

Financial Services Guide

> Introduction

The **Financial Services Guide (FSG)** has been designed to assist you in the described services offered by your Motor Dealer and Australian Warranty Network Pty Ltd (AWN), ABN 78 075 483 206, Australian Financial Services (AFS), Licence No. 246469 in relation to Mechanical Breakdown Warranty.

The **FSG** explains general information about fees, charges and services we provide, and information as to how you may access our internal and external dispute resolution procedures.

A **Product Disclosure Statement (PDS)** describing the key features of the AWN Mechanical Breakdown Warranty is in the following section of this booklet. This FSG was prepared as at **1st October, 2005 (Rev. 3)**.

> Who Provides The Service?

Australian Warranty Network Pty Ltd (AWN), ABN 78 075 483 206, and holder of Australian Financial Services, Licence Number 246469 issued by Australian Securities and Investment Commission, has arranged this product through your Motor Dealer. Your Motor Dealer is an Customer Service Representative of AWN. When they facilitate a Mechanical Breakdown Warranty product they are acting as an introducer of AWN products. AWN is responsible for the services that your Motor Dealer provides with reference to the Mechanical Breakdown Warranty. You should contact AWN if you have enquiries in relation to your Warranty or when there is the need for a claim. The claim procedure and contact details are on the back inside cover of the booklet.

> Who Are We?

Your Motor Dealer is an Customer Service Representative of AWN and has the ability to introduce to you an AWN Mechanical Breakdown Warranty product. AWN, since its inception in 1996 has been providing quality Mechanical Breakdown Warranty products to Dealerships throughout Australia.

> What Services Are Offered?

Your Motor Dealer can facilitate an AWN Mechanical Breakdown Warranty. They can assist you in completing all administration of the Application Page and returning payment to AWN. The advice that your Motor Dealer can give is limited to scripted information about the products you are considering. The Motor Dealer and AWN are not able to provide personal advice about the products.

AWN being the holder of the Australian Financial Services Licence that authorises it to deal in financial products described as miscellaneous risk products limited to extended warranty products, is the product issuer for the Mechanical Breakdown Warranty described in this booklet.

Combined Financial Services Guide and Product Disclosure Statement

> Fees Paid

On acceptance of this Contract by yourself the Dealership will receive a commission from AWN that is determinable by the difference of the retail price less the wholesale price. AWN sets a maximum limit on how much is charged by the Dealership but has no authority to decide the actual amount charged.

The maximum fees for the Advantage Warranties are set out below:-

The Dealership may receive commission at the following rate. This rate is applied to the total amount you pay for each product and includes premium, GST and any other Government charges.	
Extended Warranty also referred to as Mechanical Breakdown Warranty.	Commission Rate up to 67%.

A surcharge of \$55.00 is payable on ALL 4WD/AWD vehicles and there are no additional fees paid to Dealership.

If the Motor Dealer includes the Warranty in the purchase price of the vehicle, no fees are paid to the Dealership. Your Motor Dealer receives a salary and may receive an additional remuneration or other benefit from the Dealership.

The Motor Dealer and the Dealership may receive items and prizes from AWN's Reward Program. These include Corporate Conferences, Caps, Shirts, Jackets, Pens and other miscellaneous items.

AWN may also provide other benefits to the Dealership to assist in the sales process. These benefits may be in the form of point of sales advertising and marketing material. These other benefits may be provided to the Dealership at AWN's discretion.

> Complaints Resolution

If a complaint arises during the course of Your Dealings with Us, You are requested to discuss the matter with the claims officer/s with whom You have been dealing. Where You are unable to resolve this complaint, You may request Our Claims Manager to review the matter. Should the complaint remain unresolved, You may request our Internal Dispute Resolution Committee to review the dispute at no cost to You. This review will normally be completed within 15 business days. The address is as follows, **AWN, P.O. Box 4301, Loganholme, Q. 4129, Phone (07) 3802 5577.**

If you are not satisfied with the outcome of AWN's review of your complaint, you are entitled to take your complaint to our external resolution scheme. **Please be advised that this is available to You only after You have had Your complaint addressed by the AWN Internal Dispute Resolution Committee. A full instruction letter will be sent to You by the Committee justifying their results.**

Insurance Brokers Dispute Limited,
Level 13, 31 Queen Street, Melbourne, Vic 3000
Phone: (03) 9620 0177
Toll Free: 1800 064 169
Fax: (03) 9620 0166

This service is provided to you free of charge.

Enclosed is the **Product Disclosure Statement**. Please take time to read through this booklet carefully and if you do not understand any part of it, please contact us and we shall be happy to explain any matter to you.

> **Who Provides the Service?**

Australian Warranty Network Pty Ltd. ABN 78 075 483 206, Australian Financial Services (AFS) Licence No. 246469, provides the services in relation to the Warranty product contained within the attached booklet.

> **What is a Product Disclosure Statement? (PDS)**

A **PDS** contains sufficient information so that a retail client may make an informed decision about whether to purchase a financial product. A **PDS** is prepared by or on behalf of the seller of the financial product and forms the basis of your Warranty. This **PDS** was prepared as at **1st October, 2005 (Rev. 3)**.

> **Cost of the Warranty**

A number of factors are taken into account in determining the warranty price and these include the type of warranty selected, the type of vehicle, the age of the vehicle and kilometres travelled, the vehicle's history in relation to servicing, where the vehicle is driven and any modifications to the vehicle. If you decide to buy a motor vehicle warranty from us, the price will include any compulsory Government charges including Stamp Duty, GST and Fire Service Levy, if applicable. These will be included in the amount of payable, which is shown, on the warranty application and we will refer to this whole amount as the "Total Price".

Possible further fees or costs payable in respect of the warranty purchase include:

<i>Transfer Fees</i>	Page 4
<i>Book Replacement</i>	Page 4

Refer to the appropriate pages of this booklet for details of when and how these fees may apply.

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> Cancellation

None of the terms and conditions of the Contract can be cancelled by the Contract Holder and no refunds shall be considered unless to an interested Finance Company in possession of default and repossession papers. The refund calculation will be less our cancellation/administration costs and any authorised or paid claims.

> Transfer

- (a) This Contract cannot be transferred to another vehicle.
- (b) If you are not in breach of the terms of this Contract you may transfer the benefits of this Contract to a new owner of the vehicle.
- (c) As a prerequisite to transferring the Contract we require the following:
 - (i) Proof of a current Safety Inspection Report and of ownership; and
 - (ii) A mechanical inspection acceptable to us; and
 - (iii) You must provide the above and request to transfer the Contract in writing to us within 7 days of the change of ownership of the vehicle; and
 - (iv) A transfer and administration fee of \$75.00 payable by the new owner.

> Book Replacement

In the event you lose or are unable to locate your Warranty Contract booklet, you may apply for a replacement book. A fee of \$33.00 will be payable for this service.

> Benefits of the Product

The product's purpose is to provide you the consumer with "worry free" motoring. This product will benefit you should mechanical breakdown occur, and that mechanical breakdown is covered by this product. In the event of a mechanical breakdown, items covered by the product offered will be rectified up to the limits of liability for the type of warranty product you have purchased. Coverages and limits of liability are set out on the following pages in regard to:

<i>Value Advantage</i>	Pages 10 - 11
<i>Classic Advantage</i>	Pages 10 - 11
<i>Deluxe Advantage</i>	Pages 10 - 11
<i>Advantage Assistance Package</i>	Page 12

These coverages and limits of liability should be read in conjunction with Item 3 of the Terms and Conditions on page 7.

These coverages represent substantial savings to you, should a mechanical breakdown occur. Further, our experience, knowledge and expertise allows us to direct your vehicle to the closest authorised repairer. Parts for repairs can generally be sourced at a lower cost by us, which also represents a saving to you where a claim may exceed the limits of our liability.

> **Discretionary Risk of the Product**

AWN has an absolute discretion as to whether it will or will not pay a claim that falls within the Warranty terms in this attachment. Although the discretion is absolute, AWN will not exercise that discretion in a way that is unfair and unconscionable, within the Terms and Conditions of the Warranty, and will always consider the merit of the claim.

AWN is not an insurance company and as such this product does not offer the same level of protection as an insurance policy. However, AWN has satisfied the Australian Securities and Investment Commissions (ASIC) requirements for an Australian Financial Services Licence.

There is also risk when purchasing this Warranty that one or more of your claims may exceed the Warranty Claim Limit for a particular component or part or exceed the Total Limit. If the cost of the repairs is greater than the Warranty Claim Limit, AWN will ask you to meet that additional cost yourself.

Detailed information about the Warranty Claim Limits for each benefit under your Warranty is listed within this attachment under the “Significant Characteristics of the Product”.

There is also risk that if you fail to meet any of the conditions attached in the Warranty, AWN will not exercise discretion in your favour. Make sure you read the Terms and Conditions for details of the servicing and other conditions that apply to this Warranty.

> **Definitions**

There are a number of words in this Contract that have specific meaning:–

“**We, Our, Us**” means Australian Warranty Network Pty Ltd (**AWN**), A.B.N. 78 075 483 206, AFS Licence No. 246469.

“**Authority Number**” means the number issued by the AWN’s claims department to the repairer after receiving the repairers quote authorising the repairer to proceed with the repairs.

“**Contract**” means this document.

“**Covered Component**” means a component or part of Your Motor Vehicle that is listed on pages 10 and 11, as been covered under Your Contract.

“**Fee**” means the amount paid for this Contract.

“**Motor Vehicle**” means the used vehicle specified on the Application Form in this Contract.

“**Approved Repairer**” means those licensed mechanical workshops approved by AWN to carry out repairs.

“**Normal Wear and Tear**” means the gradual reduction in operating performance of a covered component due to use of the Motor Vehicle (relative to age of the Motor Vehicle and kilometres travelled).

“**You, Your**” means the person(s) named on the Application Form in this Contract.

Combined Financial Services Guide and Product Disclosure Statement

> Significant Characteristics of the Products

Significant characteristics of the products are contained in the following table. AWN believes that your compliance with the Terms and Conditions contained herein for the Warranty Products offered will help you maintain and protect your investment in the motor vehicle you have just purchased. We therefore refer you to the Terms and Conditions outlined in the Product Disclosure Statement within this booklet.

► Components Covered		Value Advantage	Classic Advantage	Deluxe Advantage
		Vehicles over \$3,000	Vehicles up to 220,000 km and 15 Years of age	Vehicles up to 175,000 km and 12 Years of age
Engine	up to	\$800	\$1,500	\$2,000
Transmission	up to	\$800	\$1,500	\$2,000
Differential	up to	\$800	\$1,500	\$2,000
Cooling System	up to	\$300	\$750	\$1,000
Electrical System	up to	\$300	\$750	\$1,000
Braking System	up to	\$300	\$750	\$1,000
Steering System	up to	\$300	\$750	\$1,000
Air Conditioning	up to	\$300	\$750	\$1,000
Clutch	up to	\$300	\$750	\$1,000
Fuel Pump and Fuel Injection Systems	up to	\$300	\$750	\$1,000
Drive Shafts, CV Joints and Universals	up to	\$300	\$750	\$1,000
Turbo's	up to	\$300	\$750	\$1,000
Electronic Ignition Components	up to	\$300	\$750	\$1,000
Electronic Solenoids and Computers	up to	\$300	\$750	\$1,000
ABS Braking Systems	up to	\$300	\$750	\$1,000
Cylinder Heads	up to	–	\$300	\$500
Radiator	up to	–	\$300	\$500
Power Window Motors and Switches	up to	–	\$300	\$500
► Advantage Assistance Package				
Towing Assistance	up to	\$100	\$100	\$100
Accommodation Assistance	up to	\$100	\$100	\$100
Car Hire Assistance	up to	\$100	\$100	\$100

> Privacy Notice and Consent

You are entitled to obtain a copy of AWN's privacy policy on request. The information AWN requests from You is to:

- Enable AWN to determine whether AWN accepts Your application for a warranty Contract and if so, on what terms;
- Enable AWN to process Your claims and decide whether any claim You make should be accepted;
- Share with AWN's related and associated entities.

This information will be kept confidential, except if there is a legal obligation to disclose it. By signing the application or paying any fee due for Your Contract, You consent to AWN:

- Using the information for any of the above purposes;
- Informing You about AWN products or services or those of any of AWN's associated or related entities. If You do not wish to receive this information You may advise AWN at any time; and
- Obtaining information from and providing information to any third party who is able to assist AWN in considering whether to accept Your claim and the value of Your claim.

1] Pre-conditions:-

It is a precondition of this Warranty Contract (the Contract) that:-

- (a) the vehicle is purchased from a licensed Motor Vehicle Dealer; and
- (b) at the time you take possession of the vehicle it is in good mechanical condition (it is your responsibility to ensure that the vehicle is in good mechanical condition); and
- (c) the vehicle is currently registered; and
- (d) the vehicle has a current Certificate of Roadworthiness or Safety Inspection Report; and
- (e) the Contract is acquired at the time the vehicle is purchased; and
- (f) all monies and the signed application are received and approved by Us. This Contract will not be accepted if the Contract and Fee is not received by Us within 21 days of the purchase date.

2] Our Obligations:-

- (a) Provided the above preconditions have been satisfied, We will consider, in our absolute discretion, a request by You to repair or replace any broken or damaged parts that are covered under your particular Contract always considering that the vehicle purchased is a used vehicle.
- (b) Any repairs We agree to undertake must be done by a suitably qualified motor mechanic in a workshop approved by us at a price acceptable to us.
- (c) The monetary limits of our obligation are set out in clause 5 (page 8) of this Contract.

3] Your Obligations:-

- (a) You agree:-
 - (i) To maintain a regular service schedule in accordance with manufacturers specifications with a qualified motor mechanic at intervals **not to exceed 10,000 (ten thousand) kilometres or 6 (six) months whichever occurs first**. In addition any vehicle over the age of 10 (ten) years or in excess of 200,000 (two hundred thousand) kilometres at the time of purchase must also have a motor mechanics safety check and oil change at intervals **not exceeding 3 (three) months or 5,000 (five thousand) kilometres, whichever occurs first**. An allowance of no more than 1,000 (one thousand) kilometres or 30 (thirty) days beyond the stated intervals will be accepted.
 - (ii) To post the relevant service coupon attached to this Contract and the Mechanics Invoice (or copy) to AWN, P.O. Box 4301, LOGANHOLME, QLD, 4129, within (7) seven days of the service being completed.
 - (iii) You or any person in charge of the vehicle with your permission shall not in any way drive the vehicle in a manner that could do damage to the components covered in the Contract or continue to drive the vehicle if damage is suspected of occurring.

Failure to comply with any part of this section (Section 3(a) (i), (ii) or (iii)) may render any claims You make invalid.

Terms and Conditions

4] **Assessment and Authorisation:-**

- (a) Upon receipt of a claim inquiry We will check whether your claim is valid under the cover you have chosen and that all service requirements have been adhered to; and
- (b) If so, We may ask for the vehicle to be inspected by one of Our approved repairers; and
- (c) If the claim is valid, We may in our absolute discretion give approval for Our approved repairer to repair the vehicle within the terms of this Contract.
- (d) If the claim is not valid, then you shall be responsible for the cost of the inspection.
- (e) No reimbursement shall be given for any work commenced without official authorisation being issued by us to the Repairer.

5] **Limits of Liability:-**

- (a) The total monetary limit (including Advantage Assistance Package) per claim shall not exceed:-
 - i) **Value Advantage Cover: \$800** (Eight Hundred Dollars), or **\$300** (Three Hundred Dollars) (depending on the claim limit of the covered component); or
 - ii) **Classic Advantage Cover: \$1,500** (One Thousand, Five Hundred Dollars), **\$750** (Seven Hundred and Fifty Dollars) or **\$300** (Three Hundred Dollars) (depending on the claim limit of the covered component); or
 - iii) **Deluxe Advantage Cover: \$2,000** (Two Thousand Dollars), **\$1,000** (One Thousand Dollars) or **\$500** (Five Hundred Dollars) (depending on the claim limit of the covered component).on any repair/s being undertaken at any 1 (one) time on any 1 (one) claim number.
- (b) Further, the total monetary limit per Claim, where the Claim involves the repair of more than one component, is restricted to the monetary limit of the component which has the highest individual monetary limit.
- (c) You agree to accept such payments to cover the cost of repairs to the vehicle whether paid to you or to the Repairer on your behalf to be in full satisfaction of the claim and as a total discharge of all liability to that claim.
- (d) Acceptance of the payment and/or vehicle after the repairs have been carried out shall also be deemed to be in full satisfaction of the claim and as a total discharge of all liability to that claim.
- (e) All claim limits are the GST inclusive cost of the repairs.

6] Exclusions:-

This Contract does not cover:-

- (a) Vehicles modified beyond manufacturers specifications, commercial vehicles over 1,500 (one thousand five hundred) kgs carrying capacity, rotary and 2 (two) stroke engine vehicles, taxis and hire cars.
- (b) Any damage due to misuse, fire, accident, theft, impact, submersion in water, neglect, rust or corrosion, or use of vehicles in motor sports events shall render the Contract null and void.
- (c) Any damage occurring from overheating or lack of oil or lubricant.
- (d) Loss or damage (including but not limiting same to personal injury) arising as a consequence of an event or the failure of any component of this motor vehicle.
- (e) The cost of any consumables which are replaced during the course of repairs.
- (f) Any component that is considered part of any manufacturers fault and or recall campaign or is considered reusable.
- (g) Oil leaks, water leaks, normal wear and tear relative to age and kilometres travelled and all service items.

7] Miscellaneous:-

- (a) This is a Mechanical Breakdown Warranty for Used Vehicles, therefore a part may be worn but still quite safe and serviceable.
- (b) We shall not be liable or held responsible for any damage occurring if the vehicle is left unattended or being towed.
- (c) We shall not be held responsible for any delays due to lack of supply of parts or any materials needed to complete any work undertaken.
- (d) This Contract does not exclude the conditions and warranties imposed by Federal and State legislation.
- (e) At all times the odometer must work. Any failure with the odometer may render your claim invalid.
- (f) After the expiration of the selling dealers statutory warranty you agree not to hold the dealer responsible for any of our obligations under the Contract.

This Contract runs from the cover commencement date for the period nominated by you on the Application Page. (Subject to us receiving the Contract and all fees in accordance with the terms of this Contract.)

Subject to the terms and conditions of the Contract we may, in our absolute discretion, return to good working order ONLY those items which are listed below. But always excluding oil leaks, water leaks, normal wear and tear relative to age and kilometres travelled, all service/maintenance items, consumables and any loss or damage occurring from overheating, lack of oil and any consequential loss or damage (including personal injury) arising out of the failure of any component of the motor vehicle.

This Contract covers the items listed below only. Any item not listed below is not covered by the Contract.

► Components Covered		Value Vehicles over \$3,000	Classic Vehicles up to 220,000 km and 15 Years of age	Deluxe Vehicles up to 175,000 km and 12 Years of age
Engine	<i>up to</i> Engine Block (if damaged by internal components), Oil Pump, Pistons, Piston Rings, Crankshaft and Meshing Timing Gears, Crankshaft Bearings and Camshaft Bearings, Cylinder Wrist Pins, Camshaft and Camshaft Gears, Internal Bushings, Connecting Rods, Balance Shaft and Bearings. <i>Cylinder Head gaskets are only covered when repairs are carried out on the components listed in this subsection.</i>	\$800	\$1,500	\$2,000
Transmission	<i>up to</i> The internal lubricated parts of both manual and automatic transmissions. <i>(Specifically excluding transfer cases and worn converter clutches.)</i>	\$800	\$1,500	\$2,000
Differential	<i>up to</i> Internally lubricated parts <i>(specifically excluding axles and wheel bearings and worn limited slip clutch assemblies).</i>	\$800	\$1,500	\$2,000
Cooling System	<i>up to</i> Cooling Fan, Water Pump (impeller shaft bearings, bushes,) <i>(specifically excluding any damage caused by collision or the result of road surface projectiles).</i>	\$300	\$750	\$1,000
Electrical System	<i>up to</i> Alternator, Starter Motor, Voltage Regulator, Front Windscreen Wiper Motor.	\$300	\$750	\$1,000
Braking System	<i>up to</i> Booster and Brake Calipers, Master Cylinder. <i>(Specifically excluding brake pads or linings, service items and disc rotors.)</i>	\$300	\$750	\$1,000

▶ Components Covered		Value Vehicles over \$3,000	Classic Vehicles up to 220,000 km and 15 Years of age	Deluxe Vehicles up to 175,000 km and 12 Years of age
Steering System Rack and Pinion, Power Steering Pump, Steering Box and Internal Parts.	<i>up to</i>	\$300	\$750	\$1,000
Air Conditioning Condensor, Evaporator and Compressor. <i>(Specifically excluding gas, leakages, pipes, hoses, thermostat, receiver dryer and TX valves.)</i>	<i>up to</i>	\$300	\$750	\$1,000
Clutch Slave Cylinder, Master Cylinder. <i>(Specifically excluding clutch plate and pressure plate.)</i>	<i>up to</i>	\$300	\$750	\$1,000
Fuel Pump and Fuel Injection Systems <i>(Specifically excluding fuel injectors and injection service items.)</i>	<i>up to</i>	\$300	\$750	\$1,000
Drive Shafts, CV Joints and Universals <i>(Specifically excluding CV dust boot.)</i>	<i>up to</i>	\$300	\$750	\$1,000
Turbo's This cover only applies to factory fitted Turbochargers.	<i>up to</i>	\$300	\$750	\$1,000
Electronic Ignition Components This cover only applies to factory fitted Electronic Ignition Components. <i>(Excludes service items – distributor cap, rotor button and ignition leads.)</i>	<i>up to</i>	\$300	\$750	\$1,000
Electronic Solenoids and Computers Engine Control Module, Transmission Computer, Cruise Control's Sensors and Actuators <i>(if factory fitted).</i>	<i>up to</i>	\$300	\$750	\$1,000
ABS Braking Systems ABS Actuators, Electronic Module and Wheel Speed sensors <i>(Specifically excluding brake pads or linings, disc rotors and service items).</i>	<i>up to</i>	\$300	\$750	\$1,000
Cylinder Heads Cylinder Heads, Valves and Lash Adjusters. – If no evidence of overheating or corrosion.	<i>up to</i>	–	\$300	\$500
Radiator Engine Cooling Radiator, covered against leaks due to corrosion <i>(specifically excluding damage by impact and service/internal cleaning of blocked radiators).</i>	<i>up to</i>	–	\$300	\$500
Power Window Motors and Switches <i>(Specifically excluding Sun Roofs.)</i>	<i>up to</i>	–	\$300	\$500

PLEASE READ THESE CLAUSES CAREFULLY

- AWN shall not be held responsible for any damage occurring from overheating or lack of oil, so please maintain your Service Schedule.
- The warranty holder is responsible to ensure that the Motor Vehicle is serviced and maintain adequate levels of water and oil throughout the warranty period.

Advantage Assistance Package



Additional Benefits

Where a claim in relation to failure of the component part/s is accepted by us under this Warranty Contract, we will provide the following additional benefits where expenses are incurred by You, by reason of that failure.

Applies to 1 Year, 2 Year and 3 Year Contracts

- 1] Towing Assistance (Claim Limit: Up to \$100.00 per claim)**
- Items covered: A reimbursement to the owner of reasonable towing charges actually paid and necessarily incurred consequent upon a failure covered by this Contract.

- 2] Accommodation Assistance (Claim Limit: Up to \$100.00 per claim)**
- Items covered: Emergency accommodation, arrangements and costs in the event of a major vehicle break down more than 400 kilometres from Your normal place of residence and where authorised repairs take more than 24 hours.

- 3] Car Hire Assistance (Claim Limit: Up to \$100.00 per claim)**
- Items covered: Car rental costs incurred because of a major mechanical failure of Your vehicle where You are unable to operate it for more than 96 hours. However, car hire over weekends and public holidays is specifically excluded.

PLEASE READ THESE NOTICES CAREFULLY

This policy excludes oil leaks, water leaks, normal wear and tear relative to age and kilometres travelled, all service/maintenance items and any loss or damage occurring from overheating, lack of oil and loss or damage which is consequential or otherwise.

Also refer to **clause 6 (page 9) for specific exclusions.**