

JPR INSURANCE BROKERS LIMITED

TERMS OF BUSINESS AGREEMENT (TOBA)

1. Please read this document carefully. It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities.

In this TOBA 'we' or 'us' means JPR Insurance Brokers Limited (company number 4686878), registered office Unit 12, Red House Yards, Gislingham Road, Thornham Magna, Eye, Suffolk, IP23 8HH.

Please contact us immediately if there is anything in these terms of business which you do not understand or with which you disagree.

2. Our service to you. In arranging insurance for our customers we act as an independent intermediary and act on your behalf when arranging insurance. Our service includes: advising you on your insurance needs; arranging your insurance cover with insurers to meet your requirements; and helping you with any ongoing changes you have to make. We offer a range of general insurance products; have access to a number of insurers with whom we place your insurance. We will give you details of these insurers when we discuss your individual requirements.

3. Disclosure of information. It is important that you understand that any information, statements or answers made by you to us, or your insurer, are your responsibility and must be correct. Any failure to disclose facts material to the insurer or any inaccuracies in your answers may invalidate your insurance cover in part or in whole. Facts material to the acceptability or otherwise of your proposal or renewal must be disclosed immediately. Material information is information that would influence the judgement of a prudent insurer in fixing the premium or determining whether to accept the risk. You are advised to keep copies of documentation sent to or received from us for your protection. Please do consult us if you are in doubt on any aspect. The disclosure of information not only applies at commencement and renewal of your policy, but also at anytime during the period of insurance

4. Awareness of policy terms. When a policy is issued, you are strongly advised to read it carefully, as it is that document, the schedule, any certificate and any other documents (which indicate that they are part of the contract of insurance) that are the basis of the insurance contract you have purchased. If you are in any doubt over any of the policy terms and conditions please seek our advice promptly.

5. Charges. We reserve the right to make charges, in addition to any insurance premiums for the arranging, amending, renewing and cancelling any policy of insurance. Details of charges made will be declared in all correspondence with you.

6. Renewal Instruction. In accordance with the Financial Services Authority regulations we are required to obtain your renewal instructions prior to each renewal date.

Whilst we will make every effort to contact you prior to renewal to obtain your instructions, if, for whatever reason, we are not in possession of either your written or verbal instructions by your renewal date, then in order to protect your position we may, in our absolute discretion, proceed and renew your policy on the basis of our renewal recommendation. However, we reserve the right not to renew the policy should we not have received the appropriate instructions from you and any renewal, whether with or without your instructions remains subject to the provisions of clause 14 below regarding the possible cancellation of the policy, e.g. if you fail to pay the premium when due. In the event of such non-renewal, we will not be held liable for any loss you may suffer if you fail to provide the necessary instructions to renew in sufficient time before the renewal date.

7. Customer protection information. It is our intention to provide you with a high level of customer service at all times. If there are occasions when we do not meet your standards please contact the director responsible for compliance either verbally or in writing, who will take details of your concerns and attempt to address your concerns within five business days. If our investigations take longer we will provide a full response within twenty business days or explain our position and provide timescales for a full response. If we cannot satisfy your complaint you may be entitled to refer to the Financial Ombudsmen Service.

8. Financial Services Compensation Scheme (FSCS). We are covered by the FSCS, subject to the terms of such scheme, which is administered by the FSA. 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. Insurance advising and arranging is covered for the first £2,000 and 90% of the remainder of the claim without any upper limit. Further information about the compensation scheme is available from the FSCS.

9. Cooling off period. We will give you enough information and help so you can make an informed decision before you make a final commitment to buy your insurance policy. However, you may if you are a Retail customer (as defined in section 22) have 14 days to change your mind and cancel the insurance contract from the date you receive the policy documentation.

We earn remuneration on the commencement of the policy. Once our remuneration has been earned, in the event that the insurance is cancelled after inception, our fees or brokerage will only be returnable at our absolute discretion.

10. Relationships. As an independent insurance intermediary we act as the agent of our client. We are subject to the law of agency, which imposes various duties on us. However, in certain circumstances we may not act for and owe duties of care to other parties. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest.

Upon receipt of your instructions we will place insurance with insurers, and keep you informed of the progress of our negotiations.

We will advise you of any inability to place the insurance.

11. Security. We do not guarantee the solvency of any insurer we place business with.

A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent.

12. Policy Documentation. Our business practice is that policy documentation will be issued in a timely manner.

Your policy documentation will confirm the basis of the cover, give details of the insurers, and accompanied by a policy summary and a debit note of a premium billing. The dates that the premium is due, together with any penalties, will be clearly shown.

Prior to the conclusion of the contract you will be given a statement of demands and needs. You should read this carefully. It will set out your demands and needs and confirm whether the contract has been personally recommended and, if so, the reasons for making the recommendation.

Retail customers (as defined in section 22) will be provided with the renewal terms in writing no less than 21 days before expiry of the policy, or notified that renewal is not being invited. Attached to the renewal terms will be a statement of any changes to the terms of the policy, and changes to directive-required information (information required under the EU Directives), statement of price and information about cancellation.

You will be given an explanation of any changes where necessary and in good time, which may appear in your policy and you will be advised of your right to request a new policy statement.

Unless specifically instructed by you in writing, it is our policy to retain documents for business effected on your behalf in electronic or paper format for a minimum of 5 years, after which time the documents are liable to be destroyed without notice to you.

For some types of insurance cover it is possible that a claim may be made under a policy long after its expiry date and it is therefore important you keep such documents safely.

13. **Claims.** It is essential that underwriters are notified immediately of any claim or circumstances that may give rise to a claim as failure to do so may entitle insurers to deny liability for the claim.

Where we undertake to handle or manage claims on your behalf,

- You must notify us immediately you become aware of any claim or any circumstances that may give rise to a claim.
- We will assist you in presenting and pursuing a claim under your policy.
- We will notify insurers on your behalf and will keep you informed of insurer's requirements in respect of your claim.
- We will promptly inform you of your insurer's decision on the settlement or otherwise of your claim.
- We will promptly forward to you monies that we collect from insurers in settlement of your claim.

14. **Premium.** You must provide the premium due in cleared funds within 14 days from the Insurance effective date or date of invoice, whichever is the latter. Failure to meet the payment date may lead to insurers cancelling your policy.

Failure to pay your premium will result in the insurers cancelling your policy.

Where insurers have specified that the premium must be received by a certain date, failure to comply can result in the automatic termination of your insurance contract.

15. **Remuneration.** Anything which is not to be a premium is considered to be a fee. Any commission which is due is payable out of premium. Our remuneration may be as a fee, or as a brokerage, which is a percentage of the insurance premium paid by you and allowed by the insurer with whom the insurance is placed. Brokerage fees are earned for the policy and we will be entitled to retain all fees and brokerage in respect of the full period of the full period in relation to policies placed by us.

JPR Insurance Brokers Ltd as a whole may sometimes in the ordinary course of our business also earn income in a number of other ways by providing services to the market or suppliers we deal with. The level of such remuneration is determined by the terms of business agreements with them but may be for example in the form of management/administrative expenses allowed to us by insurers to cover our cost in administering underwriting authorities for them or in the form of volume, growth or profitability payments for the performance market, product development, systems and processing functions and other such services on their behalf. Further details will be provided to your specific request.

16. **Client Money.** Client money is money of any currency that we receive and hold and in the course of carrying insurance mediation on your behalf or which we treat as client money in accordance with the FSA client money rules. A copy of these rules are available on request.

Client money can be held in one of the following ways:

1. It can be subject to a statutory trust
2. It can be subject to a non-statutory trust or
3. In accordance with the FSA client assets sourcebook (CASS) held for the insurer.

Client money will only be held on behalf of an insurer or underwriter in accordance with a written agency agreement. You will be notified if this should not be the case.

Non-Statutory Trust

In accordance with the FSA client money rules, we propose that all client money is held in a non-statutory trust in accordance with the terms of the deed a copy of which is available on request. The aim of the Trust is to protect you in the event of the failure of the firm or the failure of the bank or a third party at which the money may be held. In such circumstances, our general creditors should not be able to make claims on client money, as it will not form part of our property.

The fact that we will hold money on trust gives rise to fiduciary duties which will be owed to you by us until the client money reaches the insurer or product provider or is held as agent on trust for the insurer.

We hold client money subject to a non-statutory trust. As is current practice, this means that we are entitled to and may use client money held on behalf of one client to pay another client's premium we may also pay claims and premium refunds to another client before we receive payment from the insurer. However we are not entitled to use client money at pay commissions before we receive the relevant premium from the client.

The benefits of holding client money in a non-statutory trust account are that it permits greater flexibility when making payments on behalf of clients, e.g. it permits the advance of credit to a client. The implications of this are that temporarily one client's money may be used to make advances to another. If this advance is outstanding on a day when we check the balance held in the account (a reconciliation of client money must be made at least every 25 days), we will make up the difference out of our funds. In the event that we should be unable to do so due to insolvency, should you suffer loss as a result you will be covered by the FSCS for compensation in this respect, subject to terms of the FSCS scheme.

Segregation of Designated Investments

We keep client money separate from our own money. We may do this by paying it into a client bank account. However, we may also do this by arranging to hold separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into a client bank account. If we do this we will be responsible for meeting any shortfall in our client money resource which is attributable to falls in the market value of a segregated investment.

Interest on Client Money

Any interest on client money held by us and any investment returns on any segregated designated investments will be retained by us for our own use, rather than paid to you, and will not be treated as client money.

Payment to Third Parties

We may transfer client money to another person, such as another insurance intermediary, for the purpose of effecting a transaction on your behalf through that person.

This may include insurance intermediaries outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK and, in the event of a failure of the insurance intermediaries, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK. You may notify us if you do not wish your money to be passed to a person in a particular jurisdiction.

17. Bank Accounts. The bank with which the company account is held containing all client money will be an “approved bank” for the purposes of CASS, and is presently HSBC Bank plc.

18. Cancellation of This Agreement. Our agreement may be terminated by one of us giving 30 days notice in writing to the other. In the event that our services are terminated by you we will be entitled to receive any fees or brokerage payable. Cancellation of our contract does not necessarily cancel your insurance but will mean that we will not offer to renew the insurance unless you request it.

19. Money Laundering / Proceeds of Crime

We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report or its existence to you.

Claims payments will be made in favour of you. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a brief explanation for your request. However, we reserve the right to refuse to do so, in our absolute discretion.

20. Data Protection. We are registered under the Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with your personal data.

Your personal information will be kept secure, but will be used for the purposes of the insurance administration and renewal by the insurer, its agents (such as loss adjusters or investigators), reinsurers and ourselves. We may also use it for making credit reference agency searches. Credit reference agencies share the information with other organisations, enabling applications for premium credit or other financial products to be assessed or to assist in the tracing of debtors or to prevent fraud. Insurers also pass information to the Claims and Underwriting Exchange Register run by Insurance Database Services Limited (IDS) to check information provided and prevent fraudulent claims.

We may use your information to keep you informed of products and services that we offer and which we feel may be of interest to you, but we will not pass your information to third parties for marketing purposes.

Sensitive Data. In order to assess the terms of insurance contract or administer claims we will need to collect personal data that the Data Protection Act 1998 defines as sensitive, such as medical history or convictions. By proceeding with this contract you will signify your consent to such information being processed by the insurer or its agents.

21. Law and Jurisdiction. These terms of business will be governed by and construed in accordance with English law. In relation to any legal action or proceedings arising out of or in connection with these terms of business we and you irrevocably submit to the non-exclusive jurisdiction of the English courts.

22. Customer Classification. The FSA divide customers into two categories and they are retail and commercial. The FSA handbook and website (www.fsa.gov.co.uk) contain the full definitions of retail and commercial customers. We consider a retail customer to be an individual that obtains insurance outside of their trade or profession.

23. Consent

Please complete the declaration as below, keeping one copy for your records and returning one copy to JPR to show that you agree to the terms and information set out in our 'terms of business' and key facts 'about our insurance services'.

If this is not returned, but you continue to do business with us we will take this as being your agreement to the terms and information set out in our 'terms of business agreement' and key facts 'about our insurance services'.

I/We agree to the terms as set out in JPR Insurance Brokers Limited Terms of Business Agreement and key facts 'about our insurance services'

Signed:

Name of Signatory (printed):

Position of signatory (if for a company):

Name of company (printed if applicable):

Date:

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Position of signatory (if for a company):

Name of company (printed if applicable):

Date: