

Disclosure Statement

TOTAL MORTGAGES LIMITED (FSPR Number: 712111) operates under a current licence issued by the Financial Markets Authority.

TML has three mortgage advisers who are registered and qualified to give you advice:

- Jordan Luke CAMERON (FSP194185)
- Alexandra Jane O'ROURKE (FSP1001401)

This disclosure statement applies without limitation to all the above financial advisers who work under Total Mortgages Limited's Financial Services Provider license.

Nature and Scope of Advice

The information below is designed to help you to understand the types of financial advice we provide and the legal obligations under which we must operate.

Our Duties

Total Mortgages Ltd (TML) is bound by and meets its duties as required under the Financial Markets Conduct Act 2013. These duties are:

- Meet the standards of competence, knowledge and skills set out in the Code of Conduct.
- Give priority to the client's interests.
- Exercise care, diligence and skill.
- Meet the standards of ethical behaviour, conduct and client care set out in the Code of Conduct.

This is only a summary of the duties that we have. You can get more information on this by contacting us, or by visiting the Financial Markets Authority website at <https://www.fma.govt.nz>.

The Code of Conduct standards can be read here: <https://www.fma.govt.nz/assets/assets/code-of-professional-conduct-for-financial-advice-services.pdf>.

Services

TML will assist you in choosing a loan that is suitable for your purpose from a panel of lenders. Once we advise a lender and loan terms that are suitable, we will assist you to obtain the loan.

Products

The types of financial products TML can give advice on are:

- Residential Home Loans
- Investment Loans
- and Construction Loans.

Banks and Lenders

The current lenders TML can use are:

ANZ, Westpac, BNZ, ASB, TSB Bank, ASAP Finance Limited, Avanti Finance, Cressida Capital, DBR, First Mortgage Trust, Heartland Bank, Unity, Select, Pepper, Resimac, SBS Bank, Southern Cross, The Co-operative Bank, Basecorp Finance, ASAP Finance, Zip Business and CFML.

The particular lender we will recommend and work with, subject to your approval, will depend on your particular circumstances and needs.

What Else We Offer

TML can also help you with the following additional financial services through our referral partners:

Fire & General Insurance, Life, Health & Risk Insurance, Asset Finance, Ray White, UK Pension Transfers, XE Money.

TML are unable to offer legal or tax advice and recommends you consult your solicitor or accountant respectively for such advice. Any advice TML gives in relation to KiwiSaver withdrawal for a first home purchase is limited to factual information on what can be withdrawn and the process for this and does not extend to whether or not this is in your best interests. Please consult an investment adviser for advice on retirement savings.

Commission

TML may receive commissions at settlement from the relevant lender if you choose to take out a mortgage following our advice. The commissions are between 0.55% and 0.85% of the initial mortgage balance or amount funded. TML may also receive 0.15% to 0.20% of the mortgage balance on each anniversary from selected lenders or a fixed rate roll-over fee of \$150 from some product providers for assisting in refixing your loan, but not both.

TML may also receive a referral fee from some of the referral partners if you decide to go ahead with our products, such as fire and general or risk insurance.

Adviser Fee

TML does not usually charge you a fee for our services when the intention is to keep the lending going for a minimum period of 27 months and we receive a commission from the lender. TML receives a commission for the following services:

- Settlement of your loan
 - TML receives a single upfront commission directly from the lender.
- Refixing your loan
 - TML receives a trail or a small renewal fee directly from the lender for providing you with an ongoing loan maintenance service such as refixes throughout the life of your loans

TML reserves the right to charge a one-off adviser fee for professional services, in the following circumstances:

- Arranging finance through a non-banking lender.
- Arranging finance where the intention is to repay the lending within a 27 month period i.e spec build, property flips and bridging finance.

If TML does charge you an adviser fee for the above, it will be quoted and provided before you accept the loan offer.

Deferred Adviser Fee

TML is a financial advice provider that charges for our services. Our fee is usually paid by the lender in the form of commission. If the loan is discharged within a 27-month period, then we are required to pay back a portion of the commission to the lender. This would mean TML will not have been paid for our professional services. If you do repay and discharge the loan and the lender requests we repay any commission back to them, TML reserves the right to charge you a fee for professional services up to a maximum of \$3,000. Our charge out rate is \$250 per hour, and we generally spend around 12 hours arranging each loan.

We are generally prepared to waive or refund this charge under the following circumstances:

- You subsequently engage TML to arrange new lending for you going forward.
- An upfront fee was agreed upon and paid by the client when the mortgage was originally drawn.
- In TML's opinion, the discharged mortgage was driven by an exceptional change of circumstance for the client.

A full schedule of all providers and our commission rates and clawback policies is available from your TML adviser on request.

Fees Relating to Terminating Engagement

You may terminate your engagement with TML at any time.

If you terminate your engagement with TML prior to authorising us to commence work to provide you with the financial advice that you seek, then we request that you email us with your reason/s for terminating the engagement. We will use the information that you provide to correct any issues or concerns that you might have. TML appreciates any comments or feedback so we can continue to improve our services.

Once you have authorised TML to commence work for you, TML expects you to work exclusively with us, and we will make this clear to you when you engage us. If TML prepares and submits an application but you decide to settle the loan through another channel (such as, but not limited to a branch or another adviser) within a twelve-month period, then TML reserves the right to charge you a termination fee for professional services. This will be up to a maximum of \$1,000 to cover our time spent on work already performed for you. This is based on the average of 4 hours of work at a charge out rate of \$250 per hour.

TML reserves the right to terminate its engagement at any stage by providing written confirmation to the client.

Conflicts of Interest

TML is paid a commission by lenders when a mortgage settles and in some cases at the mortgage anniversary each year. TML ensures that we prioritise your interests by following an advice process that considers your circumstances and goals. TML researches suitable products and providers to ensure the advice meets your needs.

If in the course of providing the services, TML identifies circumstances that could cause TML or any concerned TML staff member to have a conflict of interest, we will bring this to your attention (see below), evaluate the potential conflict and, depending on the circumstances, apply appropriate safeguards to manage it. You acknowledge that TML may need to terminate this engagement if we are unable to resolve or manage a conflict of interest satisfactorily.

TML also undergoes annual training on how to manage any conflicts of interest and record any conflicts in a register that we review and manage. TML is subject to yearly audit and

compliance reviews to ensure we meet our obligations while working in our client's best interests.

As a provider of professional financial advice services, TML has an obligation to act in the interests of our clients when making a recommendation. In providing advice to you, should any actual or potential conflict of interest arise then we will bring this to your notice so that you may assess our advice objectively.

TML manage these conflicts of interest by:

- always recommend the best product for your purpose regardless of the type and amount of commission TML will receive.
- ensuring the amount of any loan is in accordance with your identified needs.
- ensuring that the commission TML receives on loans is not a factor we consider in our advice process.

Client Responsibilities

It is your responsibility to provide TML with accurate and relevant information at the time that the initial information is being gathered by way of our online Statement of Position or Needs Analysis, whichever takes place first. If you provide TML with incomplete or inaccurate information, we may not be able to provide you with the advice, products, or services you are seeking. It is important that you understand your obligation to provide TML with accurate and relevant information in order for the financial services provider to appropriately assess the risk and make an informed decision about the products you may be seeking.

Referrals to Other Professionals

If at any time during the term of engagement a potential need arises for the use of another professional, TML will refer you appropriately.

TML will not bill or invoice you for such a service at any time. If TML cannot locate an appropriate professional, we will advise you as soon as possible so that you may engage a professional of your choice or seek advice in regard to the same.

If you engage another professional, TML has no liability whatsoever for the advice provided by that professional or the fees invoiced by them, regardless of how the engagement came about.

Referrals from Other Professionals

In certain instances, if you are referred to us by one of our networks of referral partners (such as a real estate agent) we

may pay them a referral fee if we successfully arrange finance for you. This will be disclosed in your Statement of Advice.

Privacy Policy & Security

TML will collect personal information in accordance with our Privacy Policy. TML regards client confidentiality as of paramount importance. We will not disclose any confidential information obtained from or about you to any other person, except in accordance with our Privacy Policy. The platform TML uses is secure and runs on Amazon Web Services.

Complaints Process

If you have a complaint about the financial advice or service TML gave you, you must tell us about it. You can contact our internal complaints service by phoning or emailing us using the heading Complaint – (Your Name). Please set out the nature of your complaint, and the resolution you are seeking. TML will acknowledge receipt of this within 24 hours. We will then record your complaint in our Complaints Register and will work with you to resolve it. TML will provide an answer to you within 7 working days of receiving your complaint.

If we cannot agree on a resolution, you can refer your complaint to our external dispute resolution service. This service is independent and is provided at no additional cost.

Details of this service are:

Insurance & Financial Services Ombudsman Scheme
info@ifso.nz | 0800 888 202

Reliability Event

Neither our Authorised Body nor the financial advisers working under its licence have ever been subject to a reliability event (as defined in the Financial Markets Conduct (Regulated Financial Advice Disclosure) Amendment Regulations 2020 (Part 1 para 3.)).

A reliability event is something that might materially influence you in deciding whether to seek advice from me or from Total Mortgages Limited. As an example, it would include a conviction for a criminal or criminal act or if any of us had been discharged from bankruptcy in the last four years.

Availability of Information

This information can be provided in hardcopy upon your request.