

Commercial Client Agreement

1 Introduction

This Agreement is between you and **Howden UK Group Limited** ("we", "us", "our"), a subsidiary of Hyperion Insurance Group Limited ("HIG") whose registered office is at One Creechurch Place, London, EC3A 5AF. We also trade under the following names:

- Howden;
- R K Harrison;
- Howden UK
- Howden Care, BPIF Insurance Services, CLA Insurance Services, Crossfit International Insurance Program, EEF Insurance, Howden Private Office; 24/7 Sports Insurance.

About us

We are an independent Lloyd's insurance broker, authorised and regulated by the Financial Conduct Authority ("FCA").

Our FCA Firm Reference Number is 309639. These details can be checked on the Financial Services Register by visiting

<https://register.fca.org.uk> or by contacting the FCA on 0800 111 6768

We are permitted and normally provide some, or all of the following services, on the terms set out in this Agreement:

- arranging insurance cover for you;
- advising you on your insurance cover;
- assisting you with claims for the duration of your insurance contract; and
- acting as an agent.

Please note that references to "insurance" and "insurers" in this Agreement include "reinsurance" and "reinsurers".

HIG has subsidiaries, Dual Underwriting Limited and Dual Corporate Risks Limited ("DUAL") and Aqueduct Portfolio Management Limited ("APM"), which operate as managing general agents on behalf of insurers.

The intention of this Agreement is to clearly and concisely establish the basis of our relationship with you and the services that we will provide in respect of each insurance contract that we arrange or have arranged on your behalf, unless there is a more specific written agreement between us. We shall proceed on the basis that we have your informed consent to the terms of this Agreement.

We do not offer advice on legal, accounting or regulatory matters.

This Agreement takes effect from the date it is received by you and supersedes any previous Agreement that may have been sent to you by us or on our behalf.

We draw your attention specifically to the following sections:

- **Insurance Placing** – sets out the basis upon which we will act as your agent in relation to each insurance contract we arrange on your behalf;
- **Duty of Fair Presentation** – sets out your duty to make a fair presentation of the risk;
- **Client Monies** – sets out how we hold client money;
- **Remuneration** – sets out details of our earnings;
- **Limitation of Liability** – sets out how we limit our liability.

2 Our Services

Treating you fairly

We always aim to treat you fairly. This means that we will always endeavour to:

- conduct our business with due skill, care and integrity;
- not to put ourselves in a position where our primary duty to you is compromised;
- deal with any complaint sympathetically and independently;
- be transparent in the matter of our remuneration; and
- respect your confidentiality.

Independent advice

As an independent insurance intermediary we act as your agent. 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 you when these circumstances occur, so you will be aware of any possible conflict of interest. Some insurers may delegate authority to us to bind and administer an insurance contract on their behalf, including handling and processing claim payments. We will notify you if your insurance contract is placed under a delegated authority, as when conducting these activities we will also be acting on behalf of insurers and not solely as your independent agent.

In the event that our interests conflict with a duty we owe to you, we shall refrain from taking any action until we have received your informed consent to our intended course of action.

Insurance placing

Before commencing negotiations with insurers, we look to establish a proper understanding of your insurance requirements. We will advise on appropriate insurances available to meet your requirements and the relative merits of a single insurer or a multiple insurer placement. We seek to negotiate and secure competitive indications and quotations for insurance which provide a level of coverage, which, in our opinion, is suitable for you. Where we are unable to meet your requirements we will advise you.

Our search for insurance to meet your requirements may mean that we:

- approach a single insurer;
- arrange cover with a number of insurers selected on the basis of our knowledge and experience of the insurance market;
- arrange cover with DUAL or APM who hold delegated authorities from certain insurers to bind cover on their behalf and are remunerated by insurers for their services. If DUAL or APM have provided terms for your consideration, it is identified in your quotation and/or policy documentation, as are the details of the insurers on whose behalf they act;
- provide you with insurance cover under a delegated authority granted to us by an insurer(s), or by DUAL or APM, and this is noted in your quotation and policy documentation.

A list of insurers we select from or deal with in relation to any insurance contract or product we offer or arrange is available to you on request.

Provision of documentation

We will provide you with written confirmation once we have completed your insurance(s). This will be the evidence of insurance we have arranged and which may take the form of an insurer document (such as a copy of the Market Reform Contract or a formal policy document or certificate), covernote, or a broker insurance document which

provides confirmation of the terms of the insurance contract we have arranged, and where applicable a schedule of insurer(s) with whom the risk has been placed. As more fully described below, it is your responsibility promptly to check this and notify us if it does not meet your requirements.

Debit note

Our debit note (or equivalent document) will show the premium, any fee due to us and, where relevant, any insurance premium tax, duty or other charge which needs to be remitted to the appropriate authorities by insurers, or which is allowed by insurers to be deducted from the premium payable. If a tax, duty or other charge becomes payable as a result of the insurance contract and is in excess of the gross premium or allowed to be deducted by you from the premium payable, it is your responsibility to ensure that it is remitted to the appropriate authority(ies), unless otherwise stated in our debit note.

Midterm amendments and adjustments

Any amendments to the insurance contract must be requested in writing and will be confirmed by us with an addendum or endorsement.

Claims notifications

You must notify us as soon as possible of any loss, claim or circumstance which falls within the notification provisions of your insurance contract. Failure to notify insurer(s) promptly may entitle them to reject your claim. You should not admit liability or agree to any course of action, other than emergency measures carried out to minimise the loss, or in the interests of health and safety, until you have obtained agreement from your insurer.

Claims procedures

Unless otherwise instructed, we will act as your representative in negotiations with insurers and will endeavour to ensure prompt and equitable settlement of all valid claims.

However, where we have been granted authority by an insurer to negotiate and settle claims under a delegated authority, we will act on behalf of the insurer. We will make you aware of any claims that will be dealt with by us in this capacity, rather than as your agent.

You should be aware that we may perform a limited service for insurer(s) by relaying instructions, disseminating reports and collecting fees or other disbursements, for insurer(s)' advisors (e.g. surveyors, adjusters and lawyers) where we consider this does not create a conflict of interest. If we consider a conflict of interest may arise, we will refrain from performing any (further) services for insurer(s), unless you otherwise agree in writing.

In the event that an insurer delays making settlement of a claim for any reason, we do not accept liability to pay such amounts, until and unless the insurer has paid the claim to us in cleared funds.

Solvency of insurers

We will only arrange insurance with insurer(s) who have been approved by our Security Committee or for which you have given us specific written approval. Whilst we rely on established rating agencies and use all reasonable endeavours to review information regarding insurers, solvency of an insurer(s) cannot be and is not guaranteed.

Group companies and other intermediaries

Where we consider it appropriate we may engage the services of another intermediary (including other subsidiary and associated companies of HIG) to act as our agent and assist us in the placement of your insurance contract. For example, many countries require the use of local intermediaries to access local insurance

markets. In such cases, we will provide specific instructions to such intermediaries

so as to meet your insurance requirements. Please note that these intermediaries may be remunerated separately to us, such as by a fee (agreed by you or us) or by way of commission from insurers.

3 Your Responsibilities

Provisions of instructions, information and completion of any required form

To enable us to fulfill your instructions you must provide us with the information necessary regarding your insurance contract so that we can understand your requirements. Certain classes of insurance require the completion of a proposal form, questionnaire or equivalent document. You must complete such documents accurately. Whilst we may give guidance regarding the completion of these documents, we cannot sign these documents for you.

Duty of fair presentation

An insurance contract is one of the utmost good faith.

Under English law, you owe a duty to make a fair presentation of the risk to the insurer. You have a duty to disclose to the insurer every material circumstance which you know or ought to know after a reasonable search or which is sufficient to put the insurer on notice that it needs to make further enquiries for the purpose of revealing those material circumstances. In addition, you have a duty to disclose information in a clear and accessible manner.

A circumstance is material if it would influence a prudent insurer's judgment in determining whether to take the risk and, if so, on what terms.

Failure to disclose a material circumstance may entitle an insurer to:

- in some circumstances, avoid the policy from inception and in this event any claims under the policy would not be paid;
- impose different terms on your cover; and/or
- proportionately reduce the amount of any claim payable.

This duty applies:

- before your cover is placed;
- when it is renewed; and
- at any time that it is varied.

Your policy wording may also provide that this duty continues for the duration of the policy.

You should contact us immediately for assistance if you are unsure whether information may be material, or if it comes to your attention that you may have not disclosed full and accurate information.

Check documentation and acceptance of coverage

It is your responsibility to check the documentation we send you in relation to each insurance contract and satisfy yourself that it is entirely in accordance with your understanding and instructions. You should advise us promptly of any incorrect points or changes required. Otherwise, we will assume that the documentation and insurance contract satisfy your requirements.

We can only agree to bind an insurance contract on your behalf upon receipt of formal written instructions from you.

It is important that you keep your insurance documents safe.

Payment terms

In order for us to meet an insurer's premium payment terms, premiums must be settled to us by the payment date(s) specified in

our debit note. In certain circumstances, insurer(s) will stipulate special premium payment terms which, if not met, may affect the validity of the insurance contract. We will advise you when these circumstances arise. We are not under any obligation to settle the premium by the payment date(s) to insurer(s) on your behalf until we have received cleared funds from you by the relevant due date.

Payment methods

Insurance premiums should be settled on an individual debit note or credit note basis. We will issue Statements of Account periodically, if there are monies due to be paid by you.

All payments should be made to us in the currency as indicated on the debit note or statement and wherever possible, by electronic transfer. Bank account details will be advised to you.

Third Party

You may authorise a third party to instruct us with regard to the purchase of your insurance. The third party is acting as your agent and we may wish to satisfy ourselves at the outset that they are authorised to act in this capacity but we are under no obligation to do so.

We will act on all instructions received from your agent as if we were dealing with you directly and will continue doing so until you notify us in writing to the contrary. It is your responsibility to ensure that any instructions given to us by your agent are correct and to notify us of any limitations in respect of your agent's authority.

We will not be responsible for:

- (i) checking that your agent has accurately passed on your instructions;
- (ii) any exposure arising from inaccurate information submitted by your agent to either us or an insurer; and
- (iii) checking that your agent has your continuing authority to instruct us on your behalf.

United States direct procurement (as applicable)

In the event that you present any placement of a US domiciled entity or risk to us as being directly procured, you warrant that it is a lawful placement under any applicable US state direct procurement laws. A lawful placement is a placement where the underwriting of the risk by the insurer(s) and the involvement of any local and out of state intermediary or consultant in the placement process complies with all applicable laws and regulations governing the transaction.

4 Complaints

We strive to do everything to ensure that you receive the best possible service. However, if you wish to make a complaint about our service you may do so by contacting any of our employees by whatever means is convenient to you. Alternatively, you can direct your complaint to our Head of Business Risk at the address set out at the beginning of this Agreement.

We will acknowledge receipt of your complaint in writing within 5 working days and give you our response to your complaint at this time if we can. If our investigation takes longer, we will usually provide you with a full written response within 20 working days of the acknowledgement.

5 Confidentiality and Data Protection

This is a summary of how we use your personal and sensitive data. You can find our full privacy statement on our website or we can provide this to you on request. You should review this to ensure that you understand how your data will be used and your rights in respect of your data.

We will comply with Data Protection Law whenever we are

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processing information about you which is sensitive or personal in nature and we have policies and procedures in place to protect and manage that information. We treat all such information about you as private and confidential and we will always work to ensure that your personal data is processed lawfully, fairly and in a transparent manner and in compliance with Data Protection Law. This may include entering into other written agreements with you to enable us to comply with Data Protection Law.

We will however need to use and disclose the information we have about you in order to obtain insurance quotations and in the course of arranging, placing or administering insurance cover for you. This may involve passing information about you on to insurer(s), other intermediaries, risk management assessors, uninsured loss recovery agencies, service providers, industry regulators, auditors and other third parties involved directly or indirectly in your insurance cover.

The use and disclosure of personal data by various insurance market participants such as intermediaries, insurers and reinsurers are further explained in the Lloyd's and London Insurance Market Core Information Notice. Our core uses and disclosures are consistent with this notice and we recommend that you review this document which can be accessed via the link in our privacy notice.

Depending on the circumstances or nature of your insurance the disclosure of your personal information to any of the organisations referred to above may involve transfer out of the jurisdiction of the European Economic Area. If this is necessary we will always ensure that your data is protected as required by Data Protection Law.

We may need to use your data for research, statistical analysis and crime prevention including the investigation of fraud. Such activities may be carried out by third parties and we will always ensure that our contracts with such third parties are compliant with Data Protection Law. Sometimes we also pass information about you on to other companies which are part of HIG and we or they may use the information to provide you with information about products or services which may be of interest to you. We will only do this, however, in accordance with our obligations under the Data Protection Law.

In some circumstances, we will need to pass information about you on to credit reference agencies and premium finance providers in connection with the assessment of your financial standing generally and in particular where you have requested a premium instalment plan. This may include details of your payment record to us.

Where using your personal data relies on your consent, we will obtain your consent in accordance with Data Protection Law and you will be entitled to withdraw that consent. That may mean, however, that we are unable to arrange, place or administer your insurance cover properly.

If you have supplied us with personal or sensitive personal information relating to another individual or a third party, you must ensure that you have done so in compliance with Data Protection Law and provide the information to them which is required to be provided to individuals under Data Protection Law. This includes making them aware of their rights and of how we use their data and obtaining their consent where it is required in accordance with Data Protection Law.

In some cases you have the right to ask us to stop using your data, to tell us that you no longer want to receive information from us, to ask us to correct information we have about you or to ask us for the information we hold about you. Full details of your rights under Data Protection Law and how to enforce those rights are set out in our privacy statement on our website, which we can also supply on request.

"Data Protection Law" means all applicable statutes and regulations in any jurisdiction pertaining to the processing of Personal Data, including but not limited to the privacy and security of Personal Data.

6 Client Money

Client money is any money that we receive and hold in the course of arranging or administering insurance on your behalf, or which we treat as client money, in accordance with the FCA Client Assets sourcebook (CASS).

Non-Statutory Trust Account (Client Account)

We provide protection for your money by holding all client money in a general Client Account; a Non-Statutory Trust Account. This is segregated from our own money and CASS requires us to

maintain the solvency of the Client Account and conduct regular reconciliations. In the unlikely event of our failure, client money is available to clients ahead of other creditors.

Under CASS, money held in the Client Account may be used for the payment of premium or claims for another client before their monies are received, but increased controls are maintained where this occurs. We are not entitled to use client money to pay our fees or commission before we receive the relevant premium from you.

Risk transfer

Where we have agreed in writing with an insurer to receive money as their agent, money received from you or from the insurer, will be the property of the insurer whilst we hold it. If you pay a premium to us it will be treated as having been received by the insurer, which means you cannot be asked to pay it again, if we do not pay the premium to the insurer. Similarly, once we have received the premium, we would be unable to return it to you, for example in the event of the insurer becoming insolvent. Also, if the insurer pays claims money or a return premium to us for onward transmission to you and we do not pay you, then the insurer will still be liable to you.

Segregation of designated investments

Whilst we pay client money into a Client Account, we may arrange to invest this in a segregated designated investment, as permitted under CASS. If we do this, we will be responsible for meeting any shortfall that is attributable to falls in the market value of that designated investment.

Interest on client money

We may earn interest on cash amounts held and may benefit from foreign exchange differentials and returns on segregated designated investments. As permitted by CASS, any such interest or investment returns shall belong to us and we shall not be required to account for it to you.

Payment to third parties

We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf. Where we act as agent of an insurer for the purposes of holding or receiving claim payments or returning premiums, we will remit them to such parties as the insurer directs us to pay. We may otherwise only pay client money to you or your duly authorised representative if we have your specific instruction or consent. Where an intermediary or settlement agent is outside the UK, the legal and regulatory regime applying to the intermediary or settlement agent will be different from that applicable in the UK and, in the event of a failure of the intermediary or settlement agent, the client money may be treated differently than if the client money was held by a broker or settlement agent in the UK.

Bank accounts

Client money will be deposited in our Non-Statutory Trust with one or more FCA approved bank(s).

7 Remuneration

Our usual remuneration is either by way of brokerage (also known as commission), being a percentage of the premium charged by insurers in respect of the insurance contract arranged by us, or a fee which is agreed in advance with you for the services provided by us, or with your agreement a combination of both. Our remuneration is fully earned upon the inception of the insurance contract and, in the event that the insurance is cancelled or is terminated after inception for whatever reason, or if our appointment is terminated for any reason, we reserve the right to retain/recover the remuneration we have earned.

We may sometimes act as a reinsurance broker to an insurer to arrange reinsurance for the insurer directly involved with your insurance. This placement is subject to a separate and distinct contract with its own terms and conditions, including separate remuneration terms.

In addition to brokerage or fee, we may be remunerated, by the payment of profit commissions, profit shares, service fees and commissions by insurers in respect of a specified portfolio of business, usually placed under a delegated authority.

Where we introduce you to our preferred premium finance company, we receive additional remuneration for the administration services we provide for the premium finance company. You remain free to make your own choice of premium finance provider.

If we introduce you to another intermediary to access an insurance product for you, we may receive a proportion of the brokerage received by the other intermediary and payable by insurers to them, out of the premium which you pay.

We are committed to ensuring that our remuneration and payments we may make to third parties are transparent and so, at your request, we will fully disclose our remuneration, including any income additional to the brokerage or fee.

8 Termination

Either party may terminate this Agreement at any time by providing 30 days' written notice. In the event that our services are terminated by you, we will be entitled to receive any remuneration earned or payable at that date, including by set-off or otherwise. Remuneration earned or payable to us at that date shall include brokerage due or to become due on further instalments of premium and any further instalments of fees which were to become payable.

This Agreement will terminate immediately if either party:

- commits a material breach of this Agreement; or
- ceases to trade or threatens to cease to trade; or
- becomes insolvent or is subject to any administration, receivership, winding up or similar procedure.

We reserve the right not to continue to provide any services to you, including claims handling, after the date of termination of this Agreement in the absence of a specific written Agreement between us.

9 Financial Crime

We are obliged to conduct reasonable due diligence to protect us and our clients against the risk of financial crime. At the start and throughout our relationship, we will require you to provide evidence to assist us in verifying your identity and/or legitimacy of any transactions we conduct on your behalf.

Neither party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any anti-bribery laws (including the Bribery Act 2010). Both parties shall also maintain their own policies and procedures which ensure compliance with the Criminal Finances Act 2017 in so far as it applies to them, in order to prevent the facilitation of tax evasion.

We are obliged to report evidence or suspicion of financial crime to the relevant authorities at the earliest reasonable opportunity and may be prohibited from disclosing any such report to you.

We are not permitted to conduct business with any client that is subject to sanctions or embargoes. If sanctions or embargoes are in place, then we will not be able to proceed with the transaction on your behalf and your insurers may terminate your insurance contract, and not pay any claims that have been notified. If you subsequently become subject to sanctions or embargoes, we may have to terminate our relationship and your insurer may invoke its cancellation rights under your insurance contract, as well as being unable to proceed with any claims that have been notified.

10 Limitation of Liability

The following provisions of this section set out our entire financial liability (including any liability for the acts or omissions of our employees, agents and sub-contractors) to you in respect of all losses, claims or liabilities arising under or in connection with this Agreement (including in respect of any indemnities), whether in contract, tort (including negligence), breach of statutory duty, or otherwise.

- i) All warranties, conditions and other terms implied by law are, to the fullest extent permitted by law, excluded from this Agreement;
- ii) Nothing in this Agreement excludes or limits our liability for death or personal injury caused by our negligence or for fraudulent misrepresentation;
- iii) Nothing in this Agreement excludes or restricts our duty or liability to you under the applicable regulatory regime;
- iv) Subject to clauses i), ii), and iii) above, our total liability to you, shall in the aggregate be limited to £10 million, and we shall not be liable to you for loss of or corruption of data, loss of profit, loss of anticipated savings, loss of business, loss of opportunity, depletion of goodwill, additional operational and administrative costs and expenses, the cost of procuring replacement goods or services, any punitive or exemplary damages or any indirect or consequential loss or damage.

11 Third Party Rights

Other than where it is contemplated elsewhere in this Agreement, a person who is not a party to this Agreement shall not have any rights under or in connection with it.

12 Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). You may, depending on where the risk is located, your status and the type of insurance contract concerned, be entitled to compensation from the FSCS. Further information is available from the FSCS.

13 Jurisdiction and Choice of Law

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the laws of England and Wales.

We both irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter

