

Prosperity Plus

"Protecting what matters most to you."

Scope of Service

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SCOPE OF ENGAGEMENT

Who we are

Name of Company : Prosperity Systems Limited T/A – Prosperity PLUS

Name of Adviser : Michael Gerard King : FSP No 23521

Contact details : Prosperity Systems Limited
Level 1 Rodgers House
151-155 Princes St
Dunedin 9016
PO Box 5635
Dunedin 9058

Phone : 03 477 4993

Fax : 03 477 5024

Email : mike@prosperityplus.co.nz

Details of Prosperity Systems Ltd

I own and operate Prosperity Systems Limited (which also trades as Prosperity PLUS) and work through it as an Adviser. I have worked on this basis, since 1997.

In 2010, Prosperity Systems Ltd was registered as a Financial Service Provider. Its FSP number is 23521.

Experience & Qualifications

During my time as an advisor I have worked for the following employers:

- Adviser with Kloogh & Associates Ltd (1996 – 1997)
- Adviser with Money Concepts Otago (1994 – 1996)
- Agent with Colonial Mutual Life (1992 -1994).

I hold the following qualifications:

- Introduction to Financial Planning (1995)
- Practicing Certificate PAA 2011

I keep my qualifications up to date by:

- Meeting the mandatory number of continuing professional development hours as per the continuing professional development guidelines issued by Professional Advisers Association (PAA).
- Attending various courses, workshops and webinars organised by Accredited Training Organisations.
- Attend annual industry conferences
- Reading widely
- Accessing comprehensive risk research from a number of sources.

How we operate

When I give advice I follow the recognised six step process below:

1. Establish the client-advisor relationship;
2. Gather client data and determining client goals and expectations;
3. Analyse and evaluate the client's position, which may include financial situation, financial needs, financial goals, and tolerance for risk
4. Develop and present recommendations and/or alternatives in written advice;
5. Oversee the implementation of written advice; and
6. Monitor and review on an on-going basis.

The services I provide will depend on your needs and may include any or all of the services detailed in this statement. At our first meeting I will clearly explain the financial adviser services and my responsibilities and how these services can be provided going forward.

All advice I provide to you will be in writing. The advice will be clear and concise with enough detail to allow you to make an informed decision about whether you wish to proceed with a proposed recommendation.

I provide the following types of financial adviser services:

- Financial advice

I provide advice in the following subject matters:

- Risk management
- General advice on asset protection and estate planning
- General advice on taxation relating to insurance

Products on which advice is given

I provide advice on the products listed in my Disclosure Statement.

Product providers used

For risk management products, I and Prosperity Systems Ltd need to have a contractual agreement with the product provider in order to place business with that provider. Prosperity Systems Ltd has contractual agreements for the sale of these products with the following suppliers

- American International Assurance Company (Bermuda) Limited (AIA New Zealand)
- Asteron Life Limited
- AXA New Zealand
- Fidelity Life Assurance Company Limited
- OnePath Life (NZ) Limited
- Partners Life Limited
- Sovereign Assurance Limited
- Tower Life & Health Limited

How do I get paid for the services that I provide to you?

I charge a fee for the advice I provide to you, though I may elect to waive it under certain circumstances. The fee will be waived when you implement all or part of any insurance recommendations I make as part of my advice and for which we are paid a commission by the product provider, though the fee will become payable if that insurance policy is cancelled within 18 month from inception:

- Advice Fees – Either \$150 per hour up to maximum advice fee of \$500, exclusive of GST.
- Commissions – There are situations in which I will be paid by other organisations. How much that payment will be depends on the decisions that you make.
- Non-financial benefits from other organisations – Other organisations may give me non-financial benefits depending on the decisions that you make.

I receive initial and on-going commission (including future and contingent commission) on insurance products. This is paid by product suppliers to me following business placed with them. The commission amount varies depending on the product, the amount contributed and sometimes on the length of time that the product is intended for.

As a member of an aggregator group, The National Partnership (TNP), I participate in an agreed schedule of commissions, negotiated by TNP with individual insurers. This agreement means I will receive the same level of commission regardless of which company the insurance product is sourced through. As already stated I have no obligation to place any amount of business with any supplier, and the TNP aggregation arrangement means there is no advantage to me in placing business with any particular supplier.

I may also be eligible to receive certain benefits, including, but not limited to, consumer goods, travel and accommodation, and a bonus payment related to the amount of business that I place with specific providers, based on the TNP aggregation agreements. These benefits are at the discretion of the specific providers.

Other interests and relationships

There is no contractual requirement, quota or agreement in place for Prosperity Systems Ltd to recommend certain supplier products or services.

Professional memberships

I am a member of the Professional Advisors Association Incorporated (PAA), and as a condition of my membership I comply with the Institute of Financial Advisers Code of Ethics and Practice Standards in all facets of my practice.

I hold an annual certificate to practice issued by the PAA.

Scope of Services

The following are the areas of business and/or personal insurance advice that you are requesting from me, subject to any specific objectives or limitations of our engagement.

- untimely death or permanent loss of a shareholder or partner
- untimely death or permanent loss of a key person
- Short term loss of a key person
- Business debt or revenue protection
- Employee benefits
- A personal insurance program (Family Protection)
- Other (Please Specify)

Specific limitations of this analysis and/or advice documentation

Other specific objectives, tasks or terms of this engagement

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.

Privacy Act

The information I will collect from you, as a prospective client, is recognised as potentially being personally and/or commercially sensitive. It will therefore be treated as confidential, under the terms of the Privacy Act 1993.

I am collecting this information for the sole purpose of preparing an analysis of your global financial picture, in order to make specific recommendations in the areas in which you require it.

The information will not be used for any other purpose or passed on to any third parties without your expressed permission.

I will keep this information on file until you have either accepted or rejected any proposal I make to you. In the event that you accept, then certain specific information will be supplied to any legitimate and authorised third parties, again only with your expressed authority. Such third parties have their own privacy policy and they will inform you of the terms of those policies directly at that time.

Acknowledgments

Compliance or regulatory bodies may require evidence that I have explained specific requirements or obligations and provided certain information to you. Can you please acknowledge by signing below that these requirements have taken place?

Disclosure Statement

I / We acknowledge that I / we have received a Disclosure Statement from the adviser named in this document. This document was current and dated:

_____/_____/_____ Version (if applicable) _____

Provision of Information

I / We acknowledge the advantages of undertaking a full suitability (needs) analysis and the need to provide relevant personal and financial information and by not doing so I / we risk receiving advice or product recommendations that may not be appropriate to my / our needs.

Scope of Service

I / We understand the services being provided are restricted to the Scope of Service or subject to specific limitations indicated on page 5.

Privacy Act

I / We acknowledge I / We have read and understood the information relating to the Privacy Act 1993 and how this information may be used.

Adviser Remuneration

I / We acknowledge I / We have had the basis of the Advice Fee and Commissions explained and agree to the terms of engagement.

Authority to Other Advisers

I/ We hereby authorise our Accountants to provide information requested by Prosperity PLUS and Mike King **YES** **NO**
(delete as applicable) Initials _____

Client name: _____ Client name: _____

Signature: _____ Signature: _____

Date: _____/_____/_____ Date: _____/_____/_____