

TERMS OF BUSINESS AGREEMENT

BETWEEN

Windsor Partners Limited (The Company)

of

2 America Square, London, EC3N 2LU

AND

ABC Limited (The Intermediary)

of

[Address]

1. Scope

- 1.1 The terms of this Agreement shall apply to the conduct of all general insurance business transacted between the Company and the Intermediary. Nothing in this Agreement shall require the Company to accept any item of business or renewal referred to it by the Intermediary if in its absolute discretion it declines to do so for whatever reason.
- 1.2 The Intermediary shall at no time cause any of his clients to believe that he/she is a representative of the Company or has any authority to act on behalf of the Company. Nothing in the Agreement shall be construed as appointing the Intermediary as the Company's Appointed Representative within the meaning of section 39 of the Financial Services and Markets Act 2000 ("FSMA"). This Agreement shall not override the terms of any delegated underwriting agreement that exists between the parties and in the event a conflict between the two agreements the delegated underwriting agreement shall take precedence.
- 1.3 Each party to this Agreement warrants that it is authorised and regulated by the Financial Services Authority (FSA) as a general insurance intermediary and that its Part IV permission includes all the regulated activities relating to non-investment insurance contracts it requires to perform its obligations under this Agreement. In the event that the permission of a party is cancelled or varied so that it no longer includes all the regulated activities necessary to the performance of this Agreement, or the FSA places a material limitation on its Part IV permission this Agreement will automatically be terminated.
- 1.4 "Where the Intermediary is not based in the UK, it warrants that it is authorised by its local state regulator (and undertakes to provide the Company with documentary confirmation of such authorisation) to undertake those activities described in section 1.3 or that it requires no such authorisation."

2. Commission

- 2.1 The Company agrees to pay the Intermediary commission or a fee on business placed through the Company and on renewal thereof whilst the policyholder remains a client of the Intermediary. The commission due to the Intermediary will be agreed by the parties on a risk by risk basis.
- 2.2 The commission in clause 2.1 shall become due and payable to the Intermediary in accordance with the terms set out in the Company's Debit Note/invoice or upon receipt by the Intermediary of the corresponding premium from its client in cleared funds, whichever is the later.
- 2.3 In the event that an insurance contract is cancelled by an insurer and a return premium is agreed the Intermediary shall refund to the Company on demand the proportionate amount of commission it received in respect of such contract of insurance as determined by the Company.

3. Authority

- 3.1 Nothing in this Agreement authorizes the Intermediary to provide to its client a quotation for cover or to confirm the existence of insurance cover placed through the Company until terms and conditions are provided to the Intermediary in writing by the Company.
- 3.2 The Intermediary may not accept any liability on behalf of the Company or the Insurers without their prior agreement.

4. Customer Relationship

It is hereby acknowledged that the clients of the Intermediary shall not be considered customers of the Company. The Company shall not communicate directly with a client of the Intermediary without the Intermediaries consent, save where:-

- a) Section 6.5 of this Agreement is invoked by the Company;
- b) the client initiates direct contact with the Company;
- c) such contact is required pursuant to an obligation arising under a contract of insurance;
- d) the Intermediary has breached this Agreement; or

- e) such contact is required to enable the Company to comply with a legal or regulatory obligation.
- f) this Agreement is terminated in accordance with section 23.1 (c).

5 Compliance

The Company and the Intermediary undertake to comply with their respective legal and regulatory obligations with regard to the conduct of all general insurance business transacted under this Agreement. Both Parties further undertake to co-operate with each other for the purpose of achieving such compliance and to supply each other with such information as may reasonably be requested or required to ensure compliance.

6 New Business and Renewals

- 6.1 It is the responsibility of the Intermediary to ensure that all the facts and information which insurers would consider material to their decision whether to underwrite the prospective insured's risk are requested from the Intermediary's client and that such facts and those otherwise known to the Intermediary are passed promptly to the Company.
- 6.2 Quotations issued by the Company to the Intermediary will include a summary of the main terms and conditions applying to the insurance, the details of the items covered and the gross premium payable (including, where appropriate, a breakdown of any taxes, charges and fees).
- 6.3 The Company will forward the policy document(s) to the Intermediary as soon as practicable following conclusion of the insurance contract and receipt of the premium by the Company. The Intermediary should read the policy document(s) to ensure that the policy accurately reflects the cover originally requested. Particular attention should be paid to any policy conditions, exclusions or warranties that may affect the acceptance of any claim.
- 6.4 The Company will endeavour to provide a renewal quotation to the Intermediary in good time prior to the renewal date. The Intermediary will advise the Company immediately of all and any changes to the risk so that any revisions to the terms and conditions of the policy can be negotiated and agreed by the parties before the renewal date.
- 6.5 The Company reserves the right to issue renewal invitations direct to the insured and not to pay commission to the Intermediary in respect of premiums thereon in the following circumstances:
 - a) if the Intermediary or any director, partner or principal in the business is charged or convicted of any act of fraud, dishonesty or a civil or criminal offence which in the reasonable opinion of the Company prejudices the operation of this Agreement;
 - b) if in the reasonable opinion of the Company the administration of the account has been conducted in such a manner as to prejudice the interests of the insured;
 - c) if the insured has notified the Company in writing that it is dissatisfied with the service it has received from the Intermediary and has requested renewal terms direct from the Company.
- 6.6 The Intermediary will only issue confirmation of cover to its client upon receipt of written confirmation from the Company that cover is in force and in strict accordance with the renewal terms and conditions advised to the Intermediary by the Company
- 6.7 The intermediary is responsible for ensuring that the demands and needs of its client are properly examined and that the insurance cover proposed by the Company meets these requirements. The Intermediary is further responsible for ensuring that the terms and conditions offered by the Company are fully explained to its client. The Company accepts no responsibility for any advice, recommendation or explanation given by the Intermediary to the client.

7. Payment Terms

- 7.1 The Intermediary shall pay to the Company all premiums collected from their clients immediately upon receipt of the Company's Debit Note and in accordance with the details set out therein.
- 7.2 If premiums are paid through a premium finance company, commissions due to the Intermediary will be paid in the calendar month following the month in which the full commission is received by the

Company from insurers. Where premiums are paid in installments the Intermediary will be credited with the commission due on a pro rata basis.

- 7.3 Where insurers have imposed a Premium Payment Warranty or Condition, the Intermediary undertakes to immediately inform its client of the imposition of the Warranty or Condition and of its terms and explain that failure to meet the payment date set by the Company may cause Insurers to cancel the policy.

8. Claims

- 8.1 The Intermediary will notify the Company immediately of any information it receives relating to a claim or circumstances (which may give rise to a claim) in accordance with the insured's policy. Failure to do so may affect the validity of the claim. It is the Intermediary's responsibility to advise his client regarding the submission of his claim and his duties under the policy, including his duty to mitigate loss.
- 8.2 The Intermediary has no power or authority to agree and shall not agree any liability under the policy on behalf of the Company or on behalf of any Insurers (unless such authority has previously been delegated to the Intermediary under a Binding Authority Agreement), nor offer any specific advice to the client which incurs any costs to the Insurers without the express prior written consent of the Company..
- 8.3 The Company will act on behalf of the Intermediary in the resolution of the claim unless the Company concludes that it has an actual or potential conflict of interest in which case the Company may at its sole discretion decline to represent the Intermediary.

9. Responsibility for premiums and documentation

- 9.1 The Intermediary must forward all policy documentation to the client immediately upon receipt from the Company.
- 9.2 The Intermediary must issue their invoices to the client without unreasonable delay
- 9.3 Where the Intermediary charges any fees to its client in addition to the amount invoiced by the Company, these must be shown separately and clearly on the invoice to the client as being the charges of the Intermediary and not of the Company or Insurers.
- 9.4 Once the Company receives confirmation of the inception, renewal or amendment of the Intermediary's client's insurance, the Intermediary and his client become jointly and severally responsible to the Company for the payment of all and any premium which may be or become due with regard to the insurance.
- 9.5 The Company will prepare a debit note which will be sent to the Intermediary as soon as the premium/s have been agreed and the Intermediary agrees to pay to the Company the amounts due within the credit period specified and in the event that the Intermediary fails to make payment to the Company of the premiums owed by the due date the Company reserves the right to demand payment direct from the insured.
- 9.6 The Intermediary must retain possession of the policy documents until it has received payment of the premium. If the Intermediary forwards the policy documents to its client, or otherwise confirms the existence of cover, it shall be responsible for payment of the premium.

10. Handling Client Money

- 10.1 The Company may hold client money in a non-statutory trust client account and may co-mingle in such account money held as agent for insurers where risk transfer has been granted to the Company.
- 10.2 The Intermediary undertakes to give its clients any notices and to obtain from them any informed consents that may be required by FSA Rules for client money to be held in the Company's non-statutory trust client account in the manner described in 10.1. The Intermediary shall inform the Company immediately of any client's refusal to give such consent or of any withdrawal of such consent. The Intermediary further undertakes to notify its clients in accordance with CASS 5.5.34 that their monies may be transferred to the Company.
- 10.3 The Intermediary will hold client monies in a statutory or non-statutory trust in accordance with the

FSA's client money rules. The Company will inform the Intermediary where its client's risk is subject to such risk transfer agreement and / or where the insurer has agreed to delegate risk transfer to the Intermediary.

- 10.4 Where an insurer consents to client monies received by the Intermediary being held by the Intermediary as agent for the insurer the Intermediary undertakes to inform those of its clients whose transactions are affected by such arrangement that their money will be treated in this manner.

11. Remuneration

- 11.1 The Company's remuneration may be as a fee, or as a commission calculated as a percentage of the insurance premium allowed by the insurer with whom the insurance is placed. The rate of commission the Company receives from insurers can vary and in providing its services the Company will use its reasonable endeavours to avoid a conflict of interest. Should it consider, however, that a conflict has arisen then it shall not proceed unless the circumstances are advised to the Intermediary and the Company is satisfied that the Intermediary's interests have been protected.
- 11.2 The Company may, in some cases, also receive a fee or additional amount from the insurer, usually at the end of their accounting period, based on the volume or the profitability of the business placed with that insurer over a period of time. The Company may also act as a reinsurance broker and / or service provider to insurers with whom it has placed the Intermediary's clients' insurances and receive remuneration by way of administrative fees or commission for services provided to them.
- 11.3 The Intermediary will comply with all regulatory, fiduciary and legal requirements relating to the disclosure of all and any remuneration it receives from any general insurance business transacted under this Agreement.

12. Conflicts of Interest

The Parties hereby confirm that they have arrangements in place for the identification and management of any conflicts of interest that may arise in relation to any business transacted under this agreement.

13. Interest

Any interest earned on client money held by the Company and any investment returns on any segregated investments will be retained by the Company for their own use. The Intermediary undertakes to give its clients any notices and to obtain from its clients any informed consents that may be required by the FSA Rules for the treatment of interest and investment returns. The Intermediary shall inform the Company immediately of any client's refusal to give such consent or of any withdrawal of such consent.

14. Complaints

Each party will notify the other in accordance with FSA requirements of any complaint concerning the other Party relating to any general insurance business subject to this Agreement.

15. Security

The Company does not guarantee the solvency of any insurer with whom it places business, although it will monitor the financial standing ratings provided by specialist rating agencies such as Standard & Poor's and A.M. Best. The Company may ask the Intermediary for specific approval of the proposed security.

16. Money Laundering / Proceeds of Crime Act

In order to comply with UK statutory and regulatory requirements relating to the prevention of money laundering and other financial crime the Company may need to obtain documentary evidence of the identity of policyholders. The Intermediary undertakes to comply with all of the Company's requests for evidence of the identity of those of the Intermediary's clients for whom the Company arranges insurance.

17. Confidentiality

Both Parties shall keep confidential all confidential information that it may acquire in relation to the

business or affairs of the other party and neither Party shall use the others confidential information for any purpose other than to perform its obligations under this Agreement.

For the avoidance of doubt each Party shall be entitled to disclose such information where necessary to its insurers or reinsurers, actuaries, auditors, professional agents and advisers and other Group companies. This clause will not apply to information which was rightfully in the possession of such Party prior to this Agreement, which is already public knowledge or becomes so at a future date, otherwise than as a result of a breach of this clause.

18. Notice of Changes

- a) the Intermediary will notify the Company without delay and in writing in the event that:-
- b) the Intermediary's Part IV Permission is cancelled, varied or suspended or if the Intermediary is subject to an investigation by the FSA;
- c) there are any changes in the ownership, name, partners, directors or controllers or capital structure of the Intermediary;
- d) any owner, partner, director or controller of the Intermediary is or becomes subject to disciplinary proceedings instituted by a regulatory, professional or other body;
- e) any owner, partner, director or controller of the Intermediary is convicted of or charged with any criminal offence other than a minor motoring offence;
- f) any insurance business agreement between the Intermediary and any Insurer is terminated.

19. Data Protection Act

Both parties will comply with their obligations under the Data Protection Act 1998 and will not share any personal data with any third party other than for the purpose of arranging insurance cover for the Intermediary's client or in order to comply with a legal or regulatory requirement.

20. Professional Indemnity Insurance

The Intermediary shall maintain professional indemnity insurance in accordance with FSA requirements and provide a copy of the policy to the Company immediately upon request. In the event of any changes in the terms of cover or the Intermediary's Insurers withdrawing, avoiding or not renewing such cover the Intermediary shall advise the Company accordingly.

21. Notice

- 21.1 Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail, or by fax or e-mail, to the address of the relevant party set out at the head of this Agreement, or to the relevant fax number or e-mail address set out in section 29 of this Agreement, or to such other address or fax number as the parties may notify to each other from time to time for this purpose.
- 21.2 Notices served in accordance with the preceding clause shall be deemed to have been received three working days after the day of posting (in the case of inland first class mail) or on the next working day after transmission in the case of a fax message and on confirmation of successful transmission.

22. Force Majeure

Neither Party shall be liable for any delay or non-performance of its obligations under this Agreement caused by an event beyond its control (a "Force Majeure Event") provided that the party affected gives prompt notice in writing to the other party of such Force Majeure Event and uses all reasonable endeavours to continue to perform its obligations under the Agreement. Either Party may terminate this Agreement if such Force Majeure Event continues for more than 3 months.

23. Termination

- 23.1 This agreement shall terminate:
 - a) at any time by one Party giving written notice of termination to the other;
 - b) immediately, without notice, should either Party become the subject of voluntary or involuntary

liquidation or administration proceedings (save for the purposes of amalgamation or solvent re-organisation) or become the subject of an action in bankruptcy or make or propose any composition with its creditors or otherwise acknowledge its insolvency.

- c) immediately, without notice, should the Company or the Intermediary have any authority or permission granted to it by the FSA (or other local state regulator in the case of a non-UK Intermediary) withdrawn or varied in such a manner as materially to affect their ability to undertake insurance mediation activities in relation to any business transacted under this Agreement”

23.2 The Company shall remit to the Intermediary within 30 days any commissions outstanding at the date of termination of the Agreement when they are collected from insurers.

23.3 The Intermediary shall settle immediately upon receipt any statement of account forwarded by the Company after the termination of the Agreement.

24. Indemnity

The Intermediary will fully indemnify the Company and any of its employees, officers or directors (each an "Indemnified Person") against all costs and expenses, damages, liabilities and losses which the Company and any such persons may suffer or incur directly or indirectly as a result, or in connection with, or arising out of any breach of or failure to comply with the terms of this agreement by the Intermediary, or its negligence, wilful default or fraud.

25. Rights of Third Parties

A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This clause shall not affect any right or remedy of a third party which exists or is available apart from that Act.

26. Jurisdiction

This Agreement shall be construed according to English law and any disputes arising under it shall be determined exclusively in the English Courts.

27. Variation and Assignment

Any variation to the terms of this Agreement must be agreed by both Parties and confirmed in writing.

This Agreement cannot be assigned to any third party without the prior written consent of the Party not seeking to assign.

28. Entire agreement

This Agreement represents the entire understanding between the Company and the Intermediary and supersedes any prior written or oral agreements between the Parties.

29. Fax. Numbers and e-mail addresses for service of notice

AGREED by the Parties through their authorized signatories:

For and on behalf of

Windsor Partners Limited

Signed _____

Print name _____

Title _____

Date _____

For and on behalf of

[ABC Limited]

Signed _____

Print name _____

Title _____

Date _____