

Terms of Business Agreement

between

Kerry London Limited

trading as

KLUA Underwriting Agency

and/or

Kerry London Wholesale

and

the “Producing Broker”

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1. Introduction

- 1.1 This Agreement is between the Producing Broker, whose name and registered address are as stated on the Signatory Page of this Agreement and Kerry London Limited, referred to hereinafter as KLL or other Names or trading styles as may be created..
- 1.2 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 Conduct Authority or other recognised Regulatory bodies' requirements.

2. Interpretations & Definitions

Within this Agreement, unless otherwise stated, the following words or expressions shall have the following meaning set against them;

We, Us and Our refers to Kerry London Limited.

You and Your refers to the Producing Broker

Together We and You are referred to as Both Parties or Us Both.

- 2.1 "FCA" - means the Financial Conduct Authority or any successor regulatory body.
- 2.2 "Client or Clients" - means a person or legal person or entity who is a Client or prospective Client of the Producing Broker.
- 2.3 Improper Performance – means performance of a function or activity in breach of a relevant expectation ie that the function or activity should be performed in good faith, impartially, or by a person in a position of trust.
- 2.4 "Insurer" - means the entity with whom KLL has placed the insurance.
- 2.5 "Insurance or General Insurance Mediation Activity" - means any type of insurance contract as defined in Article 10 and Schedule 1, Part 1 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 and any subsequent amendments of said regulation.
- 2.6 "Policy" - means any policy or certificate of insurance issued by KLL or the insurer in accordance with this Agreement.
- 2.7 Relevant function or activity – means any public function, and any business or employment activity, whether within or outside the UK.
- 2.8 "Territory" - means Great Britain, Northern Ireland, the Channel Islands, Republic of Ireland and the Isle of Man.
- 2.9 "Business" - means any type of Insurance contract or any related services which the Producing Broker and KLL are empowered to transact."

In this Agreement words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of the Agreement.

2. Commencement & Term

- 2.1 This Agreement takes effect from xx day of xxxxxx 201x and shall remain in force unless terminated in accordance with clauses 18 (Termination) and 20 (Service of Notices)

3. Scope

- 3.1 Both Parties agree that the terms of this Agreement will apply to and govern any and all dealings between Us.
- 3.2 This Terms of Business Agreement replaces all previous Agreements.

3.3 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.

4. Territorial Limits

4.1 This Agreement relates and applies to risks where the Client and the subject matter of the insurance are domiciled within the Territory, unless otherwise agreed in writing.

5. Jurisdiction & Governing Law

5.1 The construction, validity and performance of this Agreement shall be governed in all respects by English Law and any proceedings arising out of or connected with this Agreement shall be subject to the exclusive jurisdiction of the English Courts.

6. Your Obligations & Representation

6.1 You shall:

6.1.1 Remain regulated and authorised by the FCA or other recognized Regulatory Body and perform all General Insurance Mediation Activities in accordance with governing rules and principles set out by the FCA and any other applicable statutory regulation.

6.1.2 Act at all times with utmost integrity, due skill, care and diligence in the course of providing such activities.

6.1.3 Correspond with Clients, passing promptly to them policy documentation and certificates of insurance having regard to the requirements of the FCA and bring to their attention all terms, conditions and subjectivities, taking due care and attention to accuracy.

6.1.4 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.

6.1.5 Remain authorised by the FCA or other subsequent or recognized Regulatory Body to handle client money and collect premiums for the client unless previously agreed by KLL in writing

6.1.6 Immediately notify KLL in writing, if You relinquish Your FCA or other subsequent or Recognised Body permission to handle client money

6.1.7 Obtain and provide without delay a fair presentation of the Insured's risks relating to the policy being requested including all necessary documentation and information. This also extends to include satisfactory responses to any queries raised within the specified timescales. If We are of the view that the fair presentation is not true, fair or complete We will request that the necessary disclosures are made and if this is not forthcoming We will consider declining or withdrawing cover.

6.1.8. Develop and maintain adequate records to contain all information relevant to any and all insurances and all obligations placed upon You pursuant to this Agreement.

6.1.9 Indemnify Us against all loss, expense or damage incurred by Us due to an act of error or omission on Your part in carrying out Your duties under this Agreement.

6.1.10 Secure and maintain all licences as may be required by applicable law or convention in the performance of the obligations under this Agreement and comply with all applicable data protection laws and regulations relating to the use, processing and storage of data.

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

6.1.12 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.

6.1.13 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 FCA.

6.1.14 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.

6.1.15 as agent of the Client You will be responsible for premium payment and such liability may arise in the event of an Insurer becoming insolvent. 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.

6.2 You shall not:

6.2.1 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.

6.2.2 Use or cause or permit the use of the name KLL, KLUA Underwriting Agency or Kerry London Wholesale except in the manner and to the extent specifically provided by this Agreement.

6.2.3 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.

6.2.4 Transfer the rights or obligations of this Agreement to another Company or Producing Broker without prior written consent from Us.

6.3 Present Yourself as an Appointed Representative of Us (as defined in the Financial Services & Markets Act 2000) and this Agreement does not confer on You any authority under this Agreement to appoint any third party as an Appointed Representative to us.

6.4 Both Parties agree that Bribery, as defined under the Bribery Act 2010, is prohibited. You will therefore

6.4.1 Not offer or provide a financial or other advantage to another person, where the advantage is intended to induce a person to perform improperly a relevant function or activity or reward from that improper performance.

6.4.2 Not request or accept a financial or other advantage, with the intention that, as a consequence, a relevant function or activity should be performed improperly.

6.4.3 Not offer or provide a financial or other advantage to a foreign official with the intention of obtaining or retaining business or an advantage in the conduct of business.

6.4.4 Have in place adequate procedures designed to prevent associated persons from committing bribery offences.

7. Your Claims Authority & Obligations

7.1 You shall not negotiate, adjust, compromise, settle or commit Us or any insurer to any liabilities in respect of claims.

7.2 You must notify Us or any Insurer (as appropriate) providing full and accurate details immediately when notification of a claim is received from a Client.

7.3 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 FCA to hold such claims money.

8. Commission, Fees & Charges

8.1 You may be entitled to remuneration by way of Commission when producing Business with Us; however, this is payable at Our discretion and must be agreed in writing prior to cover commencing.

8.2 Any commission payable to You:

- 8.2.1 is only applicable on premiums and not on any taxation, fees or charges.
- 8.2.2 Will be paid in accordance with procedures agreed at the commencement of this Agreement and cannot be accounted for until You have received cleared funds from the Client.
- 8.2.3 Will only be paid where the Client recognises You as the Client's agent for the purposes of arranging the relevant insurance at inception or renewal.
- 8.3 Where Business is placed on a net premium basis You will not be entitled to any commission and should make Your own arrangements in respect of fees and charges.
- 8.3.1 You agree to disclose to the Client any fees, commission or charges, as required by the FCA.
- 8.4 We may recover from You any relevant amount of commission on cancelled policies or where an adjustment results in a return premium.
- 8.4.1 If you owe Us a return of commission, we reserve the right to deduct such commission from commission due to you.
- 8.5 We may charge a Fee in connection with the placement of any Insurance. The level of such fees will always be shown on our quotations, adjustment or renewal notices to you.

9. Credit & Payment

- 9.1 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.
- 9.2 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, within 30 calendar days of inception or within other timescales if specifically agreed in writing prior to inception of the arranged insurance policies whether the premium has been received by You or not.
- 9.3 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.
- 9.4 No allowance will be made for:
- 9.4.1 Any delay caused by deficiencies within Your accounting system.
- 9.4.2 Your inability to obtain monies from the Client.
- 9.4.3 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
- 9.5 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.

10. Responsibility for Premiums

- 10.1 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.
- 10.2 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.
- 10.3 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.
- 10.4 We reserve the right to suspend this Agreement and make arrangements to collect outstanding premiums

direct from the Clients in the event of:

10.4.1 Fraud by You.

10.4.2 Civil or Criminal charges made against You material to the operation of the Business under the terms of this Agreement.

10.4.3 You ceasing to hold a Part IV permission under FCA rules.

10.4.4 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.

10.4.5 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.

10.5 Where You have permission to hold client money You must ensure that all premiums or claim monies or other sums received or collected by You related to insurance Business transacted with Us shall upon receipt be paid by You into a Statutory Trust or a Non Statutory trust bank account in accordance with FCA rules governing holding client monies.

10.6 Where You do not have permission to hold client money You must obtain written agreement from Us prior to inception on how payments will be handled.

10.7 Whilst We have been afforded Risk Transfer for all of Our Providers, please note that this facility will not be cascaded to You unless stated otherwise. This clause is not applicable to cases for which a Premium Payment Warranty is in force and in respect of any such business the Premium Payment Warranty requirements will be advised at quotation and inception.

11. Client Relationship

11.1 We undertake that during the currency of this Agreement We will not directly and knowingly solicit Business away from You or pass to any third party any information supplied by You in respect of Business placed with Us save to the extent required in performance of our obligations under this Agreement.

11.2 We undertake not to make any arrangements to communicate direct with any of Your Clients, except for the purposes of negotiating a claim, during the currency of this Agreement other than for circumstances set out in the provisions of paragraph 10.4 or 17.

12. Insurer Relationship

12.1 You acknowledge that the Insurer is contracting business with KLL and You will not communicate directly with the Insurer unless specifically requested to do so in writing by Us.

13. Data Protection and Security

13.1 Both Parties agree to duly observe all the requirements of the Data Protection Act 1998 as amended from time to time, together with all relevant guidelines and guidance notes issued from time to time by the Information Commissioner together with Privacy and Electronic Communications (EC Directive) Regulations 2003 as amended from time to time. You undertake to procure all necessary consents prior to the transfer of Clients details and prospective Clients to Us.

13.2 Both Parties must take reasonable care to ensure that effective systems and controls are in place to manage risks related to the security of confidential Client information.

13.2 You undertake to:

13.2.1 Allow Us or Our representative access to any relevant premises on reasonable notice to inspect Your personal data processing procedure.

13.2.3 Ensure that the personal data provided to Us is used only for the purpose for which it was collected and disclosed.

13.2.5 Indemnify Us against any losses or damages brought against Us as a result of You failing to comply with the Data Protection Act 1998 or any substitute thereof.

14. Confidentiality & intellectual Property

14.1 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.

14.2 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.

15. Enforceability

15.1 In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be unenforceable, such provision or provisions shall be ineffective only to the extent of such unenforceability, without invalidating the remainder of such provision or provisions of this Agreement. This Agreement shall be construed as if such invalid, illegal or unenforceable provisions or provisions had never been contained herein, unless such a construction would be unreasonable.

16. Compliance

16.1 You shall ensure that Professional Indemnity Insurance specified under clause 6.1.13 must be in existence and evidence of this insurance must be readily available as and when requested.

16.2 You must remain directly authorised by the FCA to carry out General Insurance Mediation throughout the duration of this Agreement.

16.3 You maintain adequate systems and controls to prevent financial crime, including anti money laundering and sanctions checking procedures and fraud prevention policies.

16.3 You will notify Us immediately in the event that:

16.3.1 Any authority given to You is or is threatened to be withdrawn, suspended, qualified, impaired or modified.

16.3.2 Any claim or potential claim is intimated under the Professional Indemnity Insurance relating to any Business placed in respect of this Agreement.

16.3.3 You become the subject of an investigation or audit by the FCA or any other regulatory authority other than routine FCA monitoring visits.

17. Suspension

17.1 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.

18. Termination

18.1 This Agreement may be terminated:

18.1.1 By either Us or You provided that written notice is given specifying the effective date of termination which shall not be less than 30 calendar days.

18.1.2 By either Us or You immediately if there are reasonable grounds to suspect fraud or dishonesty on the part of the other party.

18.1.3 By either Us or You where there has been a breach of the Agreement which has failed to be remedied within 3 working days of a written request from the party not in breach, or immediately where the breach is

irredeemable.

18.1.4 By Us immediately upon Your death, insolvency (ie unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986), 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.

18.1.5 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 FCA of any permission or authorisation held by You.

18.1.6 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 and/or we are of the view that You are no longer of good repute..

18.1.7 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.

18.1.8 By Us where You no longer possess the required knowledge or ability to meet the requirements of this Agreement.

18.1.9 By Us where we become aware of any breach of sections 6.1.1, 6.4 and 16 of this Agreement.

18.2 Immediately following termination of this Agreement You will

18.2.1 Pay 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.

18.2.2 Agree to fully co-operate with Us in the investigation of any matter related to the business undertaken on behalf of Us and /or Your activities in connection with this Agreement.

18.3 You shall indemnify Us and hold Us harmless from and against all losses, liabilities and related costs and expenses which maybe 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.

19. Consequences of Termination

19.1 Following termination of this Agreement We shall not accept any new business proposed by You and shall not issue renewal invitations to You.

19.2 Where following termination You are no longer authorised You shall immediately provide Us with all necessary information and documentation to enable Us to contact and deal directly with Clients.

19.3 Termination of this Agreement shall not in any circumstances give to a claim for compensation by You.

19.4 Any provision of this Agreement which expressly or by implication is intended to come into or continue in force on or after termination of this Agreement shall remain in force and effect. This Agreement may be terminated:

20. Service of Notices

20.1 Any notice account, document or other written communication to be given under this Agreement shall be sent by first class recorded delivery post, by hand, or facsimile to the registered office of the party to be served or such address as shall be notified by a party for this purpose.

20.2 Any notice account or other written communication posted shall be deemed to have been received 48 hours after it shall have been posted and any notice sent by facsimile (if transmitted during Business Hours) be deemed to have been received within one Business Hour and if not transmitted during Business Hours shall be deemed to have been received at the commencement of the next Business Day. Any notice sent by facsimile shall be confirmed by forwarding a hard copy in one of the manners provided above.

20.3 In providing service of a notice it shall be sufficient to prove that delivery was made or that the envelope containing the notice was properly addressed and posted by recorded delivery post.

21. Rights of Third Party

21.1 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.

22. Variation

22.1 We reserve the right to vary the terms of this Agreement at any time by giving You 30 calendar day's written notice.

23. No Waiver

23.1 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.

24. Complaints

24.1 On Notification of a complaint by any Client concerning Business placed under this Agreement regarding Us, this should be forwarded to Us without delay and addressed to the Managing Director at the address on this Agreement.

24.2 We have a formal complaints procedure which will be forwarded following receipt of a complaint from You.

25. Dispute Resolution

25.1 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.

25.2 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.

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

26. Force Majeure

27.1 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.

27. General Interpretation of this Agreement

27.1 In this Agreement, words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of this Agreement.

28. Entire Agreement

28.1 This Agreement sets out the entire agreement between Us Both in connection with the subject matter referred to in it and supersedes all prior discussions, statements, representations, terms and conditions, proposals, communications and understandings whenever given and whether orally or in writing.

Your Details

Company Name: _____

Full trading titles:

Address:

Telephone No:

Company Email:

Contact Name:

Contact Direct Tel:

Contact Email:

FCA No:

Does your FCA permission allow you to hold client monies: YES NO

If not, please contact us to make suitable arrangements for payment.

Company Registration Number Consumer Credit
Licence No:

Do you accept sub-broked Business as a wholesale broker: YES NO

If "Yes" please contact us to ensure that we can place this Business on your behalf.

We confirm that the above information is complete and correct and that I/we agree to comply with
the Terms of Business Agreement

SIGNED for and on behalf of KLL: _____

BY: _____
(Print Name in Block Capitals)

TITLE/ POSITION: _____

DATE: _____

SIGNED for and on behalf of THE PRODUCING BROKER: _____

BY: _____
(Print Name in Block Capitals)

TITLE/ POSITION: _____

DATE: _____