

CLIENT TERMS OF BUSINESS AGREEMENT

General Information

V.Scope Risk Management Ltd (V.Scope) is an appointed representative of Seascope Insurance Services Ltd. (SIS), an independent insurance broker.

V.Scope has received a Grant of Permission under Part IV of the Financial Services and Markets Act 2000 and with effect from 5th August 2013 is an "Appointed Representative" regulated by the Financial Conduct Authority (FCA) for its permitted business of arranging general insurance contracts for clients; the FCA Reference Number is 605515.

SIS has received a Grant of Permission under Part IV of the Financial Services and Markets Act 2000 and with effect from 14th January 2005 is an "Authorised Person" regulated by the Financial Conduct Authority (FCA) for its permitted business of arranging general insurance contracts for clients; the FCA Reference Number is 312786.

Throughout this Agreement the word "insurance" is deemed to include reinsurance where appropriate.

We are required to comply with the FCA Regulations relating to an insurance intermediary firm. These regulations include:

- A firm must conduct its business with integrity and pay due regard to the interests of its clients and treat them fairly.
- A firm must conduct its business with due skill, care and diligence.
- A firm must pay due regard to the information needs of its clients and communicate information to them in a way that is clear, fair and not misleading.
- A firm must manage conflicts of interest fairly, both between itself and its clients and between a client and another client.
- A firm which holds client money has to meet certain specified conditions.
- A firm must take reasonable care to establish and maintain such systems and controls as are appropriate to the business.
- A firm must maintain and keep up to date a list of the insurance undertakings it selects from and be able to provide a copy of this list in a durable medium to a client on request.

Please read this Terms of Business Agreement carefully. It sets out the Terms on which V.Scope will be pleased to provide Insurance Broking Services to you, our client, and it contains details of our Regulatory and Statutory Responsibilities. It reflects any special arrangements that exist between us and it supersedes all previous agreements. We would specifically draw your attention to the following paragraphs:

Duty of Disclosure

Client Money/Insurer Money

Interest on Client Money

Duration and Termination

Confidentiality

We undertake to treat any information in our possession relating to your business as confidential, save as it necessary in the performance of our duties on your behalf. We will not disclose to any third party, without your prior consent, any information relating to your business other than as may be required by law or rule of a regulatory authority or professional body by whose rules we may be bound.

Relationships and Placing Business

As independent insurance intermediaries 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 act for and owe duties of care to other parties. We will advise when these circumstances occur so you will be aware of any possible conflict of interest.

We place business with a range of insurers. On request we will provide a list of the insurers with whom we currently place business. This list of insurers does not inhibit us from approaching alternative underwriters if we think that we can obtain better terms or service for your business elsewhere.

We will discuss with you, or your representatives, your insurance requirements, including the scope and limits of cover to be sought, together with the potential cost thereof. We will assist in seeking insurers for any appropriate proposed transaction and will negotiate terms with leading underwriters. Should either a proposal form or questionnaire be required we will, if requested, provide guidance on content but we are unable to complete it on your behalf. On receipt of your acceptance, which we expect to be given in writing, we will seek adequate support from following underwriters in the market. We will keep you informed of the progress made in placing your business and will advise you immediately of any inability to complete placement of the risk.

As an insurance intermediary we cannot guarantee the security of any insurer or intermediary used for your insurance requirements. A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer or intermediary becomes insolvent and we shall not be held liable ourselves for any irrecoverable losses that you might incur as a result of such insolvency.

Documentation

We will send you confirmation of the insurances placed, including details of the insurers, together with a summary of insuring conditions, debit notes showing the amounts of premiums payable, the due dates and any penalties that may be imposed by insurers for late payment. We will use best endeavours to provide you with this documentation within 30 days of the contract of insurance being concluded on your behalf.

You are responsible for reviewing this documentation to confirm that it accurately reflects the cover, conditions, limits and all other terms that you require. Particular attention should be paid to any policy conditions or warranties and the claims notification provisions, as failure to comply may invalidate your coverage. Should there be any discrepancies in the cover you should notify us immediately.

Changes and Renewals

Mid-term changes to your policy by insurers will be advised, in good time, prior to the change taking effect.

Before expiry of your policy you will be provided with renewal terms 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, changes to information required under EU Directives and a statement of renewal premium required.

Claims

You are responsible for notifying us as soon as possible of any claims or potential circumstances which might give rise to a claim.

We will provide a claims handling service during the term of the policy for policies placed by us, unless otherwise as agreed with you. We will make you aware of the standard procedures used by the markets where your business is placed and keep you fully acquainted with any changes thereto to ensure that you are not prejudiced in any way during the handling of your claim. Some policies may contain specific claim procedures and you should be completely familiar with such provisions.

Our services, include, provided you have informed us accordingly, the notification of claim to insurers, representing you in the settlement of the claim and arranging collection of the claim. Where claims are to be dealt with by you we will provide you with assistance in submitting the claim and seeking to obtain reimbursement for you.

When we collect claims monies these will be remitted to you as soon as possible. We are under no obligation at all to remit claim proceeds to you before we have received them from the insurers and in the event that an insurer becomes insolvent or delays making settlement we do not accept liability for unpaid amounts.

Duty of Disclosure

It is your responsibility to provide us with all the information we request and to ensure that it is true, complete and not misleading in any way. Furthermore, any other material information which is known to you, or which ought to be known to you in the ordinary course of your business, and which might influence an insurer in deciding to accept your risk must be disclosed, whether we have asked for it or not, before the contract is concluded. There is no duty on an underwriter to make enquiries of you and failure to make any such disclosure will entitle the insurer to avoid the policy. This duty of disclosure applies not only at inception but also on changes to cover and renewal.

You should discuss with us if you have any doubts about what is material information and you should not assume that we are aware of any such material factors.

Change in Circumstances

You will advise us as soon as reasonably practicable of any changes in your circumstances that may affect the services to be provided by us or the cover provided under your insurance policy.

Premium

On placing your business the insurer will stipulate the dates by which premium should be received by the insurer. You must provide the premium due, in cleared funds, by the dates specified in our debit note. Failure to meet any premium payment dates may lead to automatic cancellation of your policy.

We are under no obligation to fund premium to insurers on your behalf. In the event that the London Market automatically debits V.Scope with your premium before we have received it from you we reserve the right to change you interest for the duration of this involuntary funding at the rate of 2% over the base rate of Royal Bank of Scotland. Certain insurers automatically charge interest for the late payment of premium and such charges are to be considered payable by you.

Whilst we will do our best to forward premiums received to underwriters within the stipulated dates, delays caused by the time taken to clear cheques often delay the payment of premium to underwriters. We accept no responsibility for such bank delays and you should take these factors into account when paying your premiums.

In the event of late or non payment of premium we reserve the right to exercise our brokers' lien [Section 63(2) of the Marine Insurance Act 1906] in respect of outstanding premium or commission.

Remuneration

It is agreed that our remuneration will be either a percentage of the insurance premium paid by you and allowed to us by the insurers with whom the insurance is placed or as mutually agreed between us.

In addition we shall be entitled to deduct from claims settlements customary collecting commission or figure mutually agreed between us.

Our remuneration is earned for the policy period and we will be entitled to retain all remuneration in respect of the full policy period in relation to business placed by us. On request we will disclose the quantum of any remuneration received by us.

From time to time we may earn additional remuneration in the form of profit commission in recognition of the profitability of insurance contracts placed with insurers for specific periods.

Documentation Retention

It is our practice to retain documents for business effected on your behalf in paper or electronic format for a period of at least seven years after expiry.

For some types of insurance cover it is possible that a claim may be made long after the policy expiry date and it is therefore important that you keep such documentation safely for an appropriate period of time.

Client Money/Insurer Money

Client money is money of any currency that we receive and hold on behalf of clients in the course of carrying on business as an insurance intermediary, or money that we treat as client money in accordance with FCA Client Money Rules. There are however a few insurers who have elected for risk transfer, whereby we hold premium and claims monies as agent of the insurer. In these circumstances premium paid to us is deemed to be paid to the insurer. It is therefore possible that on any risk placed by us there could be a combination of some insurers who have accepted risk transfer and some who have not. If you would like to know the exact position on any particular placement please let us know.

Client money can be held in the following ways:

- Subject to a statutory trust
- Subject to a non-statutory trust
- In accordance with the FCA client assets sourcebook

V.Scope will only hold client money in a non-statutory trust and, other than that, does not hold or invest client money in any other way. The aim of the non-statutory trust is to protect a client in the event of the failure of V.Scope, or the failure of the bank or a third party at which money may be held. In such a circumstance general creditors should not be able to make a claim on client money as it will not form part of the property of V.Scope, the bank or the third party. Holding money subject to a non-statutory trust means that we are entitled to and may use client money held on behalf of one client to pay another client's premium before the premium is received from that other client and to pay claims and premium refunds to another client before we receive payment from the insurer. However, we are not entitled to use client money to pay commissions before we receive the relevant premium the client.

We also hold insurer money in the same non-statutory trust account. However it is a condition that insurers subordinate their rights to those of our clients in respect of monies held in the account.

The fact that we hold money on trust gives rise to fiduciary duties which will be owed to you until the client money reaches the insurer. If you do not agree to the holding of your client money in a non-statutory trust please let us know.

Interest of Client Money

Any interest earned on client money held by us will be retained, for our own use, rather than paid to you.

Payment to Third Parties

We may transfer client money to a third party, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf. This may include brokers or settlement agents outside the UK.

The legal and regulatory regimes applying outside the UK may be different from that of the UK. In the event of the failure of a third party outside the UK this money may be treated in a different manner from that which would apply if the money were to be held by a broker or settlement agent in the UK. You may notify us if you do not want your money to be passed to a third party in a particular jurisdiction.

Changes

By written notification to you, the terms and conditions set out in this Agreement may be changed by us and such changes shall apply from the date our notification is received by you. Any revised terms will not affect transaction prior to the effective date of the change.

Cancellation Clause

Your insurance contract may contain a cancellation clause. In the event that you fail to pay your premium by the due date the insurance may be cancelled forthwith or by insurers giving notice of the cancellation. In the event of cancellation of the insurance contract insurers may return a pro rata premium to us.

In the event that the insurance is cancelled after inception, our remuneration will have been earned and will not be returnable to the client.

Sanctions Clause

We are unable to provide insurance broking, risk consulting, claims or other services or provide any benefit to the extent that the provision of such services or benefits would violate applicable law or expose that party or its affiliates to any sanction, prohibition or restriction under UN Security Council Resolutions or under other trade or economic sanctions, law or regulations.

Duration and Termination

This agreement shall commence from the date of this letter and shall continue indefinitely whilst you are a client of V.Scope, or until cancelled by either party giving 60 days notice in writing.

In the event that this agreement is terminated by you we will be entitled to receive any outstanding remuneration payable.

Electronic Communications

We may wish to communicate with each other, and with third parties, by sending messages and documents by electronic mail. This method of communication entails the risks of interception, corruption and contamination by viruses. Unless you notify us to the contrary you are deemed to have accepted this is a durable medium of communication.

Complaints Procedure

We take all complaints seriously.

In the event of a complaint about our services please discuss the matter in the first instance with the contact person who handles your business. Complaints in writing should be addressed to the Compliance Officer at 57 Mansell Street London E1 8AN.

We will acknowledge receipt of your complaint within 5 working days of receipt and advise you of the person dealing with it. UK policyholders who are not happy with the response to their complaint may have the right to refer their case to the Financial Ombudsman at:

South Quay Plaza
183 Marsh Wall
London E1 9SR
Telephone: 0845 080 1800

Regulatory Obligations

We jointly agree to comply with all applicable regulatory requirements in relation to any transactions subject to this agreement.

We are subject to Rules and Regulations in addition to General Law. You acknowledge that our duties and obligations under this agreement are to be performed according to all such Rules, Regulations and Law.

We are regulated by the FCA and a copy of the FCA rules can be viewed on the FCA website at www.fca.org.uk

Money Laundering and Proceeds of Crime Act

UK money laundering regulations require us to obtain evidence of the identity of clients who we act at the start of a business relationship. For companies, other than listed ones, evidence of identity will usually comprise a copy of the certificate of incorporation, a list of directors and shareholders and the registered office address.

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 such a report to you or any other parties.

Claims payments will be made in favour of the assured. If a payment is to be made to a third party, such as mortgagee, then you must confirm the required payees name and details and provide an explanation for your request.

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. All such data will be kept secure.

Law and Jurisdiction

These Terms of Business shall 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 both irrevocably submit to the exclusive jurisdiction of the English Courts.

January 2020