FINANCIAL SERVICES GUIDE

The Financial Services covered by this Financial Services Guide are provided by:

Our Authorised Representative

Peter Leonard

For

Lexsa Pty Ltd
ABN: 50 619 867 551

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On behalf of and in accordance with the authority of

MGA Insurance Brokers Pty Ltd
176 Fullarton Road, Dulwich SA 5065
Phone 08 8291 2300
ABN 29 008 096 277
Australian Financial Service Licence No: 244601

This guide is designed to assist you in deciding whether to use the financial services offered by us. It contains important information about:

- the services we offer you
- how we and our associates are paid
- how we manage any potential conflicts of interest
- our internal and external dispute resolution procedures and how you can access them.

It is an important document. Please read it carefully and keep it in a safe place.

If you are a retail client and we agree to give you personal advice we will provide you with a Statement of Advice (where required by law) or a record of our advice. This will contain our advice, the basis of our advice, and information on any remuneration, associations or other interests, which might reasonably have influenced us in giving our advice.

If you are a retail client and we arrange an insurance policy for you, or if we recommend you buy a particular insurance policy, we will give you a Product Disclosure Statement when required. It is prepared by the insurer

and is designed to give you important information on the features, benefits and risks of the policy to assist you in making an informed decision about whether to buy the product or not. It may be more than one document.

A guide to our relationship with you and others

1. **What services can we provide?**

We are an Australian Financial Services Licensee and are licensed under the Corporations Act to provide financial product advice (personal and general) and deal in general insurance products.

Our Services

- Arranging insurance for you:

This is where we arrange for the application, acquisition, variation, renewal or cancellation of an insurance policy for you. The process differs depending on the type of insurance and we explain it to you when you apply for the insurance.

- Providing advice to you:

There are two types of advice services we provide and it’s important to understand the difference:

- Personal advice - this is advice provided by us to you as to the suitability of general insurance policies to meet your particular needs. We will agree with you when this service is to be provided and what the scope of our personal advice will be. Before we provide any personal advice we will need to undertake a needs analysis so we can provide you with appropriate advice.

- General advice — this is where we provide advice on a general insurance product which is not based on our consideration of your personal needs. We will tell you when this is the case because if general advice is given you need to consider if the general advice and any relevant product is right for your circumstances as we have not done this for you.

The other services we can provide are:

- Dealing services:

This is the service of arranging insurance policies, whether on your behalf or the insurers. In doing so we can provide factual information about insurance policies such as:

  - The nature of insurance policies;
  - The coverage of an insurance policy;
  - Options available under an insurance policy;
  - The premium payable and payment options e.g. premium funding. We can arrange premium funding for you in certain cases with the premium funders that we have a relationship with. You will however have to pay interest to the premium funder.

- Payments can be made by credit card and will be subject to an administration fee to cover the costs incurred in providing this service.

- We can also offer you the opportunity to arrange premium funding through our subsidiary business: MGA EziPay Pty Ltd (ABN 12 119 047 960). There will be an accounting fee charged for this service, which will vary from 4-10% of the premium (including all government charges).

- Claims assistance – we can also assist you when you need to make a claim. If a claim occurs contact us and we can help you decide what to do. We do not do anything without your consent. We provide this assistance as part of our overall service for no separate charge unless we tell you otherwise. We don’t

provide this service if we no longer act for you.

2. Who do we act for?

We can act in a number of roles in providing our services. As an insurance broker we normally act for you. However, in some circumstances we may act on behalf of an insurer or their representative or on our own behalf (e.g. as a referrer to another service provider).

Acting for insurers:
In some circumstances we may enter into an agreement with an insurer to arrange insurance policies on their behalf and not on your behalf. If we are given a binding authority from the insurer, this means we can enter into insurance policies and/or handle or settle claims on their behalf. We will inform you when we act for the insurer and not for you.

3. What information do we maintain about you and how can you access it?

We are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) (Privacy Act) and the Australian Privacy Principles (APP's). Where required, we will provide you with a Collection Notice which outlines how we collect, disclose and handle your information.

You can also refer to our Privacy Policy available on our website or by contacting us for more information about our privacy practices including how we collect, use or disclose your information, how to access or seek correction to your information or how to complain in relation to a breach of the Australian Privacy Principles and how such a complaint will be handled.

4. Do we have any relationships or associations with product issuers or related bodies corporate which might influence our service or advice?

We are members of the Austbrokers network of insurance brokers. MGA Insurance Brokers is an equity member within the Austbrokers network. AUB Group Limited (ABN 60 000 000 715) (AUB) and IBNA Limited (ABN 43 086 563 055) (IBNA) are joint owners of A & I Member Services (AIMS), a company that provides marketing, distribution and training services to members of the Austbrokers and IBNA Groups.

We have an association with Millennium Underwriting Agencies Pty Ltd (ABN 38 079 194 095), MGA Insurance Brokers Pty Ltd and Millennium Underwriting Agencies Pty Ltd have some common directors and a proportion of the shares of each company have some common beneficial ownership.

MGA EziPay Pty Ltd (ABN 12 119 047 960) is a wholly owned subsidiary of the MGA Insurance Group

5. How do we manage conflicts of interest?

We take any potential conflicts of interest seriously and have a Conflict of Interest Policy, which we and our representatives must comply with. Compliance is audited on a regular basis.

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

Our procedures and training are all designed to properly manage any conflict of interest and it is important to note that we have legal duties we owe you when we act as your professional adviser. We treat these very seriously.

A key conflict faced when we act on your behalf is where we receive benefits from someone other than you — this can potentially influence us to act in their or our interests rather than yours. Where we arrange a policy an insurer can pay us commission (see above for details). It is the major form of insurance broker remuneration and can create a potential conflict of interest.

We have the number of procedures in place to manage this potential conflict of interest. For example, we tell you about this remuneration arrangement in this Guide and you can ask for more detailed information if you

need it before you proceed. Where we provide personal advice we have a legal duty as a professional to put your interests ahead of our own and can only provide you with advice that is appropriate for you. If we can't provide such service we will tell you. The Statement of Advice we give you containing the personal advice also confirms the remuneration received.

6. How can you give us instructions?

You need to give us instructions in writing by letter or email or by another method agreed by us. We will tell you what is possible when you contact us.

7. How we get paid for the services provided (our remuneration).

We are paid by one or a combination of the following:

1. Commissions received from the insurer with whom your insurance is placed. These are calculated as a percentage of the insurers' base premium (i.e. excluding stamp duty, fire service levy and any other government charges or taxes). The rate of commission ranges between 0-30%.

2. A fee charged by us to you for advice in relation to insurance services. If such fees apply, you will be informed of the nature and amount of the fee involved prior to us performing the service for you.

3. Overriding commissions paid in some instances by insurers or underwriting agencies. In some cases due to volume we may receive preferential conditions, including increased commissions, because of economies of scale.

We are members of the Austbrokers network of insurance brokers. Some insurers may provide sponsorship support for conferences. Some insurers may also provide an overriding commission to Austbrokers of up to 2% of the base premium. We receive indirect benefits from these arrangements, but it is not possible to relate this to a particular product.

AUB Group Limited (ABN 60 000 000 715) (AUB) and IBNA Limited (ABN 43 086 563 055) (IBNA) are joint owners of A & I Member Services (AIMS), a company that provides marketing, distribution and training services to members of the Austbrokers and IBNA Networks. Some insurers pay a commission to AIMS on selected products arranged by Austbrokers member insurance brokers which is an agreed percentage of the base premium (before government fees or charges). Different insurers may pay different commission rates to AIMS.

Our remuneration covers:

a. The fee for advice and services rendered to you; and
b. Our back office and administration costs.

Accordingly, this remuneration does not represent our profit margin.

Where we provide you with personal advice as a retail client, you will be provided with a Statement of Advice (where required by law) or a record of our advice that will tell you the payment that we and our associates are to receive for providing you with that advice. In other cases, we will disclose this information to you in any invoicing documentation issued to you by us.

We will not disclose to you the amount of our remuneration that covers our back office and administration costs, but only the amount that represents our fee for advice and services rendered to you.

Our staff receive an annual salary that may include bonuses based on performance criteria and achievement of company goals.

From time to time we and our representatives may also receive what are commonly referred to as "soft dollar benefits" from product issuers and other financial service providers we deal with. These can include entertainment (e.g.lunches, sporting events, movies etc), conferences, (e.g. attendance at a product issuer conference or sponsorship of our annual conference by a product issuer), accommodation, travel, business tools (e.g. software), gifts (e.g. product issuer or service provider branded promotional items and other

occasional small gifts such as bottles of wine or hampers on special occasions etc). These benefits are provided by a wide range of product issuers and service providers. In most cases they relate to our development of an understanding of the product issuer and service provider and their product ranges and practices etc. Ultimately this assists us in better servicing and representing you.

In certain cases, we may have a relationship with a third party who we may pay for referring you to us. Where a third party has referred you to us, we may share part of our commission or fees with them or pay them an agreed referral fee. A commission or an agreed fee may also be paid on renewal and in some cases on variation.

If we refer you to another service provider we will be remunerated by them for doing this unless we tell you that we are not. The amount ranges between 0% and 5% and will vary depending on both our role and the business concerned. If you choose to use the premium funding service provider "Hunter Premium Funding Limited" we may receive an additional amount from them based on certain criteria. In making any referral we do not advise or represent that their products and services are right for you and take no responsibility for the products and services they may provide to you. You need to make your own decision based on the information they provide.

8. Cooling off Period

A cooling off period may apply to an insurance policy issued to you as a retail client. During the period you may return the policy. Details of your cooling off rights will be included in the relevant Product Disclosure Statement.

9. What should I do if I have a complaint?

If you have any complaints about the service provided to you, you should take the following steps.

1. Contact us and tell us about your complaint.
2. If your complaint is not satisfactorily resolved within 24 hours, please contact the Complaints Officer on telephone number (08) 8291 2300 or put your complaint in writing and send it to the Complaints Officer at MGA Insurance Brokers Pty Ltd, Locked Bag 4001, KENT TOWN DC SA 5071. Please mark the envelope "Notice of Complaint". We will try and resolve your complaint quickly and fairly.
3. If the complaint can't be resolved to your satisfaction within 45 business days, then you may lodge a complaint with the Australian Financial Complaints Authority. AFCA provides fair and independent financial services complaint resolution that is free to customers:

   Online: www.afca.org.au
   Email: info@afca.org.au
   Phone: 1800 931 678
   Mail: Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

10. Misstatement of Premium

We try to tell you the correct amounts of premium and statutory charges that apply to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or because a third party has misstated the amount), we reserve the right to correct the amount. Where permitted by law, you shall not hold us responsible for any loss that you may suffer as a result of any such misstatement.

11. Professional Indemnity Insurance Arrangements

We and our authorised representatives/employees are covered under professional indemnity insurance that complies with the requirements of section 912B of the Corporations Act.

The insurance (subject to its terms and conditions) will continue to cover claims in relation to our authorised representatives/employees who no longer work with us (but who did at the time of the relevant conduct).

12. NIBA Code of Conduct & Code of Practice

MGA is a proud member of the National Insurance Brokers Association (NIBA) and are bound by their Code of Conduct. We also subscribe to the Insurance Brokers 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.

A copy of The Code is available from www.niba.com.au or by contacting our office.

13. Privacy Collection Notice

MGA Insurance Brokers Pty Ltd (ABN 29 008 096 277) collects your personal information (which in some instances may be sensitive information) so we can identify you, determine which products and services we can provide to you, administer services to you, and provide you with information in relation to our services. We may collect your personal information by telephone, email or in writing. We will not collect sensitive information without your consent.

The MGA Privacy Policy available at www.mga.com outlines how we collect, hold, use and disclose your personal information in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles. By providing us with your personal information, you and any other person you provide personal information for, consent to this use, these disclosures and the terms of the MGA Privacy Policy, unless you tell us otherwise.

In particular, the MGA Privacy Policy addresses the following matters

- who we collect personal information from;
- circumstances where we may be required by Australian law or a court or tribunal order to deal with your personal information in a particular way;
- the purposes for which we collect your personal information;
- the consequences if you do not provide required personal information to us;
- other parties to whom we may disclose information;
- how we handle possible cross border discloses of information;
- how you can access and/or correct your personal information; and
- our procedures for handling complaints about how we deal with your personal information.

If you have any queries in relation to the MGA Privacy Policy and our handling of your personal information or wish to withdraw your consent, including for things such as receiving information on products and offers by us or persons we have an association with, you can contact our Privacy Officer using the following details:

Mail: Att: Privacy Officer
MGA Insurance Brokers
Locked Bag 4001
KENT TOWN DC SA 5071

Phone: +61 8 8291 2300
Email: pat.warren@mga.com

If you have any further questions about this financial services guide please contact us on phone number (08) 8291 2300.

Retain this document for your reference and any future dealings with MGA Insurance Brokers Pty Ltd.