

G&T Brokers Limited

Terms of Business Agreement (“TOBA”)

The purpose of this document is to describe our professional relationship and the services we will provide to you. You should read this document carefully for as well as setting out the terms of our relationship it contains details of our regulatory and statutory responsibilities. This document takes effect on 1 August 2016 or whenever it is received (whichever is the later) and supersedes any terms of business agreement that may have been previously sent to you by us. You should contact us if there is anything in this document which you do not understand or with which you disagree.

1. G&T Brokers Limited

1.1 G&T Brokers Ltd (also referred as “G&T”, “we”, “us”, “our”) is an English limited liability company. Our registered address is Milton House 33A, Milton road, Hampton, Middlesex, England, TW12 2LL

1.2 We are a Lloyd’s broker and are authorised and regulated by the Financial Conduct Authority (FCA). We are permitted to arrange, advise on, deal as an agent of insurers and clients and assist in claims handling with respect to non-investment insurance policies. Our authorisation (registration number 490467) can be verified by contacting the FCA on 0800 111 6768 or by visiting the Financial Services Register which can be found on the website <https://register.fca.org.uk>

1.3 You can contact us by phone on +44 (0)20 3141 6370/6375 and find out more about us at

www.gandtbrokers.co.uk or you can write to us at:
G&T Brokers Limited
4th Floor
1 Gracechurch Street, London
EC3V 0DD

2. This TOBA

2.1 This TOBA and its attached schedules set out the terms on which G&T agrees to act for you.

2.2 Please contact us immediately if there is anything in this TOBA that you disagree with or do not understand.

2.3 References to:

- (a) “insurance” and “insurers” includes reinsurance and reinsurers;
- (b) “your” means your clients’ if you are an intermediary and the context so requires.

2.4 As an insurance intermediary, we normally act as your agent and we arrange insurance with insurers which may be rated or unrated, according to the nature of the product required. However, we sometimes act as an agent of the insurer in relation to the coverage proposed, or the insurer may have outsourced to us certain work related to the administration of your contract. We will disclose to you where we act as agent of the insurer or provide services to the insurers when providing you with information on the coverage proposed. Generally we act as agent of an insurer when insurers have granted us a binding authority or managing general agency, which enables us to accept business on their behalf and immediately provide coverage for a risk. Further, we may arrange lineslips, which enable an insurer to bind business for itself and other insurers and we may manage these lineslips for such insurers. We may place your insurance business under a binding authority, managing general agency, lineslip or similar facility where

G&T Brokers Limited
4th Floor
1 Gracechurch Street, London
EC3V 0DD, United Kingdom

T +44 (0)20 3141 6370
T +44 (0)20 3141 6372
www.gandtbrokers.co.uk

we reasonably consider these match your insurance requirements/ instructions. We shall inform you whenever we bind your insurance risk under a facility. We do not offer advice in relation to tax, accounting, regulatory or legal matters (including sanctions) and you should take separate advice as you consider necessary regarding such matters.

2.5 If you instruct us to proceed with any insurance placement or to undertake any other insurance related service we will be doing so on these terms alone and they will have contractual effect between you and us.

2.6 From time to time, it may be necessary for us to amend or supersede these terms by new terms. Where this is the case, we shall notify you of the proposed changes and, unless we hear from you to the contrary within 28 days after such notification, the amendments or new terms will come into effect from the end of that period.

3. Our service to you

3.1 We will provide insurance broking services (“the Services”). In providing the Services, we will:

- (a) Explain the main features of products and the Services we are offering to you.
- (b) We will discuss with you or your representatives your insurance requirements, including the scope of cover sought, limits to be sought and cost. Upon receipt of your instructions, whether written or oral, we will endeavour to satisfy your insurance requirements.
- (c) Provide you with information about any insurance cover we recommend to you to enable you to decide to accept the insurance cover available, before it is bound. As your insurance intermediary we will answer any questions you may have on the proposed cover, its benefits, placement structure, restrictions, exclusions and conditions. You will be responsible for reviewing information on the insurance coverage recommended to you. If the coverage and terms do not accord with your instructions you should advise us immediately. We shall automatically provide you with details of all the insurer quotations we recommend.
- (d) Place your insurance only when you instruct us to, and during the course of the placement of your insurance we will endeavour to keep you informed of the progress of our negotiations and identify any inability to obtain the coverage sought by you
- (e) Except where we agree with you otherwise, we will provide claims services for the period of our appointment.

4. Market security

4.1 We check the financial strength ratings provided by specialist agencies for each participating insurer and, based on these, we may seek your specific approval of some proposed security. We do not assess or guarantee the solvency of any insurer. As a consequence the suitability of any insurer rests with you and we will discuss with you any concerns you may have.

4.2 You should note that if an insurer who has granted risk transfer (see clause 8) to G&T becomes insolvent, any related premiums we hold for that insurer are deemed to have been paid to them and will not be returnable to you. Similarly, claims money held by us will also be returnable to the insurer or its liquidator.

4.3 We do not accept any liability for any unpaid amounts in respect of claims or return premiums due to you from a participating insurer who becomes insolvent or delays settlement.

5. Evidence of cover and policy documentation

5.1 We will promptly send you evidence of cover in the form of an insurance policy, a certificate of insurance, a copy of our placing slip, or an insurer or G&T produced insurance document. You should examine any insurance documents very carefully to ensure that they meet your requirements. If the documents do not meet your requirements, if you feel they are incorrect, if you do not understand them, or if you are dissatisfied with the insurance security, please advise us immediately. Otherwise, we will assume that the documentation meets your requirements. In any event, it is important for you to keep your insurance documents safe.

5.2 We will retain documents relating to business placed on your behalf in electronic or paper format in line with market practice.

5.3 Any slip evidencing insurance placed by us on your behalf belongs to and remains the property of G&T.

6. Non-payment of premium

6.1 Should you or your agents fail to pay the premium or any instalment of it in full with cleared funds in the invoiced currency by the due date, the insurance contract may be cancelled by us or by insurers in accordance with any cancellation clause in the policy.

6.2 Where insurers have specified a premium payment warranty, they must receive the premium due by that date. If you do not think you will be able to comply with the premium warranty please contact us immediately.

6.3 Where applicable and where the relevant details have been passed to us, any other party with an interest in the insurance contract will be advised of any non-payment of premium and given the opportunity to pay the outstanding amounts.

7. Currency

7.1 When conducting your business we may have to convert funds to another currency in order to settle amounts due to insurers. If a repayment of funds is due to you or is requested by you after conversion, then any such repayment will be made in the currency to which the funds have been converted. Any shortfall arising from exchange differences remains your liability.

7.2 If you pay a premium in a different currency or to a bank account in a different currency from that requested, we may, at our discretion, either return the funds to you or convert the money to the required currency. In the latter case, the converted funds will be applied against the amount due with any shortfall arising from exchange differences remaining your liability.

8. Client money

8.1 We hold money received from you, or to pay to you, as “client money”, either:

(a) in trust for you in a statutory trust bank account which, in the unlikely event of our failure, is available to clients ahead of insurers and other creditors; or

(b) as agent of your insurers under agreements with some insurers specifying that premiums and claims monies received by us are held as agent for those insurers. This is termed “risk transfer”.

8.2 We may hold and co-mingle client money as defined at clause 8.1 in the statutory trust bank accounts, provided the insurer subordinates its rights in the money to those of our clients. As the trust bank account protects money

held on either basis, we will not usually inform you on which basis we hold the money we have received from you or for you.

8.3 We may transfer your money to another intermediary in some cases. However your money will be protected at all times because of the requirements of FCA rules. We may not use it to pay ourselves commissions before we receive the premium from our client. By accepting this Terms of Business Agreement, you are giving your consent for us to operate in this way.

8.4 Notwithstanding the operation of the trust bank account as described above, we do not:

(a) Fund premium on your behalf to insurers and you agree that we will not be deemed to have been paid premium by you; or

(b) Fund claims to you due from insurers.

8.5 Any interest earned on your 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. We may hold separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into the statutory trust account. If we do so, we are responsible for any resultant shortfall in your money held by us.

8.6 Your money will normally be deposited in client accounts with banks meeting the FCA criteria for approved banks; in the unlikely event where they do not, it will still be held in a designated bank account. We may transfer your money to other banks or intermediaries, including those outside the UK, where the legal and regulatory regime will be different. In the event of their failure this money may be treated in a different manner.

8.7 Where you do not wish your money to be passed to a particular bank, intermediary or jurisdiction, you should tell us.

8.8 You will provide settlement with cleared funds of all monies due in accordance with the payment date(s) specified in our debit note or other relevant payment documentation ("Payment Date"). Failure to meet the Payment Date may lead to insurers cancelling your contract, particularly where payment is a condition or warranty of a contract. It is imperative that you meet all payment dates. We are under no obligation to pay premium by the Payment Date to insurers on your behalf.

8.9 By accepting this Terms of Business Agreement, you are giving your consent for us to treat your money in this way. Please notify us immediately if you have any objection or query.

9. Warranties and subjectivities

9.1 It is very important that you familiarise yourself with all the terms of any insurance contract that you are party to. In particular, you must treat any warranties seriously and comply strictly with them. Failure to do so will entitle the insurer to terminate your insurance contract. If you have any doubts or reservations, you should tell us.

9.2 Subjectivity in your insurance contract may lead to the contract being invalidated or coverage prejudiced if the subjectivity remains outstanding. It is very important that you promptly satisfy the subjectivity so that it can be removed.

10. Duty of disclosure

10.1 Consumers: You must take reasonable care not to make a misrepresentation to the insurer. This means that all the answers you give and statements you make as part of your insurance application, including at renewal and when

an amendment to your policy is required, should be honest and accurate. If you deliberately or carelessly misinform the insurers, this could mean that part of or all of a claim may not be paid.

10.2 Commercial customers: If the insurance is arranged wholly or mainly for purposes related to your trade, business or profession you have a duty to make a “fair presentation of risk” defined as one:

- which makes a disclosure of every material circumstance which the insured and/or senior management and/or anyone responsible for arranging your insurance knows or ought to know or disclosure which gives insurers sufficient information to put a prudent insurer on notice that it needs to make further enquiries for the purpose of revealing those material circumstances;
- which makes the disclosure in a manner which would be reasonably clear and accessible to a prudent insurer;
- in which every material representation as to a matter of fact is substantially correct and every material representation as to a matter of expectation or belief is in good faith

Your duty of fair presentation applies at the start of the policy, at renewal and when any variation of the policy is arranged. If you fail to make a fair presentation, the insurer may refuse to pay your claim or reduce the settlement amount, depending on the circumstances.

11. Your liability for tax

11.1 Unless there is a legal requirement for us to do so, it is your obligation to make declarations in respect of and to account for tax on all insurance transactions.

12. Remuneration

12.1 We are normally remunerated by commission or brokerage earned on insurances placed, or by a fee negotiated and agreed with you. As this remuneration is earned on placement, we will be entitled to retain it (or to receive it where unpaid) even if policies placed by us are cancelled. Where we place multi-year policies we will be entitled to retain all commission upon placement even if such policies are cancelled.

12.2 It may, at times, be appropriate (and for your benefit) for us to use other parties such as wholesale brokers, excess and surplus lines brokers, underwriter managers, managing general agents or reinsurance intermediaries. These parties may also earn and retain commissions for their role in providing products and services for you.

12.3 if you wish us to carry out any task beyond the Services you initially require, these will be subject to an additional fee and/or brokerage. We will not impose any fees or additional charges on you without prior notification or discussion.

12.4 We may receive administrative fees or commissions from insurers with whom we have placed your insurances. We may also receive additional amounts from insurers, usually at the end of their accounting period and normally on a contract-by-contract basis, in recognition of prompt payment or profitability (sometimes called “profit commissions”). We do not receive any remuneration from insurers in respect of the overall level of business we place with them (sometimes called “Market Service Agreements” and “Placing Services Agreements”).

12.5 As a commercial customer, you may ask us at any time to disclose the commission we receive for placing your insurance business.

13. Conflicts

13.1 In the event that we identify a conflict of interest in our providing the Services to you, we will immediately notify you and, where we are able to do so, will agree how to continue to provide the Services.

13.2 During the submission and consideration of any claim that you may have under an insurance contract we may provide, and be separately remunerated for, limited services to your insurers. In performing these services we will always use reasonable endeavours to avoid a conflict of interest. Should we consider, however, that a conflict has arisen, then we shall take no further action on behalf of the insurer without your written approval.

14. Claims

14.1 You must notify us immediately of all details of any incidents that could give rise to a claim and provide us with all material information in order for us to assist you to comply with the terms of your insurance contract. Failure to notify an incident immediately may give insurers the right to avoid paying your claim.

14.2 Where claims are to be dealt with by you with insurers directly we will provide you advice and support as necessary. We may use third party claims handling services, however, where we intend to do so we shall inform you prior to the inception of the insurance contract

14.3 We will promptly inform you of the acceptance or denial of your claim, together with any explanation of that insurer’s reasons.

14.4 We will provide a claims handling service for you as long as you remain a client of G&T. However, if you cease to be our client but request us to handle any claim on your behalf, we reserve the right to charge for such services.

15. Complaints and compensation arrangements

15.1 Should you have any cause for complaint about our services, please, raise the matter in the first instance with the person who handles your account. Alternatively, all complaints should be addressed to:

The Managing Director
G&T Brokers Limited
4th Floor
1 Gracechurch Street, London
EC3V 0DD

We will advise you of the person dealing with your complaint and we will send you a copy of our complaints procedure.

15.2 If we are unable to settle your complaint with us, you may be entitled to refer it to:

The Financial Ombudsman Service.

You can contact the Financial Ombudsman Service by telephone on 0800 0 234 567 and further information is available at <http://www.financial-ombudsman.org.uk/>. If you do decide to refer any matter to the Financial Ombudsman Service your legal rights will not be affected. We will provide a summary of our complaints handling procedures should you make a complaint which we cannot resolve informally and at any other time, upon your request.

15.3 We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation 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 90% of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, also without any upper limit. Further information about compensation scheme arrangements is available from the FSCS on 0800 678 1100 or 020 7741 4100 or by visiting <http://www.fscs.org.uk/>.

16. Confidentiality

16.1 Information provided by you to us will remain confidential, and will only be disclosed by us in the normal course of negotiating, maintaining or renewing your insurance policies, unless you have consented otherwise.

16.2 We may disclose the fact that you are our client but no other details. Disclosure may also be made to our regulator, and to our agents or other service providers, or where we are legally obliged to disclose the information. If you wish, we shall be pleased to enter into a specific confidentiality agreement with you.

16.2.1 Your data will be held in accordance with the Data Protection Act 1998. Under section 7 of the Act individuals are entitled to access the information that an organisation holds about them. In the event that you wish to make a request for access please write to the **Finance Director d G&T Brokers Limited at the address shown at 14.1**

16.3 We and/or the insurers and/or credit providers may use publicly available data from a variety of sources, including credit reference agencies and other external organisations to verify your identity or creditworthiness, to avoid fraud, and to obtain beneficial quotes and payment options on your behalf. Each of the searches may appear on your credit report whether or not your application proceeds.
By accepting these terms and conditions you agree to these uses of your information.

17. Money laundering /Proceeds of crime

17.1 We are obliged by UK money laundering regulations to undertake customer due diligence measures to verify the identity of clients, and to seek further information from you if you request us to make any payments to a third party. We are obliged to report to the National Crime Agency any suspicion of money laundering or terrorist financing activity and we are prohibited from disclosing any such report.

18. Compliance

18.1 We will pay due regard to, and you agree to co-operate with us to ensure compliance with, any applicable international economic, financial or trade sanctions legislation.

18.2 We will not be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any law against bribery (including the Bribery Act 2010). We are required to maintain anti-corruption/bribery policies and procedures which seek to prevent corruption/bribery offences and so we may take, or omit to take, any action where reasonably necessary to comply with such policies and procedures.

G&T Brokers Limited
4th Floor
1 Gracechurch Street, London
EC3V 0DD, United Kingdom

T +44 (0)20 3141 6370
T +44 (0)20 3141 6372
www.gandtbrokers.co.uk

19. E-mails

19.1 As part of our day-to-day communications with you, we may utilise e-mail and this will be acceptable, unless you advise us to the contrary.

19.2 By communicating with us via e-mail you cannot later contend that this method of communication was invalid or unenforceable on that basis alone. You will also be taken to appreciate and accept its inherent risks and that communication in this form is writing for the purpose of any law or regulation when writing is required.

20. Termination of our Services

20.1 Whilst our wish is to retain the business and goodwill of our clients, you or we may terminate the services by giving one month notice in writing. In the event our services are terminated by you, we will be entitled to receive any and all fees or brokerage payable (whether or not the same have been received by us) in relation to contracts placed by us.

21. Third party rights

21.1 This TOBA is not intended to and it does not confer a benefit or remedy on any third party, whether by virtue of the Contract (Rights of Third Parties) Act 1999 or otherwise, save for the employees' right to enforce the terms of Schedule B. Further, we may rescind or vary this TOBA as it applies to you, whether in whole or in part without the consent of any third party.

22. No Joint Venture

22.1 Neither this TOBA nor any actions taken by either you or us pursuant to this TOBA will create or be construed as creating a partnership association, joint venture or other co-operative entity between you and us.

23. Language

23.1 Unless otherwise agreed with you in writing, all evidence of cover and other documentation provided to you, and any discussion with you, will be in English. Unless we have agreed otherwise with you, please ensure that any documentation and/or instructions that you provide to us are always in English.

24. Intellectual property

24.1 We shall retain all title, copyright, patents and other intellectual property rights to all methodologies and documents used in our provision of the Services to you.

25. Authority to give instructions

25.1 Unless instructed otherwise, we shall assume that all of your employees, directors and officers who give us instructions are authorised to do so and that we may act on oral instructions.

26. Governing law and jurisdiction

26.1 This TOBA, any associated letter/correspondence and our business relationship with you are governed by English law and are subject to the exclusive jurisdiction of the High Court in London

27. Severability

27.1 If any term of this TOBA, or any part of such term, is or becomes illegal, invalid or unenforceable in any respect, then the remainder of the TOBA will remain valid and enforceable

28. Entire agreement

28.1 This TOBA, including, for the avoidance of doubt Schedule A, constitutes the entire agreement between both you and us with regard to our engagement and supersedes all proposals, prior discussions and representations, oral or written, between both of us relating to the Services.

29. Force majeure

29.1 We shall not be liable to you if we are unable to perform the Services as a result of any cause beyond our reasonable control. In the event of any such occurrence affecting us we shall notify you as soon as reasonably practicable.

30. Your acceptance of these terms

30.1 It is deemed that you consent to working with us based on the terms of this TOBA if, having received this TOBA, you instruct us and/or continue to do business with us.

How to cancel

You may have a statutory right to cancel a policy you take out through us within a short period. Please refer to your policy summary or your policy document for further details. If you cancel within the statutory cancellation period (where this applies) you will receive a pro rata refund of premium from the insurer. Insurers are also entitled to make an administrative charge. If you wish to cancel outside the statutory cancellation period (where this applies) you may not receive a pro rata refund of premium.

G&T Brokers Limited

Terms of Business Agreement – Schedule A

Sections applicable in special circumstances

A1 To the extent that you are a broker client:

A1.1 You will be a “commercial customer” as defined in the FCA regulations.

A1.2 Our duties are solely to you as our client, though you in turn will owe duties of care either to the ultimate policyholder or to another intermediate party. We expect and will seek confirmation that you have considered and taken all reasonable steps to ensure that customers are treated fairly. In all cases you must ensure that you have full authority to instruct us. It is your obligation to ensure that your client is aware of all the terms of any insurance policy obtained by us on your instructions. It is also your obligation to ensure that you hold and comply with all necessary licences.

A1.3 You understand and agree that we do not assume a responsibility or a duty of care to the ultimate policyholder and that you undertake to explain this to the ultimate policyholder.

A2 To the extent that you are a P&I Club member requiring market cover:

A2.1 When our only involvement with you is to place a marine risk that is not covered by your P&I Club, you will be our client for that purpose only. Some information and instructions will be provided to us directly by your P&I Club, and so unless they authorise us in writing to send your evidence of the insurance directly to you, we shall send it to your care of your P&I Club. It will be for you to obtain its release from your P&I Club. This will fulfil our obligations, set out elsewhere in this TOBA, to provide you with evidence of cover and policy documentation.

A2.2 Although you may have limited contact with us, possibly at very short notice, you will still owe us all the duties of care set out in full in this TOBA. You should read this TOBA carefully, particularly noting your duties of disclosure and utmost good faith, and the requirements concerning premium payment, money laundering and client money.

A3 To the extent that you select insurers:

A3.1 If you instruct us to place all or part of a risk with a specific insurer, in addition to the conditions set out at clause 4, you will be warranting that this is a lawful placement. This means that the insurer is able to underwrite the risk lawfully and that the placement complies with all applicable insurance or other regulations.

A3.2 If it is not a lawful placement, then you agree that you expressly release us from any liability arising out of the placement and that you will indemnify us for any damage, expense or fines we may sustain or incur.