

THAMES | UNDERWRITING

TERMS OF BUSINESS AGREEMENT

About Us

We are Thames Underwriting Ltd of Monometer House, Rectory Grove, Leigh on Sea, Essex SS9 2HN.

We are authorised and regulated by the Financial Services Authority (firm reference number: 533504) to conduct Non Investment General Insurance Business.

We are committed to offering advice and insurance solutions to authorised Brokers and Insurance Intermediaries (Producing Broker).

Our Commitment to You

We shall deem you, our Producing Broker to be our 'Customer' and whilst we may on occasions act for the Insurer (i.e. where we have a delegated authority), we shall always aim to treat you fairly and avoid conflict of interest.

We shall not allow ourselves to be placed in a position where our relationship and agreement with an Insurer prevents us from discharging our duty to you.

Our Choice of Insurers

Whilst we make every effort to monitor the solvency of any Insurer used this cannot be guaranteed. The responsibility for the final choice of Insurer lies between you and the Client. A liability for a premium may arise in the event of an Insurer becoming insolvent and you, as agent of the Client, will be responsible for any such liability.

Handling of Monies

We have a 'Risk Transfer' agreement with all Insurers with whom we place business and with whom quotations are offered to you.

As such therefore all monies received from you relating to premiums shall be deemed to be 'Insurer Money' and as we shall not be holding 'Client Money', and co-mingling will not occur.

Any such money paid to us by you will therefore be deemed to have been paid to and received by the Insurer which guarantees that you will not be asked to pay again. Likewise any money paid to us by an Insurer for onward transfer to you, would, in the event that we were unable to pay you for whatever reason, become the liability of the Insurer.

If we were able to offer a quotation and subsequently arrange insurance with an Insurer that does not cascade risk transfer to the Producing Broker, this will be clearly shown on each quotation. Should this circumstance arise, the Producing Broker must hold all monies in a statutory or non-statutory trust account, which may contain monies held on behalf of other Insurers, separate from the assets of the Producing Broker. Each Insurer further consents to these monies being co-mingled with client monies and subordinated in accordance with CASS 5.

All monies paid to us are kept in a statutory bank account pending settlement to the Insurer(s) concerned.

Commission and Fees

Depending upon the type of business placed on your behalf, we shall offer you:

- a) quotations on a net premium basis (without commission).
- b) quotations with a level of commission agreed with you.
- c) quotations either with or without commission whereby we may apply an appropriate fee.

In all respects the basis of quoting will be clearly indicated to you at quotation, invoicing and documentation stages. Our commission from an Insurer, and/or fees charged is earned by the placing of the business and we therefore reserve the right to retain all such money earned by us in the event that the insurance contract is cancelled or sizeably reduced mid- term.

When the gross premium(s) including IPT and any fees are received by us, any commission payable to you will only be paid upon receipt of cleared funds by us and cannot be accounted for until this time unless we confirm otherwise in writing.

You agree to disclose to the Client any fees, commission or charges, as required by the FSA.

We may recover from you any relevant amount of commission on cancelled policies or where an adjustment results in a return premium.

If you owe us a return of commission, we reserve the right to deduct such commission from commission due to you.

Confidentiality & Intellectual Property

We undertake to treat all information received from you as confidential and it will solely be used by us for the purpose of giving you our best advice as a solution to the needs of your client.

We are registered under the Data Protection Act and we undertake to comply with the Act by keeping all information supplied to us about yourselves or your clients as secure, unless first agreed with you otherwise.

Each party agrees to comply with its respective obligations under the Data Protection Act 1998 or any substitute thereof as may arise under this Agreement.

We do however reserve the right to request additional information and in some cases evidence of identity of your potential clients should we feel it prudent to do so in accordance with Money Laundering Regulations.

This Agreement will not result in the transfer of ownership between either party of any intellectual property including but not limited to copyright, trademark and design.

You agree to keep confidential and to not disclose to any third party confidential information, technical data or trade secrets in respect of us, both during and after termination of this Agreement except with our prior consent or as required by law or in accordance with the order of a court or tribunal of competent jurisdiction.

Our Relationship with You

As a 'firm' authorised and regulated by the FSA you will be required to treat your customers fairly by identifying and offering a solution to their demands and needs without conflict of interest.

We ask that we be presented with full and accurate information at enquiry stage and that you keep us fully informed of any material changes to the circumstances or needs of your clients so that we can assist you in maintaining appropriate cover for them at all times.

Nothing in this Agreement will override the duty of the Producing Broker to place the interests of the Client before all other considerations in accordance with the Financial Services Authority or other recognised bodies requirements.

You will not offer to us any Business sub-brokered by you and/or for which you do not have a direct relationship or direct contact with the Client for the purpose of any Business unless prior consent in writing has been granted by us.

You warrant that all information given by you during the course of negotiations leading to the execution of this Agreement or leading to the execution of any prior Terms of Business Agreement is and was when given true, complete and accurate in all respects.

Compliance

You shall remain regulated and authorised by the FSA and perform all General Insurance Mediation Activities in accordance with governing rules and principles set out by the FSA and any other applicable statutory regulation.

Where you are authorised and regulated by either of the Jersey Financial Services Commission or the Guernsey Financial Services Commission or the Isle of Man Financial Services Supervision Commission (or any replacement thereof) then reference to FSA in this Agreement is replaced by the appropriate regulatory entity subject to Us reserving the right to impose requirements at any time on You to meet the equivalent rules of the FSA.

Where you place Business through your Appointed Representative you are responsible for their compliance with both FSA rules and the terms and conditions of this Agreement.

You shall

- a) Act at all times with utmost integrity, due skill, care and diligence in the course of providing such activities.
- b) Correspond with Clients, passing promptly to them policy documentation and certificates of insurance having regard to the FSA Contract Certainty requirements and bring to their attention all terms, conditions and subjectivities, taking due care and attention to accuracy.
- c) Respond to queries and provide advice relating to Insurance Mediation Activities including the suitability of any Insurance Policy. This will be the sole responsibility of the Producing Broker along with any liabilities that may arise out of such advice.
- d) Arrange and maintain adequate Professional Indemnity Insurance covering all aspects of Your General Insurance Mediation Activities under this Agreement. The limit of indemnity must at all times at least satisfy the minimum level required by the FSA.

You will notify us immediately in the event that:

- a. Any authority given to you is or is threatened to be withdrawn, suspended, qualified, impaired or modified.
- b. Any claim or potential claim is intimated under the Professional Indemnity Insurance relating to any Business placed in respect of this Agreement.
- c. You become the subject of an investigation or audit by the FSA or any other regulatory authority.

General

You shall notify us immediately of any change of address or name including trading names or in the event that you acquire or are acquired by another Party.

You are not an Appointed Representative of us (as defined in the Financial Services & Markets Act 2000) and do not have any authority under this Agreement to appoint any third party as an Appointed Representative of us without our written authority.

You shall not:

- a) Imply to a Client that an application for insurance will be acceptable to us or to any Insurer or confirm that such insurance is in force until you have received confirmation from us that insurance is in place.
- b) Use or cause or permit the use of the name Thames Underwriting Limited except in the manner and to the extent specifically provided by this Agreement.
- c) Accept, amend or vary insurance Business, settle, negotiate or compromise claims, alter documentation or otherwise act as or be our agent and/or commit us in any way whether in writing, orally or by conduct.
- d) Transfer the rights or obligations of this Agreement to another Company or Producing Broker without prior written consent from us.

In the event that any part of this Agreement is found to be invalid or unenforceable the remainder will remain in full force and effect.

Without prejudice to any other rights we may suspend or modify any authority given to you to place General Insurance Business rather than terminating this Agreement should you be found to have breached this Agreement.

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to this Agreement.

We reserve the right to vary the terms of this Agreement at any time by giving you 30 calendar days written notice.

The waiver by any party of a breach or default of any part of this Agreement by the other shall not be construed as a waiver of any succeeding breach of the same.

Jurisdiction & Governing Law

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

Documentation

For certain types of business we shall issue a 'statement of fact' in lieu of a proposal form and this statement will represent the information supplied to us at enquiry stage. It is essential that your clients appreciate that this will form the basis of the insurance contract and as such it is vital that it is checked to ensure the accuracy of the information. A proposal form may be requested for other specific types of insurance.

Depending upon the insurance contract provided to you, documents may either be:

- a) Sent to you by post or
- b) Transmitted to you by e-mail or
- c) Made available to you electronically for downloading by you.

All such documents will be available to you in sufficient time for you to ensure that your client(s) are in receipt of them within 30 days from inception in accordance with Contract Certainty time scales for Commercial clients.

Whilst in all instances every effort will be made by us to ensure the accuracy of the insurance documents that are issued on behalf of your clients, we would however ask you to check all such documents and advise us immediately, (before sending them to your clients), should any changes or corrections be required.

Upon demand, return all relevant policy documentation for either early policy cancellation or cancelled renewal confirmation within the specified timescales provided.

Making a Claim

In the event of a claim or potential claim involving one of your clients for whom we have arranged insurance, the claim reporting procedures as detailed within the Policy must immediately be followed.

You shall not negotiate, adjust, compromise, settle or commit us or any Insurer to any liabilities in respect of claims.

Any monies paid to you in relation to a claims settlement by us or any Insurer shall be held by you on behalf of the Client and shall be solely at your risk where you are authorised by the FSA to hold such claims money.

Your Payment to Us & Responsibility of Premiums

You undertake to collect promptly all premiums due from the Clients including new business, renewals and mid-term adjustments in respect of all Business and act as agent for the Client at all times.

Where it is not possible to finalise immediately the premium levied, you will be responsible for collecting an agreed provisional premium from the Client that represents an approximation of the premium where insurance cover has been incepted or renewed pending completion of negotiations.

Where a provisional premium has been levied, we will agree to notify you as soon as practicably possible of the final agreed premium being calculated and a further debit note or statement of account will be issued for any outstanding balance due.

Unless otherwise agreed, a monthly statement of account/invoice will be made available to you and this will detail all business transacted which will confirm either a premium due to be paid to us or a return of premium due to you.

In executing this Agreement you agree to pay all monies owed to us for the placement of insurance policies. This will be detailed in accordance with relevant debit notes or statement of accounts, usually within 30 calendar days from

end of inception month. However, for certain policies this period may change to 30 days from date of inception or other timescales when specifically advised.

We may transfer such monies we receive to a third party such as another broker or a settlement agent for the sole purpose of effecting a transaction in respect of the Business. We undertake to advise you if such third party is domiciled outside the Great Britain Northern Ireland the Isle of Man or Channel Islands.

Our account is to be settled by BACS or cheque. We will provide details of our bank account.

You will be ultimately accountable for all monies due under this Agreement even if control of the Client is lost during the period of insurance.

If you fail to make a payment within the specified timescales we, under the terms of this Agreement, have the right but not the obligation to lapse or cancel the relevant policy or policies. We reserve the right to charge you interest on unpaid sums at the rate applicable at the time in accordance with the Late Payments of Commercial Debts (Interest) Act 1998.

No allowance will be made for:

- a) Any delay caused by deficiencies within your accounting system.
- b) Your inability to obtain monies from the Client.

Any allowances made by you for credit arrangements on behalf of the Client and you will remain liable for the payment of the full premium in accordance with the terms of this Agreement.

We reserve the right during the currency of the Agreement to conduct credit searches against you or relevant organisations or your Directors or any Director's Partner.

Premium Payment Warranties or Conditions may apply to certain classes of Business and such shall override any payment terms. You undertake to make the Client aware of such Warranties or Conditions before inception of the Policy.

We undertake not to make any arrangements to communicate direct with any of Your Clients, except in extreme circumstances, such as:

- a) Non-payment of premium, with your full knowledge and agreement.
- b) Serious claim, but only if we are unable to contact you for whatever reason.
- c) If you voluntarily cease trading or are unable to trade due to a change in your FSA status, and this only to safeguard the interest of the Client (please refer to Termination of Agreement).

We reserve the right to suspend this Agreement and make arrangements to collect outstanding premiums direct from the Clients in the event of:

- a) Fraud by you.
- b) Civil or Criminal charges made against you material to the operation of the Business under the terms of this Agreement.
- c) You ceasing to hold a Part IV permission under FSA rules.
- d) Us considering that there are convincing grounds that the interests of the Client/s have been prejudiced by your administration or by your breach of this Agreement.
- e) In all such circumstances where practicably possible we will undertake to give you notice of such action and the reasons for it. We will advise any action required to protect the interests of the Clients at all times.

Termination of this Agreement:

This Agreement may be terminated:

- a) By either us or you provided that written notice is given specifying the effective date of termination which shall not be less than 14 calendar days thereafter to the last known address.
- b) By either us or you immediately if there are reasonable grounds to suspect fraud or dishonesty on the part of the other party.
- c) By either us or you where there has been a breach of the Agreement which has failed to be remedied within 14 working days of a written request from the party not in breach, or immediately where the breach is irredeemable.
- d) By us immediately upon your death, insolvency, receivership or bankruptcy, or if you enter into a voluntary arrangement with creditors, dissolution of any partnership or are presented with a winding up petition.
- e) By us on expiry, termination or suspension for any reason of any license or permission you are required to utilise to comply with the terms of this Agreement including but not limited to the withdrawal by the FSA of any permission or authorisation held by you.
- f) By us or you when it is believed that there are reasonable grounds to suspect that the administration of the account by the other party is being operated in a manner causing or likely to cause prejudice to the position of the Client.
- g) By us if you merge with, or are acquired or otherwise absorbed by any individual, corporation or other Business entity or organisation of any kind.

Upon termination of this Agreement, all premiums, taxes, and fees which have not been paid to us in relation to any insurance will become payable by you without set off or deductions within 14 days of termination. This overrides any previously agreed credit period offered.

You shall indemnify us and hold us harmless from and against all losses, liabilities and related costs and expenses which may be incurred in respect of any claim made against us or otherwise relating to the Transfer of Undertakings (Protection of Employment) Regulations 1981 in connection with the termination of this Agreement.

If in the unlikely event that termination is because you intend to, or have ceased trading, and have not made ongoing arrangements for your clients to be transferred to another authorised firm, we reserve the right to protect the interest of your clients by supplying them with a choice of authorised firms within their postal areas for them to contact. We would stress that such actions would only be taken if the clients were deemed to be 'orphan clients', and only to protect their interest.

Such business would not be dealt with by us directly because of our commitment to operate on a wholesale basis.

Notice

Any notice to be given pursuant to the terms of this Agreement shall be given in writing to the party due to receive such notice at the address set out in this Agreement.

Notice can be delivered personally, by recorded or registered delivery post, by facsimile transmission or by electronic mail.

Notice shall be deemed to have been given on delivery where by hand, 2 working days after posting for post and upon receipt of a completed facsimile transmission in the case of facsimiles or by electronic mail.

Dispute Resolution

Both parties are committed to resolve any dispute over this Agreement whether such dispute arises before, during or after termination using best endeavours to avoid the need for litigation. Both you and us will make available any information that is reasonably required to resolve the dispute.

All disputes must be resolved within 3 months by senior authorised officials, however, if the matter remains unresolved the services of a mediator should be agreed and utilised by all parties.

This Dispute Resolution procedure does not preclude the right of either party to seek immediate protection or assistance of the High Court of England and Wales.

Force Majeure

Neither party are liable for any delay or non-performance of its obligations under this Agreement caused by an unforeseen event beyond its control (a "Force Majeure Event") provided that either party gives prompt written notice of such a Force Majeure Event in writing to the other party and uses its best endeavours to continue to perform its obligations under this Agreement. Either party may terminate this Agreement if such Force Majeure Event continues for more than 90 calendar days.

Complaints

Whilst we aim at all times to provide you with a high level of service using our experience and expertise, should you ever have cause to complain, please contact Mr P. Thomas (Director) or Mr K. Syrett (Director) of Thames Underwriting Ltd to enable your complaint to be investigated urgently and our intention would be to resolve the complaint to your satisfaction by the end of the working day.

If for whatever reason we cannot do this, your complaint will be acknowledged in writing together with our response within five working days.

If the investigation into your complaint takes longer then we shall write to you within twenty working days of the complaint being made advising you of the current position of our investigations and when you can expect our response.

If after receiving our final response in respect of your complaint, or we are unable to send you our final response within eight weeks, you may contact the:

Financial Ombudsman Service

South Quay Plaza,

183 Marsh Wall,

London E14 9SR

Tel: 0845 080 1800

e-mail: complaint.info@financial-ombudsman.org.uk

Governing Law:

This agreement shall be governed by and construed according to the law of England and Wales and any disputes in relation hereto may be determined by the courts of England and Wales.

Conclusion

We very much look forward to a long association with you and we would ask that you carefully read this agreement and contact us immediately if there is anything within the agreement that you do not fully understand or accept.