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WILLIS AUSTRALIA LIMITED FINANCIAL SERVICES GUIDE

(Incorporating the Willis Client Engagement Guide)

Willis

Willis Australia Limited - ABN 90 000 321 237

AFS Licence No - 240600

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INTRODUCTION

This Financial Services Guide (FSG) contains important information about our relationship with you. This document provides you with information to decide whether to use the financial services available through Willis. We explain a number of matters including:

- The services we offer and our standard terms of business
- Your responsibilities
- Our remuneration
- Any potential conflict of interest we may have
- Our privacy policy
- Our internal and external dispute resolution procedures

This document is set out in two sections; the first section is our FSG, which covers matters we are required to tell you about in accordance with our Australian Financial Services (AFS) Licence. The second section called “Other Information About Our Relationship – Our Client Engagement Guide” covers other important information about our relationship with you including our standard terms of business and the Willis Client Bill of Rights.

If you are an individual or small business and purchase retail or personal insurance, we may need to provide you with personal advice that takes into account your personal needs, objectives or financial situation. We will provide this advice in the form of a Statement of Advice (SoA), which will explain the basis of our advice and inform you about our fees and brokerages, as well as any associations we have with Insurers or other parties which may have influenced the advice provided in the SoA.

If you are an individual or small business and purchase retail or personal insurance, where required, we may give you a Product Disclosure Statement (PDS) when recommending to you a particular insurance product. The PDS is prepared by the Insurer and contains information about the product recommended, to help you make a more informed decision about that product.

You should contact us if there is anything in this FSG which you do not understand or with which you disagree. Our office details are as follows:

Office	Phone	Fax
Adelaide	+61 8 8223 1200	+61 8 8223 7223
Brisbane	+61 7 3167 8500	+61 7 3221 2552
Canberra	+61 2 6234 8014	+61 2 6234 8186
Hobart	+61 3 6235 8500	+61 3 6223 8722
Melbourne	+61 3 8681 9800	+61 3 8681 9888
Perth	+61 8 9481 4455	+61 8 9481 1977
Sydney	+61 2 9285 4000	+61 2 9283 5268

This Guide is also available on our website at www.willis.com.au

SECTION 1: INFORMATION WE MUST TELL YOU AS AN AFS LICENSEE

Who is Willis?

Willis Australia Limited (Willis) is a member of the Willis Group of Companies, a leading global independent insurance intermediary and risk management consultancy. Our ultimate parent company is Willis Group Holdings Limited, a company incorporated in Bermuda and listed on the New York Stock Exchange.

We advise on all types of non-life general insurance products and we are not obligated to place business with any one insurer, nor are we controlled by any financial institution such as an insurer or bank. However, from time to time insurers may grant us a binding authority or similar facility to accept business on their behalf as described below.

Willis is a member of the National Insurance Brokers Association of Australia (NIBA). We are also a shareholder of Steadfast Group Limited (Steadfast). As a shareholder of Steadfast, we have access to a range of shareholder services which are either funded by Steadfast, subsidised by Steadfast or available exclusively to shareholders for a fee.

Who is responsible for the services provided?

Willis is licensed to provide financial services under the Corporations Act (Cth) 2001. Our Australian Financial Services Licence number is 240600. This license allows us to provide advice on and deal in general insurance products and interests in owned managed investment schemes as an insurance broker.

What are our Professional Indemnity provisions?

Willis has Professional Indemnity cover in place in accordance with the provisions of the Corporations Act 2001. Subject to the terms and conditions, this includes coverage for existing and former employees for insurance services conducted as employees on Willis' behalf. The cover does not extend to our authorised representatives for any work they have carried out on our behalf.

What are our services?

We will discuss with you your insurance requirements, including the scope of cover and limits to be sought, and cost. Upon receipt of your instructions, whether written or oral, we will endeavour to satisfy your insurance requirements.

During the course of the placement of your insurance we will endeavour to keep you informed of the progress of our negotiations and identify any inability to obtain coverage sought by you. We will use reasonable endeavours to implement your insurance programme, subject to available insurers, before the intended date of inception, renewal or extension of cover (whichever is appropriate).

We will provide you with information about the insurance cover that we will advise and recommend to you to enable you to decide whether to accept the insurance cover available. As your insurance intermediary we will answer any questions you may have about the available cover, its benefits, restrictions, exclusions and conditions.

As an insurance broker we normally act for you as your agent. We arrange insurance with leading insurers and recommend one or more from a limited range, according to the nature of the product required. However for some insurance products, insurers grant us a binding authority or similar facility to accept business on their behalf. When we place your insurance under a binding authority or similar facility, any advice or product recommendation we make is made as acting as your agent, but we issue the insurance contract as agent of the insurer. Where we intend to bind your insurance under a binding authority or other similar facility because we reasonably consider such a facility will match your insurance requirements / instructions, we shall inform you prior to inception of the insurance contract.

We do not offer advice in relation to tax, accounting, regulatory or legal matters and you should take separate advice as you consider necessary regarding such matters.

How can you instruct us about your insurance?

You may instruct us about your insurance by telephone or in person, by fax or email, or by other means as we agree with you.

What if there is a change in your circumstances?

You must advise us as soon as reasonably practicable of any changes in your circumstances that may affect the services to be provided by us or the cover provided under your insurance policy. We may need to give you advice as to the suitability of the insurance for your changed circumstances to ensure it remains appropriate for your needs, objectives and financial situation.

How do you pay for our services?

Our remuneration will be either brokerage, which is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom the insurance contract is placed, a fee as agreed with you, or a combination of fee and brokerage depending on your programme and the various businesses within our Company that provide services to you. The ranges of brokerage we earn on the majority of general insurance products we place are shown in the Section 2. Policy administration charges (on a per invoice basis) may also apply.

If you receive personal, advice from us, we will tell you about any commission, fees and any other benefits, where possible, in actual dollar amounts, in the SoA. Fees and brokerage are earned for the policy period and we will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us.

We may have contracts or other arrangements with various insurers pursuant to which we provide certain services, such as performing risk management surveys or those under binding authorities and delegated claims settlement arrangements (for example, providing statements of the business accepted, issuing certificates of insurance cover or settling claims on behalf of insurers). Under these arrangements we may be paid by the insurers for the services provided to them in addition to any brokerage we may receive for placing your insurance cover.

You may also choose to use a premium finance company or other service provider in connection with the insurance we place for you or the services we provide. If we receive any remuneration from any such provider by reason of your use of their service, we will disclose to you the amount of that remuneration before you make a final decision to use that service provider.

In the ordinary course of business we may also receive interest on client and insurer monies from the date when we receive funds until we settle with those due to receive them. We confirm that we shall retain that interest rather than pay it to you or the insurer (as the case may be).

Our employees receive an annual salary that may include discretionary annual bonuses based on pre-determined business performance criteria such as client service standards and business profitability. They may also from time to time be eligible to receive incentives or bonuses based on business retention or generation. In addition, employees may be eligible to participate in any Willis Group share plan that may be offered on a discretionary basis from time to time.

If you are an individual or small business and purchase retail or personal insurance and you have been referred to us by someone else, we may pay the referrer a share of our fee or brokerage in relation to that referral, generally ranging from a minimum of 1% to a maximum of 50%.

Associations with Related Service Providers

When arranging cover for you, we may recommend that you use the services of Richard Oliver Underwriting Managers Pty Limited (AFSL License Number 238334), a member of the Willis Group. Willis may receive brokerage from this company if one of their insurance products is purchased.

For more general information about other Willis Group Companies, please refer to the section entitled "Client Engagement Guide".

What should you do if you have a complaint?

Willis has a formal complaints procedure. Should you have any cause for complaint about our services please raise the matter in the first instance with your Willis Account Manager. Alternatively, you may contact our Complaints Officer on (03) 8681 9800.

We will acknowledge your complaint within one business day of receipt and will advise you of the person dealing with it.

We are members of the Financial Ombudsman Services (FOS), an external dispute resolution facility. Should you not be happy with the response to your complaint you have the right to take your complaint to the FOS, who can be contacted on 1300 780 808.

As stated in the Willis Client Bill of Rights (please refer to page 12), you can also call Willis to comment upon our service. The toll free number can be found on our Group website at www.willis.com.

SECTION 2: OTHER INFORMATION ABOUT OUR RELATIONSHIP - OUR CLIENT ENGAGEMENT GUIDE

What other services do we provide?

Market security

We assess the financial soundness of the proposed insurers and markets we recommend, using public information including that produced by recognised rating agencies. However, we will not in any circumstances act as an insurer nor will we guarantee or otherwise warrant the solvency of any insurer or market used for your requirements. As a consequence the decision regarding the suitability of any insurer or markets rests with you. If you have any concerns regarding any insurers or markets chosen for your insurance requirements you must advise us as soon as possible.

If requested, we will make where available to you factual analysis prepared by the Willis Market Security Department in respect of listed insurance insurers proposed to be used for your requirements. Further, we can consider market security enquiries on an ad hoc basis but this will be subject to the agreement of an additional fee.

Documentation and claims

Unless otherwise agreed we will send you documentation confirming the basis of the cover secured on your behalf, including details of the insurers, with a premium invoice, showing separately all the amounts payable. The dates that the money is due together with any potential penalties for late payment will be clearly stated to you.

We will forward any insurance policy documents, if applicable, and any amendments or endorsements to your policy as soon as reasonably practicable.

Except where we agree otherwise with you, we will provide our claims handling services for the period of our appointment. Our claims handling services include, upon receiving the required information from you, the notification of the claim or circumstances to insurers; representing you in the resolution of the claim and arranging the collection and/or settlement of the claim in accordance with market practice and your policy terms and conditions. Where claims are to be dealt with by you directly with insurers, we will provide advice and support as requested. These services can be continued

beyond our appointment by mutual agreement and may be subject to a separate fee.

Further, our claims handling services will cease where we are satisfied that you have instructed another entity to assume the claims servicing obligations for your insurance.

Where we collect claims payments on your behalf these will be remitted to you as quickly as possible. However, we will not remit claims monies to you before we have received them from insurers.

We advise that we may be granted an authority by insurers, for example under a binding authority, to settle claims on your insurance. We settle such claims made within the terms and conditions of the authority granted, and as stated in your policy. It is our policy to refer claims to insurers for settlement decision where we are not able to settle the claims on a 100% basis. Further, if there is a conflict of interest we shall manage it in accordance with our policy of dealing with such conflicts.

Electronic and facsimile communications

We may communicate with each other by electronic mail (email) or facsimile, sometimes attaching in the email further electronic data, where we have each expressed a wish for that to happen.

By consenting to these methods of communication we and you accept the inherent risks (including the security risk of interception of or unauthorised access to such communications, the risks of corruption of such communications, and the risks of viruses or other harmful devices).

You should be aware that the integrity of attachments in emails can be questionable from a legal stand point. Accordingly we ask that whenever and wherever possible, attachments are encrypted or sent in a Portable Document File (PDF) format. We will also submit attachments to you in this format.

For the purpose of establishing the time of sending and receipt of emails and facsimiles the following rules will apply;

1. An email or facsimile will be deemed to have been sent at the time it leaves the sender's Information System.
2. An email or facsimile will be deemed to have been received when it has arrived at the addressee's Information System.

Notwithstanding that we have reasonable virus checking procedures on our systems, you will be responsible for virus checking all electronic communications sent to you. You will also be responsible for checking that messages received are complete.

In the event of a dispute neither of us will challenge the legal evidential standing of an electronic document and Willis' systems shall be deemed the definitive record of electronic communications and documentation.

You should also be aware that Willis' systems security devices block certain file extension, namely, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .wav, .exe, .bat, .scr, .mpq, avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails attaching such files will not get through to us and no message will be sent to tell you they have been blocked.

Willis Group of Companies and other entities

At times it may be appropriate and for your benefit for us to use other parties such as wholesale brokers, excess and surplus lines brokers, underwriting managers or managing general agents. These parties may also earn and retain brokerage for their role in providing products and services for you. If any such parties are part of the Willis Group, we will disclose the basis of remuneration they will earn before insurance is purchased.

Willis Reinsurance, another member of the Willis Group of Companies, may act for insurers with whom your risks are insured, in the placement of their risks. These placements are separate contracts subject to their own terms and conditions, including those relating to remuneration.

What are your responsibilities?

Proposal Forms

For certain insurance policies you may be required to complete a proposal form, questionnaire or similar document. We can provide guidance but we are not able to complete the document for you.

Disclosure of information

Our objective is to obtain the best product we can identify in order to meet your insurance needs. In order to make our business relationship work, you must provide complete and accurate information and instructions in a timely manner, so that we can assist you fully. Please bear in mind that there is no duty on insurers to make enquiries of you. Indeed, you are under a duty to make full disclosure of all material facts and fully and frankly respond to any requests for information made by insurers.

Further, all information which is material to your coverage requirements or which might influence insurers in deciding to accept your business, finalising the terms to apply and/or cost of cover must be disclosed. Failure to make full disclosure of material facts allows insurers to avoid liability for a particular claim or to void the policy. This duty of disclosure applies equally on taking out new insurance policies and on renewal or any change (variation, extension or endorsement) to your policies. We will not be responsible for any consequences which may arise from any delayed, inaccurate or incomplete information.

Please discuss with us if you have any doubts about what is material or if you have any concerns that we may not be aware of material information.

Quotations

You are responsible for reviewing information on the insurance coverage recommended to you. If the indication of coverage and terms does not match your instructions you should advise us immediately. If you need any information in respect of other quotes which we may have obtained on your behalf but have not recommended to you, please contact your Willis Account Manager.

Your policy

Although we will check the policy documents we send you, you are responsible for reviewing the evidence of insurance cover to confirm that it accurately reflects the cover, conditions, limits and other terms that you require. Particular attention should be paid to any policy conditions and warranties, as a failure to comply may invalidate your coverage, and the claims notification provisions. If there are any discrepancies you should consult us immediately.

Claims

You are responsible for notifying claims or potential circumstances that may give rise to a claim, in accordance with your insurance policy. In presenting a claim it is your responsibility to disclose all facts which are material to the claim. Therefore, to ensure full protection under your policy or similar documentation provided, you should immediately familiarise yourself with the coverage conditions or other procedures relating to claims and to the notification of those claims. Please also carefully consider any claims reporting instructions we provide to you. Failure to adhere to the notification requirements and to report a claim in a proper and timely manner, as set out in the policy or other coverage document, may jeopardise coverage of the claim or entitle insurers to deny your claim.

Depending on the terms of your insurance policy, claims may be made against a policy long after its termination or expiry date. It is important therefore, that you keep your insurance policies, coverage documents as well as claims reporting instructions in a safe place.

Provision of information

All activities undertaken by us as outlined in this document are provided by us for your exclusive use and all data, recommendations, proposals, reports and other information provided by us in connection with our services are for your sole use.

You agree not to permit access by any third party to this information without our express written permission. We reserve our right to take action to protect proprietary information.

Payment of premium

You will provide settlement with cleared funds of all monies due in accordance with the payment date(s) specified in our premium invoice or other relevant payment documentation ("Payment Date"). It is imperative that you meet all payment dates. Failure to pay the premium by the Payment Date may lead to insurers cancelling your policy. We are under no obligation to pay premium by the Payment Date to insurers on your behalf.

What about privacy?

We are covered by the Federal Privacy Act and its National Privacy Principles, which set out standards for the collection, use, disclosure and handling of personal information. We respect your privacy and are committed to protecting your personal information even when you are no longer a client.

We collect personal and business information in order to provide our various services. These include insurance broking, claims management, risk management consultancy, underwriting management and reinsurance broking. Other purposes include helping to develop and identify products and services that may interest clients, conduct customer satisfaction surveys, establish and administer alliances and other arrangements with other organisations in relation to the promotion, administration and use of our respective products and services. For further information regarding our services please contact your Willis Account Manager.

We disclose both personal and business information to third parties who are involved in the provision of our services. For example, in arranging and managing your insurance needs we may need to provide information to insurers, reinsurers, other insurance intermediaries, their advisors such as loss adjustors, lawyers and accountants, and other parties involved in the claims handling process. We also may provide it to purchasers of our business and related Willis Group companies or to third parties as and to the extent required by law or regulatory requirements. Further, we may disclose to third parties certain industry wide statistics or other information which may include your information – although business information specific to you will not be revealed without your consent.

When you provide us with personal information about other individuals, we rely on you to have made them aware that; you will or may provide their information to us, the purposes we use it for, the types of third parties we disclose it to, and how they can access it. If it is sensitive or health information, we rely on you to have obtained their consent to the above. If you have not done either of these things you must notify us before you provide the relevant information.

You agree that we and related Willis Group companies may hold and process by computer or otherwise any information we hold about you in order to provide our services to you. For the purposes of providing our services to you or for systems administration you agree that it may be necessary to transfer any information about you to any country.

If you would like a copy of the Willis Privacy Statement or would like to access your personal information, please contact the Willis Privacy Officer on (03) 8635 2600 or refer to our website.

Unless you notify us in writing otherwise, by proceeding to deal with us, you confirm on your behalf and/or on behalf of those you represent, agreement to the above principles.

What if we have a conflict of interest?

Circumstances can arise where we may find we have a conflict of interest in, or otherwise have a material interest in or related to, a matter in which we are acting. For example, we may be asked to act on behalf of any insurer in the appointment of a loss adjuster; or, we may find that the interests of two of the clients for whom we act, conflict.

We have conflict management procedures and we seek to avoid conflicts of interest but where a conflict is unavoidable we will explain the position fully and manage the situation in such a way as to avoid prejudice to any party.

The insurance market is complex and there could be other relationships not described here which might create conflicts of interest. Whatever the circumstances, we will act in your best interests and, if a conflict arises for which there is no practicable

solution, we will withdraw unless you wish us to continue to act for you and provide us with your written consent to that effect.

How can you terminate our relationship?

Our services may be terminated either by us or you upon the giving of one month's notice in writing to the other or as otherwise agreed.

What about third party rights?

Unless otherwise agreed between us in writing our standard terms of business are not enforceable by any third party except a related Willis Group company.

Are all of our standard terms of business included within this document?

Our standard terms of business contained in this document constitute the entire terms upon which we will provide our services to you and supercede any previous terms which we may have sent you and which relate to the provision of transactional and/or advisory insurance broking services. However, this document does not cover other services, if any, which we are providing under the terms of a separate agreement with you.

How can we amend this document?

You agree that we have a right to amend this document by sending you a new or Supplementary Financial Services Guide.

What about governing laws?

This FSG, which sets out the terms of our relationship with you, will be governed by and construed in accordance with the applicable Australian Federal or State Law and any dispute arising under it shall be subject to the exclusive jurisdiction of the applicable Australian Federal or State Court.

RANGES OF BROKERAGE ON MAJORITY OF GENERAL INSURANCE PRODUCTS

INSURANCE CLASS AND RISK	COMMISSION RANGE**
1. Commercial Property and Liability*	
Industrial Special Risks	0-25%
Business Package	0-25%
Fire and Profits, Burglary, Glass and Cash	0-25%
Liability	0-25%
2. Travel, Group / Personal Accident and Illness	0-35%
3. Motor Vehicle and Fleet	0-12.5%
4. Engineering*	
Contractors Plant and Machinery	0-22.5%
Construction Material Damage and Liability	0-22.5%
Engineering (All Other)	0-25%
5. Marine	
Transit / Cargo	0-20%
Commercial Hull / Liability	0-22.5%
6. Professional Risks*	
Professional Indemnity, Directors & Officers, Trustees Liability	0-35%
7. Financial	
Crime, Fidelity Guarantee, Bonds, Kidnap & Ransom	0-25%
8. Domestic	0-24.5%
9. Home Warranty	0-15%

* Includes brokerage earned by other members of the Willis Group of Companies.

** Likely minimum and maximum amounts of brokerage we may earn on the placement of these classes/risks of insurance.

SECTION 3: THE WILLIS CLIENT BILL OF RIGHTS

Our Client Bill of Rights is our commitment to upholding the highest standards of integrity in our industry and how we deliver the Willis Value Experience.

At Willis, our culture and our actions are guided by the following principles:

1. Willis represents the client's best interests through our client advocacy model. Willis' global resources and services are committed to understanding the client's company, its industry and its individual needs. Willis' customised recommendations and solutions will be driven by what is in the client's best interests. This is the centerpiece of the value Willis provides its clients.
2. At the commencement of every new engagement and at renewal thereafter Willis will describe the service and value it provides and how it is compensated for it – in plain and simple language as part of our Terms of Business Agreement and our Willis Client Service model.
3. Willis will listen before it acts. Its partnerships with clients will be typified by clear, complete and candid communication.
4. Clients will have a toll-free number to give Willis feedback on the quality of its services. Clients can comment, critique and suggest areas for improvement. Willis values client input.
5. Willis will require that the training its Associates receive includes enhanced emphasis on their duty of care and full disclosure to clients.
6. Willis Associates are prohibited from accepting any gifts, entertainment or trips from insurers that could create the appearance of a conflict of interest with its clients.
7. Willis will not accept contingency compensation from insurers.
8. Willis will conduct its business in accordance with its "best practices" guidelines, which are incorporated in our Willis Excellence Model.
9. Willis clients will receive the benefits of our global approach to service: our global resources delivered locally to help clients realise their highest risk management and business objectives regardless of geography.
10. Adherence to these principles will be enforced by a series of enhanced internal controls, including regular compliance reviews, audits and review by the Audit Committee of the Willis Board of Directors.