

## **TERMS OF ENGAGEMENT**

Name of Financial Adviser: Philip John Caldwell  
Business address: Level 1, 36E Lake Street, Lakewood, Cambridge  
Trading Name: The Lime Group (2015) Limited trading as Lime Group  
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**It is important that you read this document as it provides some useful information about the Financial Adviser that you choose.**

### **Introduction:**

This Terms of Engagement provides you with information about me and about:

- The services I provide.
- How I operate my business.
- My qualifications and experience.
- The financial organisations I am able to place business with.
- How I am remunerated.
- Relationships or financial interests that I have with the providers of financial products I advise on.

**I provide this Terms of Engagement to you to ensure openness in our relationship.**

### **Nature of Business:**

**My name is Philip John Caldwell and I am a Mortgage Adviser, trading as the 'Lime Group'.  
My core day to day activity involves arranging home loan facilities for clients.  
I have been trading as a Mortgage Adviser since July 2003.**

**My personal Financial Service Provider acceptance # is 108811, in terms of the minimum legislative requirements as a 'REGISTERED, but not Authorised, FINANCIAL ADVISER'.**

### **Personal History:**

I have been working in the Finance Services Industry since 1997 and, before becoming a Mortgage Adviser, gained extensive experience in areas of Retail Banking.

From 1997 until 2003 I worked for Countrywide Bank and The National Bank in Auckland and Cambridge. In July 2003 I resigned from the Bank to set up my own Mortgage Broking operation (Phil Caldwell Mortgages Ltd). In September 2009, together with my current Business Partner, we merged the activities of both our operations to become The Lime Group (2009) Ltd. In 2015, we expanded our company to include two further Business Partners, and became The Lime Group (2015) Ltd.

### **Industry Awards:**

I have the following industry awards and lending qualifications:

- NZ Mortgage Advisor; 'Top 8' 2017, 2018, 2019 & 2020
- NZMBA 'New Zealand Mortgage Broker of the Year', National Winner 2005.
- NZMBA 'NZ Mortgage Broker of the Year', Waikato/BOP Regional Winner 2005, 2010 & 2011.
- NZMBA 'NZ Mortgage Broker of the Year', Waikato/BOP Regional Finalist 2005, 06, 07, 08, 09, 10 & 2011.

### **Qualifications:**

I have participated and passed many finance related courses and examinations, including courses related to the technical aspects of lending, retail banking, administration and customer services.

I passed the pre-requisite course required to become a Mortgage Adviser and I continue to attend regular training on aspects related to my profession. The terms of my accreditation as a Financial Services Provider requires me to maintain a level of competency measured by the granting of individual Professional Development points. I comply with those requirements in all respects.

**I hold Broker Agreements directly with the Lenders I submit business to and have access to the following Lenders:**

- ANZ BANK
- ASB BANK
- WESTPAC
- BNZ BANK
- FIRST MORTGAGE TRUST
- RESIMAC HOME LOANS
- AVANTI FINANCE
- GENERAL FINANCE
- THE CO-OPERATIVE BANK
- SBS BANK
- LIBERTY FINANCIAL
- TSB BANK
- DBR FINANCE
- SOUTHERN CROSS FINANCE LTD
- FIRST CREDIT UNION
- BASECORP FINANCE
- SELECT HOME LOANS
- HEARTLAND BANK

**Professional Indemnity Insurance:**

For your protection I am required to hold a Professional Indemnity Insurance policy for no less than \$3 million (maximum cover \$3 million per claim). The Lime Group (2015) Ltd holds cover for a total of \$10 million. In proven cases this protects my clients from financial loss due to fraud, gross negligence OR gross misrepresentation (if perpetrated by me).

**Disclosure:**

I hereby certify that in the preceding 10 years, I have not been:

- The subject of a successful claim (for dishonesty, negligence, or misrepresentation) under any Professional Indemnity Insurance policy held by me or on behalf of me.
- Convicted of an offence for dishonesty or any relevant offence under any Act or Law applying in New Zealand, nor been a Director of a Company so convicted.
- Adjudicated bankrupt (nor am I an undischarged bankrupt, or had a bankruptcy discharged).
- Convicted of any crime involving dishonesty or an offence under the Securities Markets Act 1988 and the Securities Markets (Investment Advisors and Brokers) Regulations 2007.
- Prohibited by law from taking part in the management of a Company.
- Expelled from or prohibited from being a member of a Professional Body.
- Placed in statutory management, voluntary administration or receivership. Nor are there any proceedings currently being taken against me, (or any company of which I am a Director) under any of the above.

**Conflict of Interest:**

At all times I operate in the best interests of my clients, operating without conflicts of interest and with objectivity. The nature of business has been fully described above and clients are therefore aware of the options available to them, when appointing me as their Mortgage Adviser.

**Privacy Act:**

All discussions and information shared with me are subject to the Privacy Act 1993. You are entitled to have access to, and information from, your file upon request. A detailed description of the information you supply is covered in the authority and declaration you sign with each application you make with me.

**Legal and Accounting:**

Any discussions on legal and accounting issues do not replace advice from professionally qualified specialist advisers (solicitors and accountants). I strongly recommend that you obtain such independent and specialist advice.

**Remuneration:**

In the normal course of business I receive commission from the lenders that I place clients' home loans with. This is confirmed by the authority and declaration signed by my clients on the standard Lime Group loan application form. A copy is presented to my client at the time of application and includes the words:

The nature of this commission can be a single upfront commission (percentage of the loan facility), an ongoing (trail) commission (percentage of the loan facility), or a mix of both. I receive remuneration in the form of the following:

- Commissions paid at time of loan draw down range from 0.4% to 0.85% of the loan amount and/or
- Trail Commission paid is generally paid at the rate of 0.20% of the outstanding loan balance, if applicable.

**Charging of fees:**

By signing this statement you have authorised Philip John Caldwell (herein referred to as the Financial Adviser) to arrange mortgage finance, and accept that remuneration (in the form of commission) for the Financial Adviser in assessing, documenting and negotiating with the lender, is paid by the lender to the Financial Adviser on the provision that the loan remains current for at least 18 months. The applicant(s) agree that in the event the new financial arrangement arranged by the Financial Adviser is accepted and the financial arrangements are drawn by the respective lender, the applicant(s) agree to the following:

- Agree to pay/reimburse to the Financial Adviser the full brokerage in the event of an early termination of the financial arrangements as arranged by the Financial Adviser for the services rendered in respect to arranging finance as required by the applicant(s)
- This is based on the clawback amount from the respective lender (normally within 27 months from the drawn down of the financial arrangement) for the finance arranged by the Financial Adviser or obtained by the applicant(s) through such introduction by the Financial Adviser.
- In the event the Financial Adviser obtains a formal Letter of Offer from the lender based on the information provided by the applicant(s) and for whatsoever reason the applicant(s) do not proceed with the Letter of Offer from the Financial Adviser, but do settle the subject transaction, the applicant(s) are required to reimburse the Financial Adviser a sum not less than \$500.00 incl GST for the time & costs incurred by the Financial Adviser
- I may charge a one-off fee for work completed for clients where such work does not attract a broker payment from the lender, or where such payment does not commercially compensate me for the work undertaken. This charge, if applied, will be disclosed by me at the earliest possible time during the loan assessment process.

**Commission Clawback:**

The commission payable by the lender to the Financial Adviser in relation to this loan is between 0.5% and 0.7%. The applicant therefore agrees that in the event of (early) repayment of the loan (in whole or in part) within 27 months from settlement, the applicant will reimburse the Financial Adviser for the commission (clawback) amount calculated on the following basis:

- |  |                                   |
|--|-----------------------------------|
| ▪ within first 9 months of settlement  | 100% of commission on debt repaid |
| ▪ after 9 months but before 18 months  | 50% of commission on debt repaid  |
| ▪ after 18 months but before 27 months | 25% of commission on debt repaid  |

**Payments to other parties:**

From time to time I may choose to share my commission with others who refer clients to me. Such payments are applied solely at my discretion and are in no way detrimental to my clients.

**Irregular Remuneration & Non Monetary Benefits:**

From time to time I may receive certain monetary or non monetary benefits from lenders and /or other parties. Product Providers may invite me to functions and training at no cost or at a reduced cost or provide me with gifts, entertainment, events, participation in conferences, seminars, travel from product providers whose products I market.