentage of the value of purchases made by Capricorn Society Ltd members from that preferred supplier.



CIS is a preferred supplier of Capricorn Society Ltd. This means that Capricorn Society Ltd will receive a service fee for any insurance brokered through CIS that is paid for using a Capricorn Society Ltd provided trade credit account.

Referral arrangements

CIS may pay a referral fee to any person that refers you to CIS, including employees of the Capricorn Group. The referral fee may be a flat rate or a percentage of the commission paid by the insurer or of the premium payable (less stamp duties, fire services levies, GST and any other government charges, taxes, fees and levies) up to a maximum of 7.5% of such net premium in respect of any insurance brokered through CIS. There is no additional charge to you where CIS pays a referral fee.

COMPENSATION AND PROFESSIONAL INDEMNITY (PI) INSURANCE

CIS and CRS are insured under a Professional Indemnity insurance policy which satisfies the requirements of the s 912B of the *Corporations Act 2001* (Cth). This same policy covers all of the Capricorn Group.

The cover provided by this insurance, subject to its terms and conditions, extends to claims in relation to the conduct of CIS as an Australian Financial Services licence holder and its authorised representative and of all CIS and CRS's respective employees both past and present.

WHAT SHOULD YOU DO IF YOU HAVE A COMPLAINT?

As a valued client, we actively encourage your honest feedback and the raising of any concerns where our services or the services of one of our representatives has not met your expectations.

CIS will immediately acknowledge receipt of your complaint and within 2 business days provide you with contact details of who will be managing the matter. If we have sufficient information we will endeavour to provide you with a response to your complaint within 5 business days of receipt.

Contact details for the Complaints Officer are:

Telephone: 1300 955 619;
Email: complaints@capricornrisk.com

If you remain unsatisfied with the outcome, you can pursue external dispute resolution by contacting the Financial Ombudsman Service (FOS), which provides free advice and assistance to consumers and investors in resolving complaints relating to members of the financial services industry.

Contact details for FOS are:

Telephone: 1300 78 08 08 Fax: (03) 9613 6399
Website: www.fos.org.au Email: info@fos.org.au
Mail: Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001

OTHER IMPORTANT INFORMATION

What should you do if there is a change in your circumstances?

You should let CIS or CRS know if there is a change in your circumstances that may affect the services CIS or CRS provide to you or any insurance brokered through CIS.

To the extent that the change may affect any insurance brokered, CIS may need to provide you with advice as to the suitability of your existing insurance policies for your changed circumstances so that they remain appropriate to your needs.

Any questions?

If you have any further questions about the financial services that CIS or CRS provide, please contact CIS or CRS directly on the contact details provided above.

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