

Distribution Agreement.



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Parties to this Agreement.

Fidelity Life Assurance Company Limited, Company Number 86086 (**Fidelity Life** or **we** or **us**).

Full Name of Limited Company, Company Number #####, FSP Number ##### [if available] of Physical address of company (**you** or **your**).

Background.

- A. Fidelity Life is a company that provides insurance products and services to Customers.
- B. This Agreement sets out the terms by which we appoint you and your Representatives to provide Distribution Services in relation to Products.

1.0 Your appointment and our relationship.

Your appointment

- 1.1 We appoint you to provide Distribution Services in relation to Products on the terms set out in this Agreement.
- 1.2 We've relied on the accuracy and completeness of the information you've provided us in any Application Form including your confirmation that you're Licensed by the Financial Markets Authority or you or your Representatives are engaged by a Financial Advice Provider Licensed by the Financial Markets Authority.
- 1.3 Your appointment and this Agreement will commence on the date confirmed by us. This Agreement will continue until it ends or is suspended as set out in this Agreement.
- 1.4 Unless otherwise agreed with us, this Agreement replaces any other agreement you may have had with us to provide Distribution Services in relation to Products.

Our relationship with you

- 1.5 Our relationship with you isn't intended to be exclusive and is one of principal and independent contractor only.
- 1.6 Where you or your Representatives are providing Financial Advice to Customers in relation to a Product you are doing so on your own account or on behalf of the Financial Advice Provider you or your Representatives are engaged by and not on our behalf.

2.0 Our obligations under this Agreement.

We'll pay you Commission

- 2.1 We'll pay you Commission for providing Distribution Services in relation to Products on the terms set out in the Commission Schedule.



- 2.2 If required, you agree to refund to us Commission as set out in the Commission Schedule.
- 2.3 We may deduct amounts you owe us from Commission payments due to you.
- 2.4 Upon completion of any form required by us and with our prior written approval, you may instruct us to pay all or part of your Commission to a Representative who has a Distribution Agreement with us. If we agree to pay Commission to your Representative we'll have no obligation to pay you this Commission.
- 2.5 We may end paying Commission to a Representative by giving you reasonable written notice.
- 2.6 Where required you'll assist us to collect refunds of Commission owing from your Representatives we've paid.

Our other obligations

- 2.7 We'll comply with Applicable Laws relevant to us.
- 2.8 We'll take reasonable steps to ensure our Products are designed to deliver Good Customer Outcomes.
- 2.9 We'll make available Product Documentation for you to provide to Customers.
- 2.10 In addition to delivering other training set out in this Agreement, we'll provide training for Products and maintain a product accreditation programme for you and your Representatives.
- 2.11 We'll process claims by Customers for payment under Products in a timely manner.
- 2.12 We'll investigate and resolve complaints relating to us or Products in a timely and fair manner (including providing you with information from our records when you're investigating a complaint by a Customer as permitted by any Applicable Law).

3.0 Your obligations under this Agreement.

Product and other training

- 3.1 You and your Representatives (where individuals) will complete training and maintain ongoing Product accreditation as reasonably required by us. You'll ensure that your Representatives only distribute Products they're accredited to distribute.
- 3.2 You and your Representatives will also complete other training we reasonably require (including any conduct related training).

Product distribution

- 3.3 You'll only distribute Products in New Zealand.
- 3.4 You'll only distribute Products on premium rates and on other terms set by us. You won't change or waive any of these rates or other terms without our prior written consent.
- 3.5 You won't alter any Product Documentation unless agreed with us.



- 3.6 You acknowledge that we may introduce special terms, defer or decline proposals or an application you submit to us on behalf of a Customer.
- 3.7 You'll stop distributing a Product that's closed or removed from distribution after we give you written notice.
- 3.8 We'll give you reasonable written notice of any other changes to Products or Product Documentation. When you receive this advice from us you'll remove any Product Documentation that's no longer current (including from your website).

Ongoing Customer support and communication

- 3.9 Where according to our records you have the ongoing responsibility for servicing, you'll ensure that you or your Representatives actively offer ongoing assistance and support in relation to Products distributed to Customers which takes into account Good Customer Outcomes, Applicable Laws and the individual needs of each Customer. On request, you'll provide us with evidence to our reasonable satisfaction to demonstrate that you're offering, and where required by Customers, providing this ongoing assistance and support.
- 3.10 You'll provide reasonable assistance when Customers are making a claim for payment under a Product (including providing us with any information in your possession that is relevant to that claim).
- 3.11 You'll provide Customers with Product Documentation and other information as reasonably required by us.
- 3.12 We may communicate directly with Customers. We won't knowingly write to or contact Customers for the purpose of distributing Products directly to them.
- 3.13 You'll obtain written authority from Customers to act for them and to disclose information to us as required by this Agreement.

Your Representatives

- 3.14 You may appoint Representatives to provide Distribution Services in relation to Products on your behalf as set out in this Agreement.
- 3.15 You'll only engage qualified and competent Representatives as required by Applicable Laws to perform your obligations under this Agreement.
- 3.16 You'll ensure that your Representatives are familiar with and comply with your obligations under this Agreement and you'll be responsible if they don't.
- 3.17 You'll undertake appropriate due diligence before engaging a Representative. On request you'll provide us with reasonable evidence that this due diligence has been undertaken.
- 3.18 You'll provide us with a current list of the names of your Representatives you've engaged or appointed under this Agreement. You'll update us when Representatives join or leave you. We may require your Representatives to complete an Application Form for our prior approval.
- 3.19 You and your Representatives will act in a professional and polite manner exercising due care, skill and diligence. You'll take reasonable steps to uphold our reputation.

- 3.20 You'll promptly advise us if you or a Representative has breached any term of this Agreement, any Applicable Law or a Licence or agreement with another financial services provider.
- 3.21 After consultation with you, we may require you to suspend or stop using a Representative under this Agreement (either temporarily or permanently) if we reasonably believe that a Representative isn't performing professionally or isn't complying with your obligations under this Agreement.

Your compliance obligations and dealing with complaints

- 3.22 You'll comply with Applicable Laws and the terms or obligations attached to a Licence or other authorisation relevant to you and your Representatives including those relating to providing Financial Advice to Customers in relation to Products.
- 3.23 You and your Representatives will maintain all Registrations, Licences, and other requirements necessary to comply with this Agreement and Applicable Laws. We may request evidence that you're meeting this obligation.
- 3.24 If you aren't a Financial Advice Provider, you'll provide us with details of the Financial Advice Provider you and/or your Representatives are providing Financial Advice on behalf of and keep us updated of any changes to that Financial Advice Provider or the relevant Licence. Unless otherwise agreed with us, we'll require your Financial Advice Provider to have a Distribution Agreement with us too and your Financial Advice Provider may need to approve Commission payments made under this Agreement.
- 3.25 You must promptly advise us if you or a Representative are no longer Licensed, Registered or authorised to provide Financial Advice, including if a Licence is suspended or you or a Representative are under investigation by the Financial Markets Authority or any other regulator.
- 3.26 If we reasonably believe you or a Representative don't hold the appropriate Licence or Registration we may immediately suspend Commission payments to you (in addition to exercising any other rights we may have under this Agreement).
- 3.27 You and your Representatives will comply with our operational requirements and policies reasonably required to conduct business with us (for example our terms of use for you or your Representatives to access our systems or our training accreditation and quality assurance requirements).
- 3.28 You'll promptly tell us about any complaint or allegation made against you or a Representative that may be relevant to us, a Product or any Financial Advice you or a Representative are providing to Customers.
- 3.29 You'll cooperate with us and provide us with reasonable assistance during any regulatory or other investigation involving this Agreement and the obligations you must perform under it (including a Customer complaint). If requested you'll provide us with copies of your documents and records relating to the matter under investigation (including disputes or issues being investigated by a dispute resolution or industry body).

Conduct Requirements

- 3.30 You'll comply with Conduct Requirements as they relate to your business and you'll work collaboratively with us to implement such requirements including conduct related training, enhanced supervision or assurance or dealing with misconduct.
- 3.31 You'll comply with Applicable Laws relating to disclosure and management of conflicts of interest and will have conflict of interest management practices in place which ensure the best interests of Customers are prioritised.
- 3.32 You'll comply with any directions or guidance we may reasonably issue regarding replacement business and prioritise the needs of Customers when providing Financial Advice involving replacement business.

4.0 Information we require from you and to be disclosed to Customers.

- 4.1 You'll fully disclose to us all health, financial and other information advised by a Customer during the course of the application process or otherwise known to you that may be material to our consideration of the application or influence our decision to issue a Product and if so on what terms.
- 4.2 If you or your Representatives become aware of any change to the information disclosed in clause 4.1 or the personal circumstances of a Customer materially change following lodgement of an application with us and prior to the issue of a Product, you'll immediately advise us of such information and follow our instructions regarding next steps to be taken.
- 4.3 You'll ensure that all relevant Product Documentation is completed correctly by Customers in accordance with our instructions.
- 4.4 You'll promptly arrange for medical examinations or obtain any other information from Customers where such examination or information is requested by us (at the cost of the Customer unless otherwise agreed with us).
- 4.5 You will disclose to Customers our financial strength rating included in Product Documentation before completing distribution of a Product (including on renewal of a Product).

5.0 Your authority under this Agreement.

- 5.1 Nothing in this Agreement gives you or your Representatives the authority to commit us to any obligation without our prior written consent.
- 5.2 In particular you won't do any of the following:
- 5.2.1 Commit us, whether verbally or in writing, to providing any cover or benefit, or to reinstate any cover or benefit after it's lapsed or been discontinued.
 - 5.2.2 Make any representations about us or Products unless included in Product Documentation or otherwise agreed with us in writing.
 - 5.2.3 Extend time for or waive payment of any premium to us.
 - 5.2.4 Advertise or cause to be published to members of the public any matter concerning us or Products except by distributing Product Documentation provided by us for this purpose.
 - 5.2.5 Acknowledge or accept any liability for us or recognise any legal claim or allegation made or proposed to be made against us.
 - 5.2.6 Incur any indebtedness in our name or sign or make any contract on our behalf.
 - 5.2.7 Pay a premium or contribution (or part of) on behalf of anyone unless you have our prior written approval (for example if you're acting as an authorised broker for the Customer to make these payments on their behalf).

6.0 Confidentiality and Customer privacy.

- 6.1 We and you agree to keep confidential any Confidential Information exchanged during the course of this Agreement.
- 6.2 Except as set out in this Agreement, we and you agree not to disclose any Confidential Information to a third party without written consent of each other unless such disclosure is required by an Applicable Law or a regulator or such information is already in the public domain.
- 6.3 When this Agreement ends, you'll return to us on request any Confidential Information, Product Documentation and any other property we own without retaining any copies.
- 6.4 We and you will each have processes, systems and appropriate information security, to maintain compliance with the Privacy Act 2020 and will protect the personal information of Customers (including personal information of Customers where a Product has lapsed or applicants for Products) that we or you have collected or received under this Agreement including against unauthorised access, use or disclosure.
- 6.5 You'll notify us as soon as you become aware of any suspected breach of the Privacy Act 2020 that relates to a Customer (including Customers where a Product has lapsed or applicants for Products) and where the potential or actual breach involves personal information that has been collected for disclosure to us or disclosed by us to you. You will fully co-operate with us to remedy any breach including any necessary disclosure to regulators.

7.0 Your indemnity and insurance.

- 7.1 You'll indemnify us against any demand, claim, liability, cost or expense incurred by us due to a breach of this Agreement by you or your Representatives. Any amount payable under this indemnity will be increased to ensure that the net amount received by us will, after any tax, be equal to that which would've been received had the payment and any increased payment not been subject to that tax.
- 7.2 Any amount you owe us (including any amount owing on or arising after this Agreement ends like the refund of any Commission) will be paid by you on request or upon such terms and conditions as reasonably determined by us.
- 7.3 You'll also pay us interest on any amount you owe us at such rates of interest as we may reasonably determine and no less than the fringe benefit interest rate as prescribed by current tax legislation.
- 7.4 If you're trading as an individual and you fail to pay any amount owing to us, we may pass your personal information to a debt collection agency to assist with the recovery of any amount owing to us.
- 7.5 You (or the Financial Advice Provider you work with) will take out and maintain a minimum level of professional indemnity insurance for an amount and on terms required by us (including any cover reasonably required after this Agreement ends). The requirement for this insurance and the amount of cover may change from time to time. We'll give you at least thirty (30) calendar days prior written notice of any change with current requirements published on www.advisers.fidelitylife.co.nz.
- 7.6 Your professional indemnity insurance must be with an insurer approved by us, and adequately cover you and all of the Representatives appointed under this Agreement. If requested by us, you'll provide us with a certificate of currency from your insurer. You'll let us know if this insurance is cancelled for any reason.

8.0 Ownership of intellectual property.

- 8.1 We own all intellectual property rights relating to our business, the Products and Product Documentation (including our brand, logo, trademarks and websites). You're licensed to use our intellectual property to provide Distribution Services under this Agreement. We may end this license to use our intellectual property at any time if we reasonably believe that our intellectual property isn't being used as contemplated by this Agreement.
- 8.2 You agree not to use any of this intellectual property unless expressly contemplated by this Agreement or approved by us in writing.

9.0 Ending this Agreement.

By you or us giving us reasonable notice

- 9.1 You may end providing Distribution Services to us under this Agreement by giving us at least five (5) days prior written notice. We'll continue to pay you Servicing Commission and other Ongoing Commission as set out in the Commission Schedule as long as you comply with your obligations under this Agreement.
- 9.2 We may end this Agreement by giving you at least sixty (60) days prior written notice if we decide to only have Distribution Agreements with Financial Advice Providers and you're not one on the expiry of the notice we send you. If this Agreement ends under this clause 9.2 we'll only pay Commission to your Financial Advice Provider once we have confirmation that you're engaged under the relevant Licence.

By us giving you immediate notice when certain material events occur

- 9.3 We may end this Agreement immediately by giving you written notice if any of the following events occur:
- 9.3.1 you suffer an Insolvency Event;
 - 9.3.2 you or any of your Representatives are no longer Licensed, authorised or Registered to provide Financial Advice to Customers;
 - 9.3.3 you or any of your Representatives are sanctioned by the Financial Markets Authority or any other regulator;
 - 9.3.4 you or a Representative commit an act of Serious Misconduct;
 - 9.3.5 you or any of your Representatives breach any term or obligation under this Agreement and such breach is incapable of remedy or is not remedied within ten (10) business days from when we notify you of the breach; or
 - 9.3.6 you've undertaken a Material Change in Control without our prior written consent.
- 9.4 We'll only exercise our right to end this Agreement for breach of clause 3.9 if you or your Representative have materially failed to offer and provide ongoing support to Customers. If, after we provide you with notice, you're unable to remedy this failure to service Customers or offer a remediation plan to our reasonable satisfaction within ten (10) business days then we may end this Agreement.
- 9.5 If this Agreement ends under clause 9.3, no further Commission will be payable to you. If you have the legal right to do so, you'll continue to have the right to sell or transfer your Book of Business to another Financial Advice Provider or another party with a Distribution Agreement with us for a period of six (6) months with our prior written approval and in accordance with clause 11 of this Agreement. Commission payments will be suspended until a sale is completed and accrue to the benefit of the approved purchaser or to us in the case where the six (6) month period expires (unless an extension is approved by us).

- 9.6 If an Insolvency Event occurs under clause 9.3, we will take immediate ownership of your Book of Business and your right to sell your Book of Business in clause 9.5 won't apply (unless we otherwise approve).
- 9.7 Subject to clause 9.5 above, we may elect to transfer your Book of Business (including any related Customer data and Product information) to another Financial Advice Provider or a party with a Distribution Agreement with us or to us.

What else happens when this Agreement ends

- 9.8 If this Agreement ends for any reason, you and your Representatives must immediately stop providing Distribution Services in relation to Products.
- 9.9 We may approve applications for Products submitted by you prior to the date the Agreement ends. If such an application is accepted by us, Commission will be paid at the rates set out in the Commission Schedule.
- 9.10 We're entitled to inform Customers or a regulator that this Agreement has come to an end (including the reason why).
- 9.11 Except as otherwise provided for in this Agreement, we won't recognise any instruction from you and we'll have no obligations under this Agreement to provide support or services to you once this Agreement ends.
- 9.12 Clauses 6.3, 7, 8, 9.5, 9.10, 13 and any other clauses stated to survive the end of this Agreement will continue to apply after this Agreement ends.
- 9.13 Ending this Agreement doesn't affect your or our accrued rights arising from any breach of this Agreement before this Agreement ends.
- 9.14 If you're trading as an individual or you're a company with an individual that is a sole director and shareholder, this Agreement will end twelve (12) months after your death or the death of the director unless your Book of Business is sold or transferred earlier to another Financial Advice Provider or another party with a Distribution Agreement with us. We'll assist your legal representatives with this process where we can. During this period and where reasonably required we may arrange ongoing customer support and assistance with us or another a party with a Distribution Agreement with us.

10.0 Our right to suspend this Agreement.

- 10.1 We may suspend this Agreement on giving you written notice where we've reasonable grounds to believe that a breach of this Agreement has occurred or if there's an unresolved breach identified in a review or audit under clause 13.
- 10.2 Whilst this Agreement is suspended, you and/or your Representatives (as we advise you) must immediately stop providing Distribution Services and Financial Advice to Customers in respect of Products. We may stop paying you all or part of your Commission during the suspended period.
- 10.3 Any applications dated up until the date of suspension will be processed or rejected by us at our absolute discretion.
- 10.4 Any suspension will continue until such time as we have adequately investigated and resolved the issue with you. You agree to co-operate with us in attempting to resolve the issue and you'll provide us information reasonably required on request.
- 10.5 Where we've identified a breach of this Agreement during our investigation and in consultation with you, we may elect to withhold or suspend certain Commission payments to you or a Representative on an ongoing basis or for a period of time without ending the entire Agreement.
- 10.6 Suspension of this Agreement doesn't affect any accrued rights you or we may have arising from any breach of this Agreement occurring before the suspension. We won't be responsible for any loss you may suffer as a result of any act of suspension by us.

11.0 Your right to sell your Book of Business.

- 11.1 Subject to the other terms set out in this Agreement, you may at any time, sell all or part of your Book of Business to another Financial Advice Provider or party with a distribution agreement with us.
- 11.2 We'll need to approve the sale prior to completion including confirming that all parties have consented or agreed to the transaction (including any consent of Customers required). A sale doesn't affect your obligations or liability for any breach under this Agreement prior to completion of the sale.
- 11.3 We reserve the right to request any information that may be relevant to us in relation to the sale including evidence that the approved purchaser can meet all obligations under this Agreement. If required by us you agree to use any sale proceeds to repay any amount owing to us.
- 11.4 Unless otherwise agreed with us, the approved purchaser will be entitled to all Ongoing Commission payable under this Agreement.

12.0 Our right to make changes to this Agreement.

- 12.1 We can change or vary any term of this Agreement at any time (including Commission terms or rates as set out in the Commission Schedule). We'll give you at least thirty (30) calendar days notice of the changes.
- 12.2 If you notify us within the thirty (30) calendar day notice period that you don't agree with the changes, we'll be entitled to end this Agreement effective from the end of the thirty (30) day notice period.
- 12.3 If you don't notify us and you continue to provide Distribution Services in relation to Products under this Agreement, then we'll regard this as your acceptance of the changes.
- 12.4 Despite any change to this Agreement made in accordance with this clause 12, Servicing Commission rates applying to our Products immediately prior to any such change won't be affected as long as you comply with the terms of this Agreement. For the avoidance of doubt renewal commission rates for Products applying before 31 July 2021 also won't be affected.

13.0 Our rights to review and quality assurance.

- 13.1 You'll have suitable processes and controls in place to ensure compliance by you and your Representatives with this Agreement and Applicable Laws.
- 13.2 You and your Representatives will participate and assist us with our quality assurance requirements when reasonably required.
- 13.3 You'll send us information when requested to assure us that you're complying with this Agreement or Applicable Laws.
- 13.4 If we're not reasonably satisfied with the information you've provided us or we reasonably believe there's been an unremedied breach of this Agreement, we (or our agents) may give you at least ten (10) calendar days notice to access your and/or your Representative's premises to review and where necessary audit books of account, policies, procedures, systems, correspondence, Customer records and other information or records reasonably required by us. We'll let you know in advance of the scope of the review or audit and to confirm any access or confidentiality requirements you may have.
- 13.5 You'll permit us to take copies of any documents referred to in clause 13.4 at our cost.
- 13.6 You'll provide all other necessary information and assistance to enable us to conduct such a review or audit.
- 13.7 If an audit or review identifies a breach of this Agreement or an Applicable Law then we may exercise our rights to suspend or end this Agreement.

14.0 If a dispute arises under this Agreement.

- 14.1 Should any dispute arise in regard to this Agreement, the dispute is to be referred to mediation.
- 14.2 If we and you can't agree on a mediator, then the mediator will be appointed by the President of the New Zealand Law Society. The costs of the mediator will be shared equally between us and you unless otherwise agreed. We and you will otherwise cover our own costs.
- 14.3 If the dispute isn't resolved within two (2) calendar months or any other period agreed, then either we or you are free to pursue our rights at law.

15.0 Applicable taxes.

- 15.1 Unless otherwise stated, all amounts referred to in this Agreement and the Commission Schedule are exclusive of GST.
- 15.2 To the extent that any supply from one party (supplier) to another party (recipient) under this Agreement constitutes a taxable supply for GST purposes (taxable supply), an amount equal to the GST chargeable on that taxable supply, as between the supplier and recipient will be payable by the recipient to the supplier in addition to the amount payable for the taxable supply.
- 15.3 The recipient will pay the GST amount at the same time and in the same manner as payment for the taxable supply is required, provided that on or before that time the supplier has issued to the recipient a GST Invoice.
- 15.4 If we issue a buyer created tax invoice in relation to a taxable supply made by you, then you won't issue a tax invoice in relation to that supply.
- 15.5 If you're trading as an individual, we're entitled to withhold such amounts on account of tax as required by law. We have an obligation to withhold tax at the current no-notification rate if you fail to provide us with the appropriate documentation required by the Inland Revenue.

16.0 How to give notices under this Agreement.

Giving notices

- 16.1 Any notice or communication given under this Agreement to you or us must be in writing and sent in one of the following ways to the addresses set out below (unless an alternative address for notices is updated by you or us):
- 16.1.1 delivered or posted to you; or
- 16.1.2 delivered by electronic mail to the email address.

Fidelity Life

Name: Fidelity Life Assurance Company Limited
Postal address: PO Box 37275, Parnell, Auckland 1151
Fax number: 09 373 5244
Attention: Sales Support
Email: salessupport@fidelitylife.co.nz

Your name: Full Name of adviser entity [FAP, AB, FA or FA Ltd]
Postal address: Address of entity
Attention: Name of contact
Email: Email for formal notices to adviser entity

Time notice is given

16.2 Any notice or communication is to be treated as being given:

16.2.1 If it's delivered, when it's left at the address for notices.

16.2.2 If it's sent by post, three (3) (or, in the case of a notice or communication posted to another country, nine (9)) Business Days after it is posted.

16.2.3 If it's sent by email or other electronic means, when received in readable form in your or our inbox.

16.3 However, if a notice or communication is given, on a day that isn't a Business Day or after 5pm on a Business Day, it's to be treated as having been given at the beginning of the next Business Day.

17.0 Miscellaneous terms.

Approvals and consents

17.1 Unless this Agreement provides otherwise, you or we may give or withhold an approval or consent in your or our absolute discretion and subject to any conditions determined by you or us.

17.2 You or we aren't obliged to give reasons for giving or withholding a consent or approval or for giving a consent or approval which may be subject to conditions.

Assignment of this Agreement

17.3 You'll obtain our prior written approval before assigning or transferring this Agreement to another party with a Distribution Agreement with us.

17.4 We may assign or transfer this Agreement to another company without your consent. If we're going to do this we'll tell you in writing.

17.5 Unless this Agreement provides otherwise, this Agreement isn't intended to confer a benefit on any person or class of persons who aren't a party to it.



Entire Agreement

- 17.6 This Agreement contains everything you and we have agreed in relation to providing Distribution Services in relation to Products.
- 17.7 Neither you nor us can rely on any earlier written document or anything said or done by or on behalf of you or us before this Agreement is effective.
- 17.8 In the event of any conflict between the terms of this Agreement and any form of the Commission Schedule, then the terms in this Agreement will prevail.

How to execute this Agreement

- 17.9 This Agreement is properly executed if you or us executes or accepts this Agreement or an identical copy of this Agreement (including any digital or electronic execution or acceptance).
- 17.10 As an alternative to execution of the Agreement, you'll be deemed to have accepted this Agreement if we make the Agreement reasonably available to you on our website after written notification and you commence providing Distribution Services in relation to Products.

Further assurances

- 17.11 We and you will, from time to time, on request, sign and deliver all documents and do all other acts and things, which are necessary or reasonably required to complete any obligation under this Agreement.

Governing law and jurisdiction

- 17.12 This Agreement is governed by the laws of New Zealand.
- 17.13 Any dispute relating to this Agreement will be decided exclusively by a New Zealand court if it can't be resolved by alternative dispute resolution as set out in clause 14.
- 17.14 A reference in this Agreement to any law or legislation includes any statutory modification, amendment or re-enactment and any regulations issued under that legislation.

Severability

- 17.15 Each clause of this Agreement is individually severable.
- 17.16 If any provision is or becomes illegal, unenforceable or invalid it's to be treated as being severed from this Agreement, but the rest of this Agreement won't be affected.

Variation and personal guarantees

- 17.17 Except as otherwise provided for in this Agreement, no variation of this Agreement will be effective unless it's in writing and signed or acknowledged by each of us. Unless otherwise agreed with us, no variation of this Agreement is intended to alter or affect the liability of any guarantors under continuing guarantees held by us in respect of your liability under this Agreement (or any previous agreement).

Waivers

17.18 A waiver by you or us of any right, power or remedy under this Agreement must be in writing.

17.19 The fact that we or you fail to do, or delay to do, something we or you are entitled to do under this Agreement doesn't amount to a waiver.

Force Majeure

17.20 We or you won't be liable for any failure to perform any obligation under this Agreement to the extent that such failure is caused by events or circumstances outside your or our control.

18.0 Definitions.

Definitions

18.1 Where the following words are capitalised in the Agreement, they have the meanings set out below (other capitalised terms may also be defined and used in the Commission Schedule):

Agreement means this agreement, including the Commission Schedule, Application Forms and published product lists (as amended, novated, supplemented or varied from time to time).

Applicable Laws means all New Zealand laws including regulations, by laws and other subordinate legislation and rules, codes of practice and any guidance issued by a regulator or binding industry group as amended or replaced from time to time including but not limited to the following laws:

- (a) Financial Markets Conduct Act 2013
- (b) Financial Service Providers (Registration and Disputes Resolution) Act 2008.
- (c) Code of Professional Conduct for Financial Advice Services prepared under Schedule 5 of the Financial Markets Conduct Act 2013 and any other industry body codes.
- (d) Fair Trading Act 1986
- (e) Consumer Guarantees Act 1993
- (f) Anti Money Laundering and Countering Financing of Terrorism Act 2009
- (g) Insurance Intermediaries Act 1994
- (h) Insurance (Prudential Supervision) Act 2010
- (i) Privacy Act 2020
- (j) Human Rights Act 1993.

Application Form means any onboarding application form or other form we ask you or your Representatives to complete for our approval.

Authorised Body has the meaning contained in the Financial Markets Conduct Act 2013.

Book of Business means your right to receive Servicing Commission or Spread Commission in respect of Products distributed by you and your Representatives (or a book of business

otherwise acquired or purchased by you from a party with a distribution or other agreement with us).

Business Day means any day (other than a Saturday or Sunday) on which trading banks are usually open for business in Auckland, New Zealand.

Commission means the types of commission payable to you for providing Distribution Services in relation to Products as defined and calculated by us in accordance with the terms set out in the Commission Schedule.

Commission Schedule means the commission schedule attached to this Agreement and/or published on www.advisers.fidelitylife.co.nz (or a replacement website) or otherwise agreed with us in writing (as varied in accordance with this Agreement from time to time).

Conduct Requirements means programmes, policies, controls, systems and other requirements designed to ensure we deliver Good Customer Outcomes as required by Applicable Laws or to meet the expectations of and our commitments to regulators.

Confidential Information means any information about a Customer (or a prospective Customer) or any other non-public business or operational information exchanged between you and us including the terms of this Agreement.

Customer means a policy owner or life assured under a Product and who contracts with you for Financial Advice.

Distribution Services means arranging, renewing, varying and providing other distribution services agreed with us in relation to Products.

Financial Advice has the meaning set out in the Financial Markets Conduct Act 2013.

Financial Adviser has the meaning set out in the Financial Markets Conduct Act 2013 being an individual who is registered on the Register of Financial Service Providers.

Financial Advice Provider has the meaning set out in the Financial Markets Conduct Act 2013.

Financial Markets Authority means the markets and conduct regulator of the financial services industry in New Zealand.

Good Customer Outcomes has the meaning given in any publication or guidance issued by the Financial Markets Authority or Applicable Law that regulates conduct in the financial services industry.

GST means goods and services tax imposed under the GST Act.

GST Act means the Goods and Services Tax Act 1985.

GST Invoice means a tax invoice complying with the requirements of section 24 of the GST Act.

Inland Revenue means the government department in New Zealand responsible for advising the government on tax policy and collecting tax and otherwise operating at <https://www.ird.govt.nz/>

Insolvency Event means an event where you become insolvent or bankrupt, enter into any composition or arrangement with your creditors, go into liquidation or have a receiver or

statutory manager appointed over any of your assets or an application is made to remove you (if a company) from the companies register.

Licence or Licensed means a licence issued by the Financial Markets Authority to be a Financial Advice Provider (either transitional or full where applicable).

Material Change in Control means if you are a company, there is a change in the direct or indirect beneficial ownership or control of more than 50% of the voting rights in your shares.

Nominated Representative has the meaning set out in the the Financial Markets Conduct Act 2013.

Ongoing Commission means Servicing Commission plus Spread Commission.

Product or Products means an insurance policy or cover or other product issued by us (or another company) that we have authorised you to distribute under this Agreement (and may include closed or legacy products) as updated by us from time to time by written notice to you and otherwise published by us on www.advisers.fidelitylife.co.nz (or a replacement website).

Product Documentation means Customer application forms, illustrations, marketing, promotional and other distribution materials for Products including brochures, policy wording and any other Customer or Product related documentation published in any media or distributed to you under this Agreement.

Register of Financial Service Providers means the online register for financial service providers at <https://fsp-register.companiesoffice.govt.nz/> (or any replacement website)

Registered or Registration means registration on the Register of Financial Service Providers.

Representative means a Financial Advice Provider, Financial Adviser, Nominated Representative, Authorised Body or other corporate entity appointed or engaged by you to provide Distribution Services in relation to Products in accordance with this Agreement.

Serious Misconduct examples of serious misconduct would include fraud, a crime involving dishonesty or crime punishable by imprisonment or another serious offence under an Applicable Law.

Servicing Commission means the servicing commission set out and described in the Commission Schedule.

Spread Commission means the spread commission set out and described in the Commission Schedule.

We, us or our or Fidelity Life means Fidelity Life Assurance Company Limited.

You or your means the individual or entity named as a party to this Agreement and in a Application Form.

Commission Schedule.

(Effective 31 July 2021)

1. Commission terms and conditions.

- 1.1. The commission rates and terms for new business that we accept from 31 July 2021 are set out in this Commission Schedule.
 - 1.2. Please contact your Business Manager or Business Account Manager for commission rates and terms for covers that went in force before 31 July 2021. For the avoidance of doubt, renewal commission rates for these covers won't change from the existing rate on 31 July 2021.
 - 1.3. Your Initial Commission Rate and Spread Commission Rate is set when each cover starts and won't change while the cover's in force. For clarity, any alterations that start a new cover will apply the current Initial Commission Rate and Spread Commission Rate.
 - 1.4. We may deduct any money you owe us from the amount payable to you, plus any interest at such rate that we determine from time to time (to a maximum of the NZ Official Cash Rate plus 10%).
 - 1.5. You'll pay us any amount you owe us (including any amount you owe us when this Distribution Agreement ends or that arises after this Distribution Agreement ends) upon our request or upon such terms and conditions that we determine in our sole discretion.
 - 1.6. We won't pay commission on business written on your own life, the life of a spouse or partner, your children, or your parents.
 - 1.7. We may reduce the amount of a commission payment, or spread a commission payment over 12-months, if the commission payment on an individual policy is more than \$20,000.
 - 1.8. We'll pay commission at least twice a week to your current bank account.
-

2. Commission scorecard.

- 2.1. We'll calculate an Initial Commission Rate for each Financial Advice Provider (or for each Authorised Body for Financial Advice Providers with more than \$4m in annualised premium in force/API) based on three Key Metrics, which are weighted as:
 - persistency rate (60% weighting)
 - conversion rate (10% weighting)
 - in force policy count (30% weighting).

If you aren't a Financial Advice Provider the Initial Commission Rate for your Customers' Products will be your Financial Advice Provider's Initial Commission Rate or your Authorised Body's Initial Commission Rate. The total Initial Commission that we pay you, your Financial Advice Provider and any

Representative you split commission with will be calculated on your Financial Advice Provider/Authorised Body's Initial Commission Rate.

- 2.2. Data to measure each Key Metric will be taken each year from the previous 1 April to 31 March period. Please ask your Business Manager or Business Account Manager for details on how each Key Metric is measured.
- 2.3. You'll be assigned a Scorecard Band for each Key Metric in the table below. The Scorecard Band is the number on the top row. Each percent below is the beginning of each Scorecard Band.

Metric	0	1	2	3	4
Persistency rate	Under 85%	85%	88%	90%	91% and over
Conversion rate	Under 50%	50%	60%	70%	80% and over
In force policy count	Under 50	50	150	300	500 and over

- 2.4. We'll calculate a weighted score for each of your Key Metrics separately by multiplying the weighting of that Key Metric in section 2.1 times the Scorecard Band for that Key Metric measured in section 2.3.
- 2.5. Then we'll add your three separate Key Metric weighted scores from section 2.4 to find your overall score between 0 and 4.0. Your overall score determines your Initial Commission Rate on the chart below.

Overall score	Initial Commission Rate
0 – 0.99	150%
1 – 1.99	180%
2 – 2.99	210%
3 – 4.0	240%

3. Initial Commission.

- 3.1. We'll pay you Initial Commission when:
 - 3.1.1. a new policy goes in force;
 - 3.1.2. a new cover is added to an in force policy; or
 - 3.1.3. there's an increase in Commissionable Premium because the sum insured on an in force policy has increased, including contractual increases to the sum insured (such as a special events increase) other than a CPI increase.
- 3.2. The amount of Initial Commission we'll pay you is calculated by multiplying
 - the Commissionable Premium (or the increase in the Commissionable Premium)
 - by the Initial Commission Rate.

We'll reduce the amount of Initial Commission we pay you by 10% for each year the policy term is less than 10-years, or for each year a life insured is over age 65 for life cover.

- 3.3. We'll pay you 80% of the Initial Commission calculated in section 3.2 for covers with level premiums.
- 3.4. You can choose to spread your Initial Commission by reducing your Upfront Initial Commission Percentage. If you do, the amount of upfront Initial Commission we pay you will be multiplied by the Upfront Initial Commission Percentage.
- 3.5. Please contact your Business Manager or Business Account Manager for information about commission on per mille loadings, policy conversions and continuation options, and for information on commission dial down.

4. Ongoing Commission.

- 4.1. Ongoing Commission is Servicing Commission plus Spread Commission.
- 4.2. After a customer has paid a Commissionable Premium for 13-months, we'll pay you Ongoing Commission at the same frequency the customer pays their premiums, calculated as described below.

Servicing Commission

- 4.3. We'll pay you Servicing Commission in the amount of 10% of the Commissionable Premium.

Spread Commission

- 4.4. If you've chosen to spread your Initial Commission, we'll pay you Spread Commission in the amount of your Spread Commission Rate times the Commissionable Premium.
- 4.5. Your Spread Commission Rate is calculated as:

$$\frac{\text{Initial Commission Rate} * (100\% - \text{Upfront Initial Commission Percentage})}{6}$$

6

5. Writeback.

- 5.1. If a Commissionable Premium is discontinued or reduced, other than because of a claim or change in smoker status, we'll reverse a percentage of Initial Commission we paid you based on the chart below.

Premiums paid (in months)	50% Upfront Initial Commission Percentage	51-100% Upfront Initial Commission Percentage
0-4	100%	100%
5 to 11	$(12 - \text{number of months of premiums paid}) * 12.5\%$	$(24 - \text{number of months of premiums paid}) * 5\%$
12 to 23	0%	$(24 - \text{number of months of premiums paid}) * 5\%$
24+	0%	0%

- 5.2. If a Commissionable Premium is discontinued or reduced, other than because of a claim or change in smoker status, on a policy where the customer paid the premium in advance, we'll reverse any Ongoing Commission we've paid you in the amount calculated below.

$(\text{days of premium refunded} / \text{total days in the year}) * \text{Full Year Ongoing Commission}$

- 5.3. Please ask your Business Manager or Business Account Manager about writebacks for covers that went in force before 31 July 2021.

6. Glossary

The following are defined terms in this Commission Schedule. References are to clauses in this Commission Schedule. Other defined terms are the same as in the main part of the Distribution Agreement that this Commission Schedule relates to.

API means the amount of annualised premium (excluding policy fee) the customer pays.

Business Manager and Business Account Manager means your main Fidelity Life contact.

Commissionable Premium means the total annualised premium the customer pays, less policy fees, GST and non-commissionable loadings.

CPI Increase means any contractual sum insured increase based on any indexation metric, regardless of the name of the increase or option in the policy.

Full Year Ongoing Commission means the amount of annual Ongoing Commission we will pay you for a policy if it remains in force for that full year.

Initial Commission means the commission we pay you when an event in clause 3.1 happens.

Initial Commission Rate means the outcome of your scorecard calculation in clause 2.5.

Key Metric means persistency rate, conversion rate and in force policy count.

Scorecard Band means the score banding per Key Metric in clause 2.3.

Spread Commission Rate means the rate calculated in clause 4.5.

Upfront Initial Commission Percentage means the percent of Initial Commission you choose to take upfront.