



MAGIC MILLIONS INSURANCE BROKERS PTY LIMITED

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SERVICE GUIDE & TERMS OF ENGAGEMENT

ABOUT THIS GUIDE This guide has been designed to assist you in deciding whether to use any of the services we offer.

The guide also includes general information of how we, and others, are remunerated in relation to those services and information about how you can access our internal and external dispute resolution services.

We also outline our trading terms.

Our registered address and contact details are shown in the section "CONTACT US" below.

DISCLOSURE INFORMATION Together with this guide you may also receive GUIDANCE NOTES relating to the policy or policies you are considering. These GUIDANCE NOTES contain information about the significant features of the policies and insurers' requirements for veterinary certificates and examinations and declarations. The GUIDANCE NOTES also outline your on-going obligations to notify the insurers of circumstances which affect the health or value of your horse. You will also receive IMPORTANT NOTICES to the policy.

ABOUT US AND THE SERVICES WE CAN PROVIDE Magic Millions Insurance Brokers Pty Limited holds an Australian Financial Services Licence. Our Australian Financial Services Licence No. is 305391.

We are licensed to provide financial advice for general insurance products. We are licensed to issue, apply, acquire, vary and cancel general insurance products.

Magic Millions Insurance Brokers Pty Limited specialises in arranging policies for the bloodstock industry. We offer policies for:

- Bloodstock mortality and theft
- Prospective foal cover
- Stallion permanent disability and mortality
- Stallion first season sub-fertility
- Bloodstock transit
- Loss of income
- Frustration of import

Generally our covers are suitable for owners using horses for flatracing, rearing and breeding.

We do not intend to offer our services for pleasure horses or pets. You should discuss the proposed use of the horse in advance so that we can determine whether we can offer a policy. If we refuse to insure you we will provide you with contact(s) that may be able to assist you.

It is important that you provide us with complete information about your bloodstock insurance requirements so that we can arrange the most suitable cover for you.

In all cases we will provide you with factual information about the relevant products and in some cases provide you with general advice.

Our services are limited to the policies listed. You will need to seek alternative advice on broader insurance requirements such as workers compensation, public liability and business property.

BINDING AUTHORITY In arranging the insurances, we may be acting under an authority given to us by the insurer and in these circumstances we act as the insurer's agent and not yours.

We have a binder arrangement with the following insurers:

Insurer

Certain Underwriters at Lloyd's

Contact Details

Lloyd's Underwriters' General Representative in Australia

Suite 2, Level 21

Angel Place

123 Pitt Street

SYDNEY NSW 2000

Tel: (02) 9223 1433

Authority

To issue, vary and cancel bloodstock policies.

We do not have authority to settle claims although we will handle claims and assist when appropriate.

REFERRALS We may pay any other parties remuneration for referring you to us but this does not increase the cost to you of the insurance products. We pay such parties a proportion of our commission or fees.

HOW WE ARE PAID Magic Millions Insurance Brokers Pty Limited receives payment either by commission from insurers, by charging you a fee or a combination of both.

Any commission we receive is a percentage of the insurer's base premium (the base premium excludes any amounts charged for stamp duty, GST or any other government charges, taxes, fees or levies).

The commission is paid when you enter into a policy arranged by us and includes renewal and variations which increase the premium payable by you.

The commission is to cover the expenses incurred by us on behalf of the insurer in:

- arranging the insurance
- providing general financial product advice
- issuing, varying or cancelling the insurance
- paying stamp duties and other taxes to government
- assisting with insurance claims

Under the binder arrangement mentioned above we may receive a profit commission from insurers based on a formula which is dependent on the results of the insurances placed in any one year. This is payable if claims do not exceed a certain level of premiums.

If we charge a fee for arranging cover, this will be a dollar amount based on the complexity of the work needed to provide you with the cover you require. We may also charge an administration fee to cover handling costs (including bank charges). Any fees will be shown separately on our invoice to you.

When we offer premium funding this is outsourced to premium funding financiers. We receive a commission from the financier for referring the policy premium funding.

Our staff are remunerated by means of salary and may receive a bonus or incentives which are based on a number of factors including achievement of company goals.

We may pay other parties remuneration for referring you to us but this does not increase the cost to you of the insurance products. We pay such parties a proportion of our commission.

If you would like more detailed particulars of the above remuneration arrangements, please ask us.

PAYMENT TERMS We will invoice you for the premium including any government taxes and charges and any fees we may charge. You must pay us within 30 days of the date of the invoice unless otherwise requested, and in the case of a

renewal, before the expiry date of your contract of insurance. If you do not pay on time, the insurer may cancel the contract. The insurer may also charge a short term penalty premium for the time on risk. Details of short term rates are shown in your policy. We may also charge you a cancellation fee.

If you cancel the insurance premiums may not be returnable for certain risks (such as additional premiums for foals, transit and surgery). Premium is not returnable on any horse for which there is a claim. We may retain all or part of our commissions or charge you a cancellation fee. We will require a written request from you to cancel the insurance.

In the case of premium funding, any shortfall of finance charges following cancellation of your policy is your responsibility in accordance with the separate contract between you and the finance company which provides the premium funding.

Unless special arrangements are made with us all policies and premiums will be payable in Australian Dollars.

ASSOCIATION OR RELATIONSHIPS Magic Millions Insurance Brokers Pty Limited is a related company of Magic Millions Sales Pty Limited (ACN 088 197 200). Under a management agreement, Magic Millions Sales Pty Limited provides office and management services to Magic Millions Insurance Brokers Pty Limited.

Magic Millions Insurance Brokers Pty Limited offers insurance services to clients of Magic Millions Sales Pty Limited at various auctions.

Except to the extent imposed by law, Magic Millions Sales Pty Limited does not guarantee and is not responsible for the products, services, obligations or liabilities of Magic Millions Insurance Brokers Pty Limited.

IF YOU HAVE A CONCERN If you have a concern with us, please contact the person you have been dealing with in the first instance. If they are unable to satisfy your concern, please ask to speak to the Manager who is obliged to ensure that any concerns you have are resolved in a speedy and professional manner.

In the event that we do not achieve our aim and cannot resolve the matter to your satisfaction, we subscribe to the Financial Ombudsman Service in respect of our role when acting as your insurance broker

We have a dispute resolution process that you can access.

If you are not happy with our response or if we have taken more than 20 days to respond you may

refer the matter to the Financial Ombudsman Service.

This external dispute service is free to consumers. They have a review panel that adjudicates on disputes issues.

Disputes under policies issued under our binder with Lloyd's are subject to Lloyd's complaints procedures which are detailed in the certificate of insurance.

CONTACT US You can contact us during normal business hours at the address and contact details shown below:

Magic Millions Insurance Brokers Pty Limited
26 - 28 Ascot Court, BUNDALL QLD 4217
Postal: PO Box 5246, GCMC, QLD 9726
Phone: 07 5504 1200 or 1300MILLIONS
Fax: 07 5531 7082
E-mail: insurance@magicmillions.com.au
Web: www.magicmillions.com.au

For emergencies after hours our executives can be contacted on the following numbers:

Manager: David French 0411 755 181
Manager: Sean Walker 0411 461 265
Account Executive: Kylie Adair 0416 515 247
Account Executive: Sile Hayes 0410 919 435