

## OPERATING POLICY DOCUMENT

### FOR

### THE BROKERS

#### LICENCING INFORMATION

Substantial Equities Limited holds a licence issued by the Financial Markets Authority (FMA) to provides financial advice as a Financial Services Provider. (FSP)

- The approval number is FSP720811.
- This approval also allows the company to trade as The Brokers.

#### NATURE AND SCOPE OF THE ADVICE

- The Brokers provides advice to its clients via and financial advisers who provide financial advice in relation to KiwiSaver, home, business, farm loans, life insurance, health insurance, income protection, business insurance, and home and contents insurance. These are known as products.
- We can provide independent advice to find the best combination of facilities utilizing the products provided by the majority of the primary and secondary lenders to secure finance to best suit clients.
- When clients take on debt, they are exposed to the risk of not being able to repay this in a timely fashion and /or defaulting. To counter this, we provide risk protection insurance utilizing products (outlined above) from the major insurance providers operating in the New Zealand environment.
- For KiwiSaver we provide the most suitable products offered by Generate to best suit the client's age and risk profile.

#### FEES, EXPENSES, AND INCENTIVES

- For all the product advice outlined above The Brokers are paid a commission by the successful provider at the time the product is implemented.
- This excludes fees charged by other providers of services such as lawyers, valuers, and accountants which are paid directly by the client.
- The Brokers may also receive "trail commissions" on some products where they are required to provide ongoing services to clients.

A client will only pay The Brokers a fee in the following circumstances:

1: If The Brokers is engaged by the client to evaluate an application for finance to determine its viability that does not result in finance and / or risk protection being provided.

2: If the finance or the risk protection policy put in place is refinanced, cancelled, or defaulted on within 2 years The Brokers will receive a demand to repay all or part of the commission they have been paid by the provider. As The Brokers have provided the service initially requested, the client must pay this “clawback” amount direct to The Brokers at the time The Brokers request this demand.

- The Brokers will provide evidence of the amount to be paid in the above circumstances at the time the demand is made.
- The Brokers will also give the client a personalized letter “Nature, Scope and Cost of Advice” at the time of engagement of their services. This will include an estimate of any commissions and other incentives that will or may be received.

### CONFLICTS OF INTEREST

To ensure that our financial advisers prioritise our clients’ interests above their own, we follow an advice process that ensures our recommendations are made on the basis of each client’s goals and circumstances. All our financial advisers undergo annual training about how to manage conflicts of interest. We undertake a compliance audit, and a review of our compliance programme is undertaken annually by a reputable compliance adviser.

### COMPLAINTS HANDLING AND DISPUTE RESOLUTION

If you are not satisfied with our financial advice service, you can make a complaint by emailing [info@thebrokers.nz](mailto:info@thebrokers.nz) or by calling: 020 408 73640. You can also write to us at: 70 Fox Street, Avenal, Invercargill 9810. When we receive a complaint, we will consider it following our internal complaints process:

- We will consider your complaint and let you know how we intend to resolve it. We may need to contact you to get further information about your complaint.
- We aim to resolve complaints within 10 working days of receiving them. If we can’t, we will contact you within that time to let you know we need more time to consider your complaint.
- We will contact you by phone or email to let you know whether we can resolve your complaint and how we propose to do so. If we can’t resolve your complaint, or you aren’t satisfied with the way we propose to do so, you can contact Financial Services Complaints Ltd (FSCL) at Address: 5967 Wellington 6145.

Phone 0800 347 257, Email enquiries [fscl.org.nz](mailto:fscl.org.nz). The FSCL Scheme provides a free, independent dispute resolution service that may help investigate or resolve your complaint if we haven’t been able to resolve your complaint to your satisfaction.

## RELIABILITY HISTORY

The Brokers and/or their advisers have never breached the provisions of the Financial Markets Conduct Act 2013.

## CONTACT DETAILS AND IDENTIFYING INFORMATION

Lee Richard McDonald (FSP691991) is a qualified financial adviser (FSL Level 5) giving advice on behalf of Substantial Equities Ltd (FSP720811) trading as The Brokers. Lee is focused on giving mortgage advice and has worked in the banking industry all his working life (for over 20 years).

Alex Hugo de Boer (FSP197885) is a very experienced financial advisor (30 plus years) giving advice on behalf of Substantial Equities Ltd (of which he is the Director), trading as The Brokers, Alex specializes in business lending, risk protection insurances, and loan structures.

Lee's contact details are: Phone: 020 408 73640 / Email: [lee@thebrokers.nz](mailto:lee@thebrokers.nz)

Alex's contact details are: Phone 027 515 8799 / Email [alex@thebrokers.nz](mailto:alex@thebrokers.nz)

Substantial Equities Ltd (FSP720811) trading as The Brokers is the financial advice provider and can be contacted at 70 Fox Street, Invercargill. Email [info@thebrokers.nz](mailto:info@thebrokers.nz) or by contacting Lee or Alex.

## STATEMENT OF ADVICE

This is made in writing at the conclusion of all investigations and approvals from the product providers.

The Brokers, and anyone who gives financial advice on our behalf, have duties under the Financial Markets Conduct Act 2013 relating to the way that we give advice. We are required to:

- give priority to your interests by taking all reasonable steps to make sure our advice isn't materially influenced by our own interests
- exercise care, diligence, and skill in providing you with advice
- meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure that we have the expertise needed to provide you with advice)
- meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure we treat you as we should, and give you suitable advice).

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

In turn the clients must provide full information, with no inaccuracies so that the adviser can provide the best information suitable to the situation.