AURORA
FINANCIAL

Important information about us

(Please take time to read it.)

Issued by Aurora Financial Group Limited
18 May 2023

This document replaces the previous *Important Information About Us* document dated 03 November 2021.

This document provides important disclosure information and general information you should know about Aurora Financial, and the financial advice services we can provide. There is other useful information about us on **www.aurorafinancial.co.nz**. If you have any questions or concerns, you can contact your Aurora adviser, or our Client Care Team on 0508 287 672 and hello@aurorafinancial.co.nz.

WE ARE HERE TO HELP.

1. How reading this document will help you

We believe getting financial advice should be simple, and you should be provided with timely, accurate and easily understandable information to help you make informed decisions about financial advice products and services.

We want to make sure you understand who we are and what we do – in plain English.

After reading this document, you should have a clearer understanding of how your Aurora adviser is going to help you protect what you care about most.

We are committed to making this process easy for you, so please read through and keep a copy of this document.

The material in this document is provided for general information only and should not be relied upon or used as the sole basis for making decisions without consulting primary, more accurate, more complete or more timely sources of information from our advisers.

If you have any questions, you can either speak with your adviser or reach out to our Client Care Team at:

hello@aurorafinancial.co.nz

0508 AURORA (287672)

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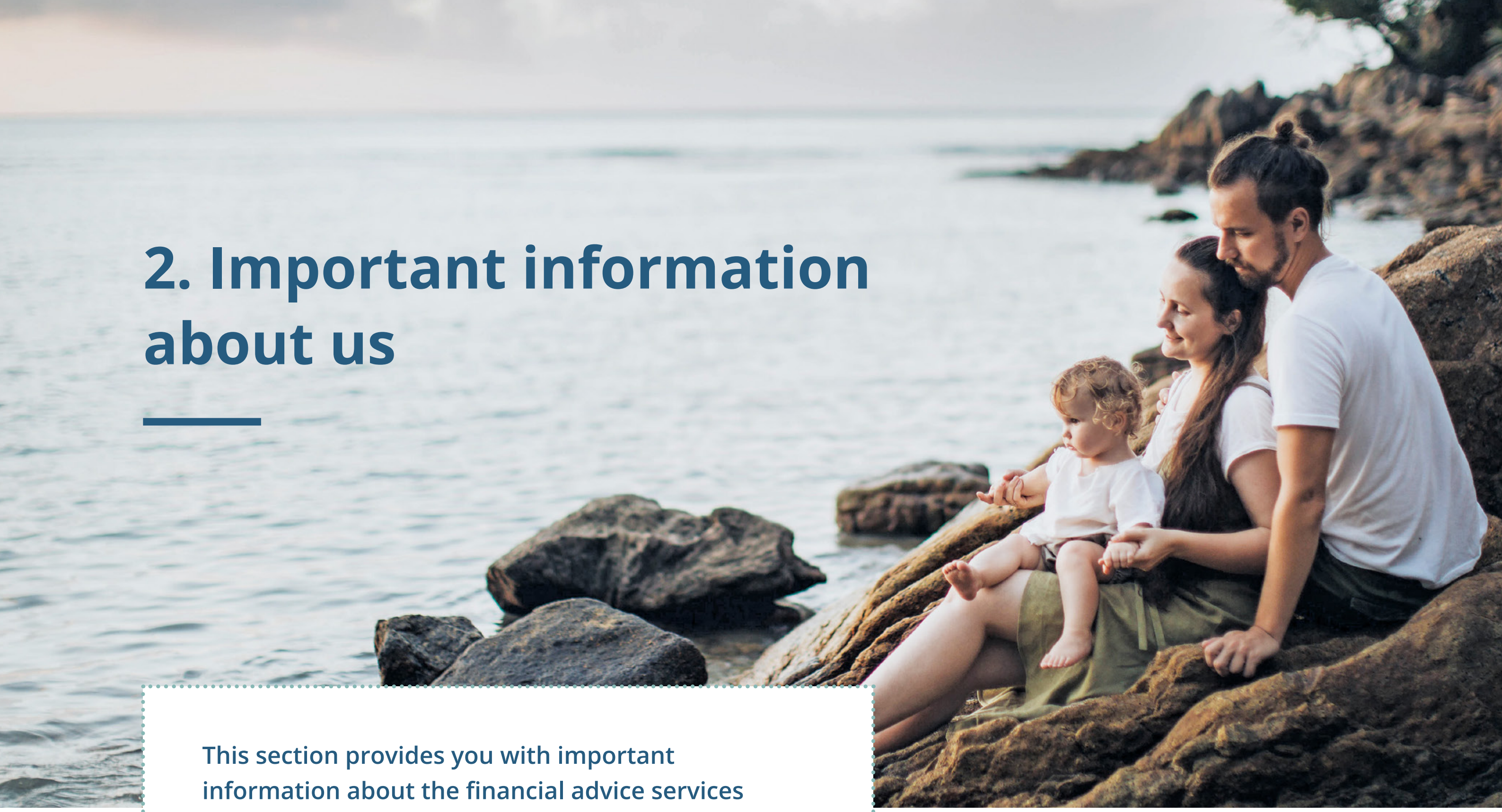


2. Important information about us

This section provides you with important information about the financial advice services provided by Aurora Financial Group Limited ('Aurora Financial', 'we', 'our' or 'us') and its authorised bodies.

Licensing information

Aurora Financial Group Limited
(FSP673551, trading as Aurora Financial)

We hold a full Financial Advice Provider licence issued by the Financial Markets Authority to provide financial advice to retail clients.

Financial advice will be provided through financial advisers directly engaged by us.

In addition, our Authorised Bodies listed below are authorised by our licence to provide financial advice to retail clients through financial advisers directly engaged by them.

1. HIM Enterprises Limited (FSP734771)
2. Hill Insurance Limited (FSP1000846)

Nature & scope of our advice

Aurora Financial can provide financial advice in relation to:

- **Personal risk insurance (Life and disability)** from Partners Life, AIA, Chubb Life and Fidelity Life.
- **Personal risk insurance (Health)** from Partners Life, AIA and NIB.
- **Home mortgage** through a range of providers from our *Mortgage Link* aggregator.
- **Fire and general insurance** through a range of providers from our *Insurance Advisernet* aggregator.
- **KiwiSaver (general advice only*)** from Aurora Capital.

* If you wish to seek more in-depth or personalised advice on your KiwiSaver investment, you would need to speak with an adviser specialising in investments outside of Aurora Financial.

Our Authorised Bodies can provide financial advice in relation to personal risk insurance (Life, disability and health) and KiwiSaver (general advice only) with the same product providers as Aurora Financial.

Fees & Expenses

Aurora Financial and our Authorised Bodies do not charge fees, expenses, or any other amount for providing the following financial advice services to you:

- **Personal risk insurance (Life, disability and health)**
- **KiwiSaver general advice**

Aurora Financial **may charge** fees, expenses, or any other amount for providing the following financial advice services to you:

- **Home mortgage**

  Generally, we do not charge a fee for this service.

  However, we may charge a fee where advice is given for a secondary non-bank lender and/or when Aurora Financial is not paid a commission from the lender.

  If a fee will be charged, it will be discussed with you by your mortgage adviser to be agreed upon.

- **Fire and general insurance**

  We may charge you a disclosed fee (or charges) for providing financial advice, and for arranging, altering, or cancelling your fire and general insurance programme.

  For general insurance placements, Insurance Advisernet New Zealand may also charge an administration fee for processing insurance premiums.

In general, if a fee or expense will be charged, you will be advised before the financial advice services are provided.

In some circumstances, we may recommend another service provider to assist us in providing appropriate financial advice.

These providers may include property valuers, property surveyors, and motor vehicle valuations. They will charge a fee for the work they do, and we will advise you of any related fees and charges prior to having them commence any work on your behalf.

Conflicts of interest and incentives

A conflict of interest may arise where the interests of an adviser, Aurora Financial or our Authorised Bodies may be perceived to materially influence the advice.

The descriptions listed below outline potential conflicts of interests that may arise:

AURORA FINANCIAL

a) Commissions from product providers

We will generally receive a commission when you decide to take out insurance products through the following financial advice services we provide:

- **Personal risk insurance (Life, disability and health)**
- **Fire and general insurance**

The commission will be payable to Aurora Financial by our insurance product providers. The amount of commission received varies as it is generally calculated as a percentage of the insurance premium you pay.

For **KiwiSaver (general advice)**, we will generally receive a commission from Aurora Capital when you decide to take our general advice and invest in the Aurora KiwiSaver Scheme. The amount of commission is based on your KiwiSaver balance.

For **Home Mortgage**, we will generally receive a commission from the bank (or lender) with whom we arrange the mortgage. If you decide to take out the mortgage, the bank will pay a commission to Aurora Financial. The amount depends on which lender, what type of mortgage is decided, and the amount of the mortgage.

From time to time, product providers may also reward us for the overall business we provide to them. They may give us tickets to sports events, hampers, or other incentives.

b) Aurora Capital Limited

Aurora Financial and its advisers only provide recommendations in respect of financial products in the Aurora KiwiSaver Scheme (Scheme), for which Aurora Capital Limited, a related party of Aurora Financial, is the investment manager. This

has the potential to influence Aurora Financial and its advisers to advise clients to invest in the Scheme when it may not be in clients' best interests.

When you seek general advice from Aurora Financial and invest in the Scheme, you will pay a fee that forms part of the annual fund charges charged to you in respect of your membership of the Scheme. These payments create potential conflicts of interest and, as such, have the potential to influence the general advice provided if advice processes are not properly managed.

You may wish to consider whether these fees are likely to materially influence the general advice you get and whether your adviser or Aurora Financial, or another person connected with them, has any other interests likely to materially influence the general advice you get.

c) Adviser remuneration

Our advisers are full-time employees and their remuneration is comprised of a fixed salary, discretionary performance bonus and additional discretionary "good client outcome" bonus, payable at the discretion of our Board.

Bonuses are discretionary payments. They are not solely based on individual performance and include consideration of the adviser's conduct as well as reference to our revenue that is attributed to specific financial adviser, quality factors, and compliance factors. The bonus payable is a percentage of the attributed revenue.

Our advisers do not receive commissions from us nor our product providers.

d) Shareholdings in Aurora Financial

Some advisers have a financial interest in the business of Aurora Financial as a shareholder of Aurora Principal Holdings Ltd (holding company). Any payment of dividends or other distributions to shareholders by Aurora Principal Holdings Ltd has no effect on the service provided.

OUR AUTHORISED BODIES

a) Commissions from product providers

For **personal risk insurance (Life, disability and health)**, our Authorised Bodies will generally receive a commission when you decide to take out insurance products they give advice on.

The commission will be payable to our Authorised Bodies by the insurance product providers. The amount of commission received varies as it is generally calculated as a percentage of the insurance premium you pay.

For **KiwiSaver (general advice)**, our Authorised Bodies will generally receive a commission from Aurora Capital when you decide to take their general advice and invest in the Aurora KiwiSaver Scheme. The amount of commission is based on your KiwiSaver balance.

From time to time, product providers may also reward our Authorised Bodies for the overall business they provide to them. They may give our Authorised Bodies tickets to sports events, hampers, or other incentives.

To prioritise your interests above their own, Aurora Financial and its advisers (including Authorised Bodies) follow an advice process that ensures recommendations are made on the basis of your personal circumstances and goals (unless it is general advice; or where limitations are disclosed).

For KiwiSaver general advice process, our advisers (including Authorised Bodies) generally give advice via a fund profiler and is based on predefined characteristics such as your age and investment timeframe. It does not take into account your personal circumstances or goals.

Aurora Financial maintains a comprehensive and robust framework of policies and processes to manage conflicts of interest. Conflicts of interest are managed by various means including use of appropriate disclosures, separation of functions, compliance policies and declining to act. Our policies, procedures and practise include gifts and benefit policy, and managing personal conflicts of interest.

Our Board oversees employee compensation including any discretionary bonus.

Our advisers (including Authorised Bodies) undergo annual training about how to manage conflicts of interest. We undertake a review of our compliance programme annually by our internal compliance team. In addition, we monitor the compliance of our Authorised Bodies, provide additional training to their advisers where required, and perform an annual review of their compliance programme.

Aurora Financial and its advisers (including Authorised Bodies) take the following additional steps to ensure that any conflicts of interest are identified and managed, and that your interests are always put first. These are:

- disclosing the existence of conflicts of interest to you, including in the disclosure above;
- communicating the limits of KiwiSaver general advice to you;
- the Code of Business Conduct, which applies to our advisers and Authorised Bodies. This Code provides that advisers must never permit their personal interests to conflict with or to appear to conflict with, the interests of clients. Advisers must make all reasonable efforts to avoid conflicts of interest and ensure that you are fairly treated;
- compliance by advisers with the Code of Professional Conduct for Financial Advice Services; and
- monitoring by internal compliance team to ensure that our directors and employees comply with our duties to clients and all other relevant laws and rules, and regular reporting on compliance-related issues to our Board.

Complaints handling and dispute resolution process

When we receive a complaint, we will consider it following our internal complaints process:

- We will consider your complaint and let you know how we intend to resolve it. We may need to contact you to get further information about your complaint.
- We aim to resolve complaints within 10 business days of receiving them. If we can't, we will contact you within that time to let you know we need more time to consider your complaint.
- We will contact you by phone or email to let you know whether we can resolve your complaint and how we propose to do so.

If we can't resolve your complaint, or you aren't satisfied with the way we propose to do so, you can contact Financial Dispute Resolution Service (FDRS). However, you must contact FDRS within 2 months from the date when you receive our final decision. That means FDRS can only investigate your complaint if you contact them within the aforesaid timeframe.

FDRS provides a free, independent dispute resolution service that may help investigate or resolve your complaint, if we haven't been able to resolve your complaint to your satisfaction.

You can contact FDRS at:

Telephone number: 0508 337 337 / +64 4 381 5047 (international callers);

Email address: enquiries@fdrs.org.nz;

Postal Address: Freepost 231075, PO Box 2272, Wellington 6140; or

Online complaints form: click here

Duties information

Aurora Financial, our Authorised Bodies and anyone who gives financial advice on our behalf, have duties under the Financial Markets Conduct Act 2013 relating to the way that we give advice.

We are required to:

- Give priority to your interests by taking all reasonable steps to make sure our advice isn't materially influenced by our own interests.
- Exercise care, diligence, and skill in providing you with advice.
- Meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services.
- Meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services.

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

3. Key information summary

Who we are

We are a group of advisers that can give you access to a range of financial advice services through our providers and aggregators.

These include:

- Life, Disability and Health Insurance
- Fire and General Insurance
- Home mortgage
- KiwiSaver

Our advisers

Our advisers are registered on the Financial Services Provider Register, and have duties under the Financial Markets Conduct Act 2013 relating to the way that they give advice. They:

- Are fully trained through our robust training system, including continuous professional development training
- Are trained to ensure that they continue to meet industry standards with the knowledge and competence to provide appropriate advice to you.
- Take pride in understanding your financial needs and tailoring a solution that meets those needs. This will be reflected in the advice process and will form part of the recommendations provided to you.

Client first culture

The core of what we do at Aurora Financial is making sure quality financial advice is accessible to everyone who needs it, and putting our clients first.

Our providers

We aren't aligned with any one financial product or service provider for personal risk insurance, fire & general insurance, and home mortgages.

We do the research for you and, - recommend products and services from a range of the leading providers in the market - come up with advice that works in your best interest.

The process of getting financial advice products or services that suit your needs can be time consuming and difficult. We believe the easiest way to do this is by keeping things simple.

Quality financial advice

Guidance in plain language

Plans that suit your needs

Easy advice service

Ongoing advice & support

NZ owned & operated

Financial products and services

Our range of financial advice products or services may vary from time to time - so to keep things simple, see our providers and aggregators on our website here.

Important information about financial advice

Your adviser will generally take into consideration your personal circumstances and goals as provided by you when providing you with financial advice.

In the event that you decline to provide requested information regarding your goals, financial situation or particular needs to us, or provide incorrect or false information, we can only provide you with Implementation Only services (or decline to act, if appropriate).

Implementation Only services are based on your request(s); we will therefore not be providing financial advice to you about the appropriateness of your request(s).

Any limitations may mean that the resulting implementation may not be appropriate for your personal circumstances and goals.

Please ask your adviser if you are not sure what type of financial advice services you require.

KiwiSaver General Advice

Aurora Financial, our Authorised Bodies (including their advisers) and our advisers may only provide you with general advice regarding KiwiSaver.

We generally give advice via a fund profiler and is based on predefined characteristics such as your age and investment timeframe. It does not take into account your personal circumstances or goals.

If you wish to seek more in-depth or personalised advice on your KiwiSaver investment, you would need to speak with an adviser specialising in investments outside of Aurora Financial.

Your personal information and the Privacy Act

We're committed to protecting your privacy – we'll hold any personal information that you provide us in accordance with the Privacy Act 2020 and the Privacy Principles of the Act.

We need to collect your personal information for the purpose of:

- processing and responding to your web, phone, and email enquiry;
- administration, marketing, operation, security and management of our products and services (including financial services);
- the provision of our financial advice services to you;
- training, verification, internal audit and quality assurance
- compliance with any laws, rules and regulations whether in New Zealand or in any other country;
- to understand our client preferences and interests;
- for internal research, development, and optimisation of the services (including financial services) we provide;
- targeting our advertising, and letting you know about new or other features and services we offer. This includes keeping you informed about other financial opportunities, products and services being offered by any third party that provides services to us;
- evaluating and improving our client service; and
- managing our relationship with you, and exercising and enforcing our rights under the terms of use for our website or any of our services.

For more information about our Privacy Notice, please click here.

Your personal information is held securely on our AuroraOne CRM system or in our Head Office.

You have the right to access, correct, amend or delete any of your personal information we have on file, in accordance with the Privacy Act 2020.

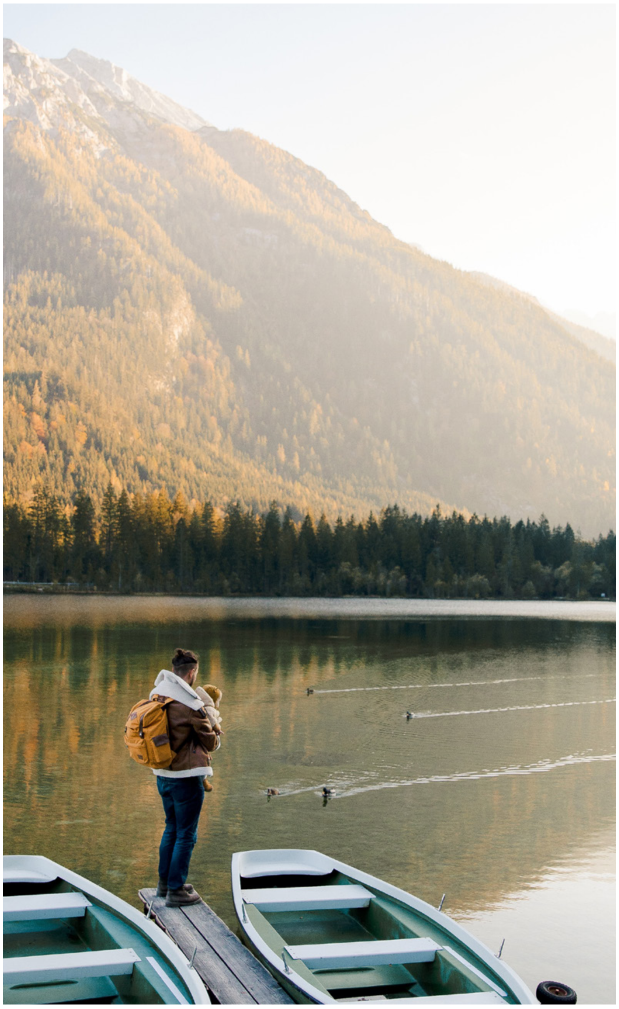
To do so, please contact your Aurora adviser directly or our Client Care Team at any time during our business hours.

We will rely on you to keep us informed of any changes to your contact details and any other personal information.

AuroraOne CRM system

We have a bespoke CRM system, AuroraOne, that stores your personal information securely and to act as a compliance tool that is regularly monitored by our compliance team and for audit purposes.

For an overview of AuroraOne and its security, integrity and availability, please click here.



4. What we do for you

We'll work with you to put together our financial advice and make sure you understand what it is that you're getting – so at the end of the process, you can make a confident and informed decision after you have access to our quality advice that's suitable for you.

The advice we put together will be based on the discussion you've had with your adviser, your situation and needs (unless it is general advice), and also what we've learned from years of speaking to people just like you, our skills and industry knowledge, and doing regular research on what's out there in the market.

Your adviser will run through the financial advice

and recommendations (via Statement of Advice) with you, and make sure you understand and feel comfortable with it before you move forward.

We do this based on your situation as it is today, using a well-researched set of products and services from a range of providers. We do, at your request, look at the financial products or services you may currently have, or what they do for you – if the request is within our knowledge and skills.

The Statement of Advice is provided in writing and a copy will be made available to you via email.

Fact Find

Our first meeting with you (in-person or video conference) is to find out what makes you, you. We'll gather important information about you that will help us provide you with the right advice and recommendations which suit your needs.

Advice Plan

Generally, we'll put together advice that suits your needs, goals and situation (for KiwiSaver, we provide general advice only). We'll do the research for you to ensure the products and services we select provide coverage where you need it most, unless the advice is limited in nature.

Recommend

We'll go over the advice we've put together with you. This is a collaborative process to make sure you understand the advice with timely, accurate and understandable information.

Client Care

We're not just here to help get things put in place – we provide ongoing client care and support by keeping in touch with you to ensure things are kept relevant and up-to-date every year or two.

5. How you can help us

- Let us know about any special circumstances or priorities so that your adviser can take these into account when developing our financial advice and recommendations.
- Provide all relevant information and ensure it is true, complete, and correct. Our financial advice is only as good as the information that you give us.
- Ask your adviser if you are unsure why certain information is being requested.
- Update your adviser on any material change to your circumstances – both during initial phase and ongoing.
- When it comes to personal risk or general insurance, be as open as you can with your adviser about –
  a. any required disclosures (e.g. your medical history)
  b. any claims history
  c. any other required information
- Don't be shy, we're here to help you!
- Your adviser and our Client Care Team is happy to answer any questions you may have or help you in all stages of your journey with us.

Our Client Care Team can be reached at –

hello@aurorafinancial.co.nz

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6. Who we work with

The financial advice products or services we recommend come from a range of different providers. This allows our advisers to put together financial advice and recommendations made up of products and services that fit your current situation.

If you're keen for a bit more understanding of who we work with, refer to our website here.

Below is some of the providers and aggregators we work with.

KiwiSaver Provider

Personal Insurance Providers

Our Mortgage and General Insurance Aggregators

7. The next step for you

Thanks for reading!

We hope this has been helpful in understanding who we are, and what we can do for you.

If your adviser has given this to you during your first meeting with them, soon they'll start putting together a Statement of Advice for you with their financial advice and recommendations.

Your adviser will then discuss the advice with you at a time that suits you best. From there, your adviser will work with you to ensure you understand the financial advice and that it meets your needs, and get things moving.

If you've downloaded this document as a way to learn more about us and want further information, or your adviser hasn't been in touch with you yet, please reach out by phone or email using the details below – we'd love to hear from you.

hello@aurorafinancial.co.nz
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