

## Scope of Service / Terms of Engagement

STRICTLY PRIVATE AND CONFIDENTIAL

### ADVISER NAME:

First Name	Last Name
George	MacKay

### ADVISER EMAIL:

[george@mackay.co.nz](mailto:george@mackay.co.nz)

### PHONE NUMBER:

T: 04-570 2233	or: 0800 622 529
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### REGISTRATION DETAILS:

Adviser	Adviser Name	George MacKay
	FSP #:	538967
Company	Financial Advice Provider (FAP) Name:	Chris MacKay Financial Planning Limited (CMFP)
	FSP #	9821
	Trading Name:	MacKay Financial Advice & Solutions (MFAS)

### BACKGROUND AND EXPERIENCE:

*I have been with MFAS since 2016 and completed the National Certificate in Financial Services (Level 5) (Endorsed in Insurance Advice in 2019 and in Investment Advice in 2020). See our website [www.mackay.co.nz](http://www.mackay.co.nz) for further details.*

### QUALIFICATIONS:

	Qualification Name	Institution	Date Completed
<i>Qualification</i>	National Certificate in Financial Services (Financial Advice) (Level 5) (Endorsed in Investment advice & Insurance advice).	Open Polytechnic	2019 / 2020

## YOUR OBLIGATIONS:

Any advice provided as a result of this needs analysis can only be as good as the information received from you, so I ask that you provide me with the information I request. Without relevant and correct information about your personal and financial situation I run the risk of giving advice that is not appropriate to your needs.

If you are unsure as to why I need certain information, please ask so that I can explain.

## PROCESS:

At MFAS, we follow the internationally recognised six-step process for providing professional financial advice as outlined below. This allows us to understand your unique requirements and come up with the best plan of attack to help you get where you want to go.

## PARTNERSHIP APPROACH:

Our approach is one of mutual respect. **We are in this together.**

We exist to be your co-pilot (rather than telling you what to do) whilst navigating your financial future. We try to be a 'sounding board' to assist in evaluating the decisions **you** make. This doesn't mean that the skies will always be clear with no turbulence. However, you will not be alone.

## INDEPENDENT RESEARCH:

Our obligations are to put our clients first.

One of the components we use to ensure that we meet that obligation is to subscribe to independent life and health insurance product analysis and research.

We have been utilizing research from Strategy Financial Services Ltd since February 1995. Strategy is the oldest of such research providers having started in September 1994 and is neither owned by nor has any obligation to any insurance company.

In addition to premium comparison tools, Strategy provides regularly updated quality ratings of comparable products, detailed policy analyses, and if required, benefit analyses that compare the impact of wordings of Income Protection products.

For KiwiSaver research, we use in-house qualitative analysis plus data and research from various fund managers and quantitative Morningstar research.

For lump sum investment analysis, we source quantitative research from various fund managers and do our own in-house qualitative analysis.

By utilising the approaches outlined above we feel we can provide quality advice for your financial future.

## PRIVACY ACT 2020:

It is understood that any information gathered for this needs analysis is personal and I undertake to keep this information confidential and secure.

The Privacy Act 2020 gives you the right to request access to and correction of, your personal information.

Information provided by you and or any authorised agent, will be used by me and any members of my staff for the purpose of providing advice to you and may also be used by any:

- product or service provider when implementing any of my/our recommendations or variations thereof;
- applicable regulators including the FMA;
- compliance advisers, assessors or by any claims investigators who may need access to such information; and
- other professionals such as solicitors, accountants, finance brokers, financial planners when such services are required to complement this advice and as requested by you.

The information will be held by me / us at our offices, securely offsite and on our database. To find out more, visit our full Privacy Policy at our website: [www.mackay.co.nz](http://www.mackay.co.nz).

## SCOPE OF SERVICE:

### NATURE OF ENGAGEMENT:

As a result, **the following are the areas of advice that you are requesting from us:** (subject to any specific objectives or limitations of our engagement).

### INSURANCE ADVICE:

<input type="checkbox"/>	A Full Insurance Protection Plan (including the main life and disability insurance products)
<input type="checkbox"/>	Advice <b>limited</b> to the areas outlined below
<input type="checkbox"/>	A Business Protection Plan
<input type="checkbox"/>	Other (execution only)
<input type="checkbox"/>	Review of existing cover / policies

### INSURANCE ADVICE COMPONENTS:

<input type="checkbox"/>	Life
<input type="checkbox"/>	Crisis / Trauma
<input type="checkbox"/>	Total & Permanent Disablement (TPD)
<input type="checkbox"/>	Income Protection / Replacement                      or <input type="checkbox"/> Mortgage Repayment
<input type="checkbox"/>	Health / Medical
<input type="checkbox"/>	Other

### INVESTMENT ADVICE:

<input type="checkbox"/>	Personalised advice on KiwiSaver implementation or transfer OR transfer to a new provider OR appointing me as your KiwiSaver adviser with your current provider <i>(Please note that personalised advice will be limited to assisting you select an appropriate KiwiSaver provider and fund, and does not include any advice on whether the amount you have saved will be appropriate for your retirement needs).</i>
<input type="checkbox"/>	Execution only
<input type="checkbox"/>	Investment Solutions/Planning
<input type="checkbox"/>	Financial Projections / Modelling / Retirement Planning
<input type="checkbox"/>	Review of KiwiSaver / Investments / Superannuation
<input type="checkbox"/>	Other

## NOTES ON SCOPE / LIMITATIONS:

## CONFLICTS OF INTEREST:

We take any perceived or real conflicts of interest very seriously and have a dedicated policy for dealing with such issues whereby we avoid, disclose and/or manage any conflicts so that our client's interests are placed first and foremost.

Chris MacKay is the sole Director of CMFP. Chris MacKay or a Trust of which Chris MacKay or George MacKay is a beneficiary, owns shares directly or indirectly in AMP, Booster, Fidelity Life, Retirement Income Group Ltd, ANZ (owner of OneAnswer Ltd), Suncorp (owner of Asteron and Vero), Partners Life ('shadow' shares) and Rothbury Wellington Holdings Ltd.

For Life insurance and Medical/Health insurance, CMFP receive commissions from the insurance companies on whose policies we give advice. If you decide to take out insurance, the insurer will pay a commission to CMFP who may pay a percentage of this to a contractor adviser and maybe to an employee adviser. The amount of the commission is based on the amount of the premium.

For KiwiSavers, Superannuation Plans and investments, CMFP receives an ongoing adviser fee or trail commission based on funds under management. A marketing fee or upfront fee may also be received for new KiwiSaver plans introduced.

If we refer any UK or other pension transfer case to another Financial Adviser or another Financial Advice Provider, they may pay our firm a referral fee plus an ongoing trail commission or fee.

For Mortgages, CMFP receive commissions from the banks with whom we arrange mortgages. If you decide to take out the mortgage, the bank will pay an upfront and possibly ongoing commission to CMFP who will pay a percentage of this to a contractor adviser and maybe to an employee adviser. The amount of the commission is based on the amount of the mortgage.

If we are assisting with an "execution only" share or bond market transaction through Direct Broking/Jarden, they will pay our firm half the brokerage fee that they charge.

If we refer any fire and general insurance business to Rothbury Insurance Brokers, they may pay our firm or individual contractors a percentage of any commission they are paid.

If we assist in selling a Whole of Life or Endowment policy, Policy Exchange (PE) will pay our firm a flat 2% commission of the unenhanced cash value. This does not diminish the extra cash value that you may receive from PE and is not payable if the sale isn't proceeded with.

To ensure that our financial advisers prioritise our client's interests above their own, we follow an advice process that ensures our recommendations are made on the basis of our client's goals and circumstances. All our financial advisers undergo annual training about how to manage conflicts of interest.

We maintain registers of conflicts of interests, and the gifts and incentives we receive. We monitor these registers and provide additional training where necessary. We undertake a compliance audit, and a review of our compliance programme annually by a reputable compliance adviser.

From time to time, product providers may also reward us for the overall business we provide them. They may give us tickets for sporting events, hampers, discounted conference attendance including airfares and other giveaways and entertainment.

**REMUNERATION: How does our company get paid?**

As a result of the scope of service outlined above, remuneration will be received as follows:

Payment Type	Description	Type	Amount
Commissions that our company will be paid by other organisations	Should any new insurances be placed, our company will be remunerated by way of:	Initial commission	30% – 230%
		Ongoing Commission	10% – 50%
		Over-ride (business)	0% – 30%
		Ongoing renewal commission (Southern Cross)	Approx. \$140 / member (CPI'd)
Commission that our company will be paid by other organisations	Our company is usually remunerated if existing insurance policies are maintained	Ongoing commission	5% – 30% pa
Adviser Fee	Should a KiwiSaver plan be arranged or if you appoint us as your adviser, our company will be remunerated by way of:	Initial fee	0 – \$250
		Ongoing adviser fee	0.20% – 0.50% pa

**NON-FINANCIAL BENEFITS FROM OTHER ORGANISATIONS**

From time to time, product providers may also reward us for the overall business we provide them. They may give us tickets for sporting events, hampers, discounted conference attendance including airfares and other giveaways and entertainment.

**EXTRA PAYMENTS FROM MY EMPLOYER / PRINCIPAL**

I am on a salary, but I may receive extra payments from my employer/principal depending upon the decisions that you make.

**MORE SPECIFIC INFORMATION**

Once we have finalised our advice, more specific remuneration information will be disclosed to you in our Disclosure Statement - Remuneration.

ACKNOWLEDGEMENTS:		
Compliance (e.g. external consultants) or regulatory bodies (e.g. Financial Markets Authority) may require evidence that I have explained specific requirements or obligations and provided certain information to you. Please show your acknowledgement by signing the below requirements.		
STATEMENTS:	CLIENT 1:	CLIENT 2:
I / We acknowledge that I / We have received a document titled 'What you need to know about us'.	<input type="checkbox"/>	<input type="checkbox"/>
I / We acknowledge the advantages of undertaking a full suitability (needs) analysis and the need to provide relevant personal and financial information and if not doing so I / We understand we risk receiving advice or product recommendations that may not be appropriate to my/our needs.	<input type="checkbox"/>	<input type="checkbox"/>
I / We understand the services being provided are restricted to the scope of service or subject to specific limitations indicated previously in this document.	<input type="checkbox"/>	<input type="checkbox"/>
I / We acknowledge that I / we have read and understood the information relating to the Privacy Act 2020 and how this information may be used.	<input type="checkbox"/>	<input type="checkbox"/>
I / We acknowledge I / we have had the basis of business and adviser remuneration and commission explained to me / us.	<input type="checkbox"/>	<input type="checkbox"/>
From time to time, we send out market information and general newsletters. I / we am / are happy to receive these.	<input type="checkbox"/>	<input type="checkbox"/>

TERMS OF ENGAGEMENT & GUIDES:	CLIENT 1:	CLIENT 2:
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I / We acknowledge that I / we have received:-

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Guide to Personal Insurance Planning</b> | <input type="checkbox"/> <b>Blank Scope of Service/Terms of Engagement document</b> |
| <input type="checkbox"/> <b>Guide to KiwiSaver</b>                   | <input type="checkbox"/> <b>Meet the MFAS Team flyer</b>                            |
| <input type="checkbox"/> <b>Guide to Estate Planning</b>             | <input type="checkbox"/> <b>What Defines Us document</b>                            |
| <input type="checkbox"/> <b>Mortgage Matters</b>                     | <input type="checkbox"/> <b>Guide to Insurance Covers</b>                           |
| <input type="checkbox"/> <b>Client Guide to Markets</b>              | <input type="checkbox"/> <b>Guide to Investments and/or Retirement Planning</b>     |
| <input type="checkbox"/> <b>Booster Investment Wallchart</b>         | <input type="checkbox"/> <b>Investment Options Explained</b>                        |
|  | <input type="checkbox"/> <b>Simple Ways of Saving More</b>                          |

CLIENT 1:	
<b>Client Name (full):</b>	
<b>Signature:</b>	
<b>Date:</b>	

CLIENT 2:	
<b>Client Name (full):</b>	
<b>Signature:</b>	
<b>Date:</b>	

ADVISER:	
<b>Adviser Name:</b>	GEORGE CHRISTOPHER BURTON MACKAY
<b>Signature:</b>	
<b>Date:</b>	