

Nature and Scope of Advice & Recommendation Disclosure

Fees:

Our financial advisors are generally paid a commission from the lender when your loan settles. The commission is between 0.5% and 0.85% of the initial mortgage balance or amount funded. We also may receive a payment of 0.15% to 0.2% of the mortgage balance annually from some lenders.

The commission received is shared with The Lending Team Limited for providing compliance support, training, and back-office support.

Hence in most cases, we will not charge you an adviser fee directly. As generally for non-commercial lending transactions, our fees will be paid by way of a commission from the relevant lender when your loan settles.

However, you acknowledge and agree that we may charge you fees directly for the services we provide to you. For commercial, business, property finance or bridging finance lending, we may charge you a fee directly. Where this applies, we will advise you of our fee in advance and the Services to which our fee relates. However, any delay in our part to do so does not invalidate our right to charge you the fees for Services provided to you.

Commission Reversal (Clawback):

It's important to note that if you cancel, refinance or repay a significant proportion of your mortgage within the first three years after settlement, The Lending Team may have to repay some of the upfront commission received from the lender. This is known as a commission reversal (Clawback).

If a lender charges The Lending Team with a commission reversal (Clawback), you agree and acknowledge that The Lending Team can charge you a cost recovery fee for the services provided to which the Clawback relates.

In such circumstances, The Lending Team will issue an invoice to you for the relevant fee to which the Clawback relates, and such fee will be due and payable within 21 days from the date of our invoice.

Scope of Practice:

The Lending Team specialise in these lending areas:

1. **Retail**
Includes (but is not limited to) mortgage refinance, mortgage top ups and new purchase mortgages.
2. **Business**
Includes (but is not limited to) asset finance, business loans, cash flow finance, import finance and private equity finance.
3. **Property development**
Includes (but is not limited to) pre-development costs, pre-development finance and construction loans.

The Lending Team **does not** provide advice in the following areas:

1. Investment services

This includes (but is not limited to) investment products such as Kiwisaver, shares, bonds and manage funds.

2. Insurance services

This includes (but is not limited to) general insurance, life insurance and property insurance.

3. Estate planning services

This includes (but is not limited to) trust development, will and powers of attorney services.

If any of our clients would like to discuss any of these services they will need to consult a specialist within this area which we can help refer you for.

Our Duties:

As our financial advisors are bound by the duties of the Financial Markets Conduct Act 2013 to:

- 1 Meet the standards of competence, knowledge and skill set out in the Code of Conduct
- 2 Act with the clients' best interests with the focus
- 3 Exercise care, diligence, and skill in regards to the advice we provide to our clients and
- 4 Meet the standards of ethical behaviour, conduct, and client care set out in the Code of Conduct

Lending Providers:

Our mortgage providers include Kiwibank, ANZ, ASB, Westpac, BNZ, Resimac (NZ), SBS Bank, First Mortgage Trust, Heartland Bank, ASAP Finance, Avanti Finance, Basecorp, Co-Operative Bank, Cressida Capital, DBR, Funding Partners, Liberty, Pepper Money, Plus Finance, Southern Cross Partners, Bank of China, and Unity Credit Union. We may in specific circumstances work with other providers, however we do not work with all bank and finance companies within the New Zealand market.

Licensing Information:

The Lending Team (FSP1002447) is a Financial Advice Provider (FAP) who holds a full FAP license and is regulated to give financial advice under the Financial Markets Authority (FMA).

Complaints:

If you are not satisfied with our service, you can make a complaint through the following methods:

- By logging into your Trail client portal and pressing the "Make a Complaint" button on the bottom right of the page.
- By contacting your advisor directly
- By sending an email to our complaints manager, Keagan Modlin on keagan@thelendingteam.co.nz

Once we receive a complaint, we follow an internal procedure to ensure we address the issue. Our process will:

- Acknowledge your complaint within 2 working days
- Inform you how we will address the complaint
- Gather any information that will help us resolve the complaint
- Aim to resolve the complaint within 10 business days of receiving the complaint
- If we cannot resolve the complaint within this timeframe, we will update you regarding the next steps.

If you are not satisfied with how we addressed or resolved your complaint, you can contact the Financial Services Complaints Ltd (FSCL) – A Financial Ombudsman Service. They are an independent dispute resolution service that costs you nothing to use and will help us resolve any disagreements or finalise outstanding complaints. You can contact them directly on 0800 347 257 or complaints@fscl.org.nz.

Conflicts of Interest & Reliability History:

In certain instances, we may pay a referral fee to third parties who introduce clients to our business (if we successfully arrange finance for the client). The referral fee will be paid by us to the referring party, and will not be charged to the client. We pay referral fees as a way of thanking the referring party for their support and for introducing clients to our business. Referral fees will be disclosed in your Statement of Advice.

Please note that the payment of referral fees does not influence or affect any advice we provide or the recommendations we make. The Lending Team Limited and our advisors ensure that we prioritise our clients' interests by following an advice process that considers your specific circumstances and goals. We take the time to research suitable products and providers to ensure we provide quality advice that meets each individual client's needs.

We also undergo annual training on how to manage any conflicts of interest and record any conflicts in a register that we review and manage.

The Lending Team Limited is subject to a yearly audit and compliance reviews to ensure we meet our obligations while doing right by our clients.

A reliability event is something that may materially influence your decision on seeking advice from The Lending Team Limited or from our financial advisors. Some examples of reliability events are legal proceedings against me or if I had been bankrupted in the last four years. Neither The Lending Team Limited nor any of our advisors have been subject to a reliability event.