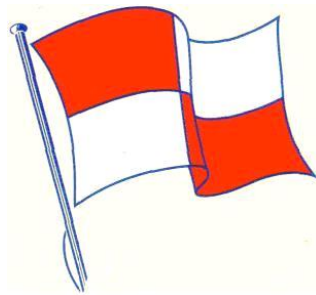


TERMS OF BUSINESS



ROPNER INSURANCE SERVICES LIMITED

LLOYD'S INSURANCE & REINSURANCE BROKERS

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We are committed to providing our clients with the highest quality professional standards and to treat them fairly at all times by putting our clients at the heart of our business. The purpose of this document is to set out the basis by which we do business and fulfil this commitment.

What follows is a summary of the principles and practices which govern the way we operate.

- Our business culture is founded on the principles of integrity, competence, clear and open communication. We aim to develop long term client relationships and to provide you with information about the services that we can provide for you so that you understand our role.
- We aim in our selection of (re)insurers to provide a suitable (re)insurance solution that meets your requirements
- We are an accredited Lloyd's broker, authorised and regulated by the Financial Conduct Authority ("FCA"). Our FCA registered number is 310443. Our permitted business is arranging, advising, dealing as agent and assisting in the administration and performance of general (re)insurance contracts. This can be checked on the FCA's Register by visiting the FCA's website www.fsa.gov.uk/register, or by contacting the FCA on 0800 111 6768. We are bound by their rules which determine the manner in which we transact with clients and how we handle and control our clients' money.
- **By asking us to quote for, arrange or handle your insurances, you are providing your informed consent to the terms of this agreement.**

It is important that you read this document carefully. This agreement supersedes and replaces any previous similar agreements we may have had in place with you.

If you are unsure about any aspect of these Terms of Business or have any questions regarding our relationship with you, please contact us immediately. In the absence of any commentary from you, we shall assume that you have read and have consented to these Terms of Business by appointing us to act on your behalf.

For Our Intermediary Clients

The clauses in this document apply equally to an insurance intermediary client as well as a client with whom we deal directly, unless otherwise noted in this Terms of Business Agreement, references to "you" or "your" should be read as "your client" or "your client's" as the context requires.

Page 8 of this agreement contains clauses which are specific to and apply only in respect of our Intermediary Clients

Insurance Act 2015

If your policy is governed by the laws of England & Wales, Scotland or Northern Ireland please refer to page 9 of this agreement for further details on the changes introduced by this Act.

1. Our Services

Our services are to provide you with an appropriate insurance solution for your requirements. We will advise you based on your demands and needs and arrange (re)insurance policies that meet those needs.

Upon receipt of your instructions and during the placement of your (re)insurance(s) we will keep you informed of the progress of our negotiations.

We will also supply you with the relevant documentation evidencing the (re)insurance that we have arranged.

We will also assist in the administration of the policies, in making any changes that are required.

We will explain the main features of the products and policies that we have arranged including all important details of cover and benefits together with significant exclusions, conditions, subjectivities and other obligations.

Disclosure obligations and the effect of policy provisions may differ depending on the law governing the policy.

We will provide these Services in a professional and efficient manner and as an insurance intermediary we act as your agent.

In certain circumstances we may also act for insurers, for example where we have a delegated underwriting authority or claims settlement authority. Where we are aware of a potential conflict of interest between the different parties with whom we are transacting business, we will notify you of this conflict and seek your instructions. At all times we ensure fair treatment and will not put ourselves in a position where our interests prevent us from discharging our duties to you.

2. Our Remuneration

We are committed to transparency in our relationship with you.

We receive remuneration for our services by way of a fee that we negotiate with you in advance or by commission or brokerage

allowed by (re)insurers, being a percentage of the premium paid by you.

You have the right at any time to ask us to disclose the brokerage, commission or fees that we have or may earn in placing your (re)insurance(s).

We earn our brokerage, commission or fees when we place the insurance policy and for the policy period. We are entitled to retain all remuneration in respect of the full policy period even if the insurance contract is subsequently cancelled during the contract term.

We may also act as a service provider to insurers and receive additional remuneration for these services that we provide to insurers.

Upon your request, we will disclose these additional earnings where they relate to the (re)insurance(s) that we have arranged for you.

3. Insurers that we use

Unless we tell you otherwise at the time of providing a quotation, we base our selection on an analysis of potential insurers who are best suited to your requirements. We can provide you with information on the insurers we have approached on request.

We may also place your business under a delegated authority. In these circumstances, we will not necessarily have conducted a full market analysis and we will advise you of this in the documentation that we issue.

We assess insurers with whom we will consider placing your business by using public information including information produced by recognised credit rating agencies.

We do not guarantee the solvency or financial strength of any insurer and in the unlikely event of an insurer's insolvency, there may still be a liability to pay the premium. In addition we will not be liable for any potential shortfall in amounts due to you as a result of an insurer's insolvency for any claim submitted.

The final choice of insurer remains with you.

If at any time the cover you require can only be provided by an insurer that is not on our list of approved insurers, we will advise you of such and obtain appropriate instructions from you.

4. Confidentiality

All information provided by you is considered to be confidential and is only disclosed in the normal course of negotiation and completing (re)insurance transactions undertaken on your behalf. In administering your insurances we may pass information to other companies within our group of companies. We will not release information to any other party without your prior consent except in exceptional circumstance: for example, information requested by a court of competent jurisdiction or a regulatory body.

We are registered under the Data Protection Act 1998 and any personal data will be held in accordance with the provisions of the Act.

5. Duty of Disclosure

(Re) insurers must be presented with a complete statement of the nature of the risk to be insured.

Under English law, if you are a business insured (i.e. an insured who has bought insurance wholly or mainly for purposes related to their trade, business or profession) the business has a duty to disclose to the insurer every material circumstance which it knows or ought to know after reasonable search. This is the case before your cover is placed, when it is renewed and any time that it is varied. Your policy wording may also provide that this duty continues for the duration of the policy. A circumstance is material if it would influence an insurer's judgment in determining whether to take the risk and, if so, on what terms.

You should conduct a reasonable search to ascertain all material facts within your organisation, making enquiries of senior management and other relevant individuals where necessary. If you are in any doubt whether a circumstance is material we recommend that it should be disclosed. Failure

to disclose a material circumstance may entitle an insurer to impose different terms on your cover or proportionately reduce the amount of any claim payable. In some circumstances an insurer will be entitled to avoid the policy from inception and in this event any claims under the policy would not be paid.

You may be required to complete a proposal form or questionnaire for certain classes of business. The answers provided should be factual and accurate. If there is a fact that you consider to be material, this must be disclosed even if there does not appear to be a question on the proposal form or questionnaire that covers this point.

6. Premium Payment Obligations

(Re) insurers require that the premium is paid at the commencement of the policy or as specified in the policy conditions. Some (re)insurers include terms of settlement on certain contracts or require the premium to be paid within certain strict timelines. These provisions of the policy must be complied with to ensure that cover remains in force. Failure to comply may result in (re)insurers giving notice of cancellation of the policy, or in some cases the policy may automatically terminate, and the premium may be payable to (re)insurers for the time they were on risk.

A breach of a premium payment warranty will mean that cover is suspended until payment is made. An insurer will not be liable for a loss suffered during the period of suspension.

Please note that we are only able to settle premium to (re)insurers once we are in receipt of cleared funds from you.

In circumstances where you are unable to collect the premium due to (re)insurers and (re)insurers will not waive any amount due, you will be responsible for the payment of the full amounts due including any brokerage owed to us.

7. Documentation

We will confirm in writing to you the details of all (re)insurance policies arranged for you

including the identity of the (re)insurer(s). It is essential that these documents are checked by you as soon as they are received. Any discrepancies between coverage as shown on our evidence of cover documents and that required should be brought to our attention immediately.

Particular attention should be paid to any claims notification provisions, subjectivities, warranties and conditions precedent imposed by (re)insurers, as failure to comply with them could prejudice the validity of the contract or the ability to recover a claim under it. A breach of a warranty may suspend your policy and an insurer will not be liable for a loss suffered during the period of suspension.

You should ensure that policy documents are always kept in a safe place as a claim for some types of (re)insurance may be made long after expiry of the policy.

8. Renewals

We will provide contract renewal terms in writing or notify you that renewal of a contract is not being invited. Where renewal has not been invited by your existing (re)insurers, we will seek to approach alternative (re)insurers to obtain a (re)insurance solution.

Attached to the renewal terms will be a statement of any changes to the terms and conditions and /or information required. You are responsible for ensuring that there is sufficient time for you to communicate to us your instructions on any renewal terms proposed.

9. How we handle Client Money

In our role as an intermediary between you and your (re)insurers, we may hold monies on your behalf. These monies are either paid to us by you to pass on to insurers or paid to us by insurers to pass on to you.

To protect you, the FCA has set out detailed rules as to how these monies may be held so that in the unlikely event of our financial failure, the risk that you may lose some or all of the monies we hold on your behalf is mitigated.

Wherever we can do so, we eliminate the risk through a process called 'risk transfer'. Under 'risk transfer' (re)insurers have appointed us to act as their agents in collecting premiums and handling monies that are due to be refunded to clients. This means that following payment to us of the premium, such monies are deemed to be received by the (re)insurer(s) with whom the (re)insurance contract is arranged and you cannot be asked to pay the premium again if we do not pass the premium over to the (re)insurer(s). If the (re)insurer(s) pays refund monies to us to pass on to you and we fail to do this, the (re)insurer(s) will still be liable to you for the payment.

Where we do not have 'risk transfer' we will hold any monies received from you or due to you as your agent and these monies will be your property. This is known as 'client money'

The FCA rules require that we keep such monies separate from our own money. To comply with these rules we will hold premiums and refunds in a Non-Statutory Trust account. In the unlikely event of our financial failure, our general creditors will not be able to make claims on the monies that we hold as your agent.

We are permitted to use such monies to advance credit to clients generally, to either settle premiums due, prior to receiving the premium from our clients, or to settle claims and refunds before we receive the monies from (re)insurer(s)

Your acceptance of these Terms of Business will constitute consent to our holding money in a Non-Statutory Trust Account.

FCA rules permit us to hold monies on both a 'risk transfer' basis and as 'client money' in the same non-statutory trust bank account provided that (re)insurers have consented to have their monies co-mingled with client monies and have agreed to subordinate their rights to the client monies.

As money held on either basis is protected by the trust deed, we will not normally inform you

on which basis we hold monies we have received from you or hold on your behalf.

We shall retain any interest and earnings received on Trust Monies from any designated investments that may be made as permitted under FCA rules. Under the terms of the Trust Account(s) we are responsible for meeting any trust fund shortfalls.

We may transfer client money to another person, such as an intermediary or settlement agent, where we have engaged the services of another person to effect a transaction on your behalf. Should such a person be located outside the United Kingdom, payments will be made to and from their jurisdiction and can be subject to a legal and regulatory regime different from that of the United Kingdom. In the event of a failure of the intermediary, such monies may be subject to different treatment than that which would have applied if it were held by an intermediary in the United Kingdom. You may notify us if you do not wish your money to be held in a particular jurisdiction.

10. Financial Services Compensation Scheme

We contribute to the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Further information about the compensation scheme arrangements is available at www.fscs.org.uk

11. Making a Claim

In the event of a claim please contact the Claims Department, at our normal address. It is your duty to notify all claims promptly and within the conditions of any claims notification terms in your policy. Failure to do so may prejudice your ability to recover a claim under the contract.

It is your responsibility to ensure that you are able to demonstrate your loss and to provide to (re)insurers documentation and information to substantiate any claim made. We will assist you in submitting a claim and

seeking to obtain an appropriate settlement in accordance with policy conditions.

Where we handle claims on your behalf we will do so fairly and promptly. Once (re)insurers have agreed a claim, we will arrange settlement to you.

12. How to make a Complaint

We value our business relationship with you and will always endeavour to provide you with the highest possible level of service. However, should you have need to express dissatisfaction with the service we provide, we would ask you to contact us.

Please address your comments to:
The Compliance Officer
Ropner Insurance Services Limited
Boundary House
7-17 Jewry Street
London EC3N 2HP
Or: Telephone (44) 020 3621 5841

The Head of Compliance will take responsibility for investigating the complaint although an experienced individual (co-ordinator) may be nominated to carry out the work. We will aim to acknowledge any complaint within twenty-four hours of receipt and provide a final response within eight weeks. However our aim is to settle any complaint as soon as we reasonably can.

Our full complaints procedure is available on request.

If we are unable to settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. Further information may be obtained at www.financial-ombudsman.org.uk.

13. Financial Crime

At all times you will comply with laws, statutes and regulations, including but not limited to the Bribery Act 2010 of the United Kingdom, the Money Laundering Directives of the European Union and the Foreign Corrupt Practices Act 1977 of the United States,

relating to the prevention of financial crime, bribery and corruption.

Any failure to comply with laws, statutes and regulations relating to the prevention of financial crime, bribery or corruption, may give rise to notification being made by us to the relevant authorities.

As part of our due diligence process, any new client is required to complete an application form at the commencement of the relationship. During our relationship with you, we may also ask you to verify certain additional information or instructions relating to transactions for monitoring or audit purposes at certain times. We may also conduct other background checks as deemed appropriate.

14. Termination

This agreement may be terminated

- by either party giving 30 days' written notice;
- or where one party becomes insolvent, or enters into receivership, liquidation or a voluntary arrangement with its creditors;

At termination we shall have no further obligation to perform any of the Services and all sums payable by you shall become due.

15. Rights of Third Parties

A person who is not a party to these terms of business has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any part of this agreement.

16. Governing Law and Jurisdiction

These terms of business shall be governed by and construed in accordance with the law of England and Wales and any dispute arising out of or in connection with it shall be submitted to the exclusive jurisdiction of the Courts of England and Wales.

Clauses applicable to Intermediary Clients ONLY

Licencing

Both we and you undertake to comply with our respective legal, licensing and regulatory requirements.

You warrant to us that you are authorised by your local regulator, where required, to conduct all the activities covered by this agreement.

You also undertake to inform us if your authorisation is changed or revoked.

Anti-Bribery and Corruption

In addition to the Financial Crime clause herein, you will ensure that you have put in place adequate policies and procedures to prevent your company and us being exposed to a bribery or corruption event.

Sanctions

You will have in place appropriate systems and controls to screen against financial sanctions target lists to identify any potential individual or entity that is the subject of international financial sanctions. Your system and controls will prevent any identified sanctions target from participation in any of the activities covered by this agreement, which would place you and us in breach of financial sanctions.

Non-Solicitation

During the period of this agreement we will not contact your clients without your prior approval unless reasonable to do so.

If we are the recipient of a direct approach from your client or another intermediary which has been appointed by your client, then, in these circumstances, we will not be prohibited from dealing with your client or the other intermediary.

Termination

In addition to the Termination clause herein, this agreement may be terminated in the following circumstances

- by either party with immediate effect if it has reason to suspect fraud, or
- if either party commits a material breach of this Agreement, or
- if any required regulatory authorisation is revoked or suspended so that the permitted activities can no longer be conducted.

Professional Indemnity Insurance

You will maintain at all times during the period of this agreement, professional indemnity insurance in accordance with the requirements of your home state regulator.

Taxation

You agree that it is your responsibility to account to the relevant authorities for any taxes that may be due in respect of (re)insurance transactions.

Insurance Act 2015 (the Act)

(Only applicable to policies governed by the laws of England & Wales, Scotland & Northern Ireland)

Fair Presentation

If you are a business insured (i.e. an insured who has bought insurance wholly or mainly for purposes related to their trade, business or profession) the business has a duty to make a fair presentation of the risk to the insurer. This entails disclosing to the insurer every material circumstance which you know or ought to know. You should conduct a reasonable search to ascertain all material facts within your organisation, making enquiries of senior management and other relevant individuals where necessary.

The disclosure should be made in a clear and accessible way.

This duty to make a fair presentation applies before your cover is placed, when it is renewed and any time that it is varied. Your policy wording may also provide that this duty continues for the duration of the policy.

A circumstance is material if it would influence an insurer's judgment in determining whether to accept the risk, or the terms of the insurance (including premium). If you are in any doubt whether a circumstance is material we recommend that it should be disclosed.

Failure to disclose a material circumstance may entitle an insurer to impose different terms on your cover or proportionately reduce the amount of any claim payable. In some circumstances an insurer will be entitled to avoid the policy from inception and in this event any claims under the policy would not be paid.

Failure to disclose a material fact

Insurers have differing remedies depending upon the nature of the non-disclosure and what would have happened had you fairly presented the risk:

Deliberate or reckless presentation of the risk:

Insurers are entitled to avoid the policy and retain all premiums

Failure to present the risk fairly but this was not deliberate or reckless:

This depends on how the insurers would have dealt with the policy had the risk been fairly presented. If they can demonstrate that they would have not provided the policy they are entitled to avoid the policy and no claims would be payable. You would be entitled to a refund of the premium. If insurers would have provided the policy but on different terms, those terms will be applied to the policy from inception. If insurers would have provided the policy and charged an increased premium, claim settlements would be reduced by the proportion of the increased premium.

Warranties

A warranty is a term in an insurance contract which must be strictly complied with.

Under the new Act in the event that a warranty is breached, the insurer's liability may be suspended until the breach is rectified. Cover is reinstated once the breach is rectified, however, Insurers may have no liability to pay losses occurring or attributable to something happening during any such period of suspension.

Where a warranty or other term has been breached insurers may still be liable to pay claims occurring during the breach period, provided the insured can prove that the breach did not increase the risk of the loss which actually occurred and the provision breached does not define the risk as a whole.

Fraud

Insurers will be entitled to terminate the policy from the date of the fraudulent claim or act, but must still cover claims arising from incidents occurring before the fraudulent act

Contracting Out

Insurers may contract out of certain clauses of the Act (other than basis of contract clauses). We will advise you where they have contracted out of any clauses.