



TERMS OF BUSINESS AGREEMENT

PART A

Scope and application

This agreement, together with any separate written agreement between you and Capsicum Reinsurance Brokers group of entities as stated in Appendix 1 ("Capsicum Re"), sets out the terms on which we agree to act for you when we are instructed to provide services by you.

In this agreement "we", "us" and "our" means Capsicum Re. References to "insurers" include insurers, underwriters, managing agents or, where applicable, reinsurers with whom we place business. As appropriate, references to "insurance", "insurer" or "insured" include reinsurance, reinsurer and reinsured respectively. Additionally, any reference to "policy" shall mean an insurance or reinsurance policy, as appropriate.

It is important that you read this agreement carefully as it contains details of our statutory and regulatory responsibilities and your contractual obligations, on which we intend to rely.

If there is anything you do not understand in this agreement you should inform us otherwise we will assume you are providing your informed consent to this agreement.

We specifically draw your attention to the following sections:

- (a) What do we do?
- (b) How are we paid for our services?
- (c) How do we handle your money?
- (d) Your obligations
- (e) Conflicts of interest
- (f) Complaints

Where your business is operated through an incorporated company, trust, limited liability partnership or partnership, we are entitled to assume that the recipient of this agreement has obtained authorisation or is entitled to consent to these terms on your behalf.

If you are a company or other body corporate, unless otherwise expressly stated in any separate written agreement between you and Capsicum Re, you agree to and accept the terms of this agreement on your own behalf and on behalf of each of your group companies (where those group companies are receiving the benefit of our services). You will ensure that each of your group companies will act on the basis that it is a party to and bound by the agreement. All references in this agreement to "you" and "your" mean you and each of your group companies.

If you have instructed another insurance broker to deal with us on your behalf, we will assume unless told otherwise that the broker has full authority to agree the terms of this agreement with us and to deal with us on your behalf as your agent in relation to all matters covered by this agreement.

This agreement replaces any terms of business agreement that we may have previously agreed with you. If you have a separate service level agreement in place with us then the terms of that agreement must be read together with this agreement. In the event of a conflict, the terms of your service level agreement will take precedence over this agreement.

We may change the terms of this agreement from time to time. This may be:

- (a) to reflect changes in our services or in market practice
- (b) to reflect legal or regulatory developments, or
- (c) to improve the clarity of this agreement.

We will tell you if we have materially changed these terms for any of these reasons and, in any event we will inform you of such changes before your policy is due to renew.

We may also change the terms of this agreement for other reasons, but if we do, we will notify you in advance and you will have the right to terminate this agreement within 30 days of such notification.

You will be able to find the latest versions of this agreement at www.ajginternational.com.

Capsicum Reinsurance Brokers group of entities as stated on Appendix 1, are registered as appointed representatives of Arthur J. Gallagher (UK) Limited which is authorised and regulated by the Financial Conduct Authority.

Registered Office: The Walbrook Building, 25 Walbrook, London EC4N 8AW.
Registered in England and Wales.

Who are we?

Capsicum Re is a group of companies incorporated in England and Wales with the registered company details for each company listed in Appendix 1 You can find out more about us at www.capsicumre.com.

We are an appointed representative of Arthur J. Gallagher (UK) Limited (“AJGUK”), which is authorised and regulated by the Financial Conduct Authority (“FCA”). AJGUK’s FCA firm reference number is 482231. The FCA firm reference number for each Capsicum Re entity is listed at Appendix 1. We are permitted by the FCA to conduct business as a general insurance intermediary. You can check these details by visiting the FCA’s website (www.fca.org.uk/register) or by contacting the FCA on 0800 111 6768 (+44 20 7066 1000 from overseas).

What do we do?

As an insurance intermediary, we usually act for you. We offer access to general insurance products and services provided by a wide range of UK and international insurers, including Lloyd’s of London.

Our services include advising you on your insurance needs, arranging insurance policies with insurers in order to meet those needs, provide associated risk management services and any other insurance related services. We will also help you to make changes to your insurance policy if required and will remind you when your policy is due for renewal as appropriate. Unless your policy states otherwise, or we agree, we will provide you with assistance in submitting a claim and with obtaining reimbursement from insurers.

In certain circumstances, we may act for your insurer, for example, where we have delegated underwriting authority and/or claims settlement authority, or where we have entered into a managing general agency agreement with one or more insurers. In cases where we are acting on behalf of the insurer, we will be acting as their agent. Please see the section headed Conflicts of interest for more information about how we manage these arrangements.

We cannot arrange insurance for you until we have received complete instructions from you. Your

insurance cover is not in place until we have confirmed it to you in writing or we have issued evidence of cover.

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.

Which insurers do we use?

In finding an insurance solution that meets your demands and needs, we may either conduct a market analysis of potential insurers, or we may only consider a specific product from a single insurer, or products from a panel of insurers. We may also place your insurance using alternative access to insurers, including through our managing general agents, which may include our group managing general agent, Pen Underwriting and our other group companies who may have similar arrangements with insurers.

We use publicly available information, including information produced by credit rating agencies, to identify insurers with whom we will consider placing your business. We do not guarantee the financial status of any insurer. In the event of an insurer experiencing financial difficulties, you may still have a liability to pay any outstanding premium and we are not responsible for any shortfall in amounts due to you in respect of any claims.

How are we paid for our services?

Payment for our services may be by way of:

- (a) a fee that we agree in advance with you;
- (b) brokerage/commission, which is a percentage of the total annual insurance premium paid by you and given to us by the insurers with whom we place your business; or
- (c) administration charges, in addition to any insurance premiums, for administration of your policy, including amending and cancelling any policy.

Payment for our services may be a combination of (a) (b) and (c). The taxation element of any insurance premium is not subject to commission.

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Details of any fees/charges, whether applicable under (a), or (c), together with details of services to which these relate and the basis on which these are made, will be declared to you in advance of them being incurred so that you are able to make an informed decision. Where we are not able to provide an actual fee/charge, we will provide you with the basis of calculation of any fee/charge.

We may receive additional payments such as a profit share or profit commission from insurers, for instance, from insurers payable under a delegated underwriting authority or other facility or individual contract in recognition of overall profitability. We may also earn income from arranging premium finance.

We may also earn income from insurers or other sources in other ways. For example, we may receive income from insurers for ancillary services provided solely on their behalf.

Upon request, we will be pleased to provide details of any income we are due or have received as a result of placing your business.

Unless we specifically agree otherwise, brokerage/commission and fees are earned when we arrange an insurance policy for you, or in the case of any other service when we commence providing that service to you.

However in respect of any payment made to us this will only be recognised as payment for the service when we have reconciled your payment.

We will be entitled to retain all fees and brokerage in respect of the full period of contract(s) of insurance arranged by us including in circumstances where your policy has been terminated and your insurers have returned pro-rated net premium. Consistent with long established market practice, we will deduct our brokerage and other commissions from the premium once received.

If you decide to terminate our appointment in relation to policies we have placed on your behalf and where, (i) the policy or policies have not expired, and (ii) premium is due on the policy or those policies, we are entitled to any brokerage/commission originally due on the policy or policies and you will ensure the broker subsequently

appointed to administrate the policy or policies agrees and accepts to collect the brokerage/commission and remit to us in good time.

How do we maintain your privacy?

We are the data controller of any personal information you provide to us. We collect and process information in order to provide insurance policies and to process claims. Information is also used for business purposes such as fraud prevention and detection and financial management. This may involve sharing information with, and obtaining information from, our group companies (including the Arthur J. Gallagher group) and third parties such as insurers, other brokers, loss adjusters, credit reference agencies, service providers, professional advisors, our regulators or fraud prevention agencies.

We may record telephone calls to help us monitor and improve the service we provide.

If you are an individual providing us with your own personal information, please see our Privacy Policy for further information on how your information is used and your rights in relation to your information. Our Privacy Policy can be found at <https://www.capsicumre.com/privacy-policy>.

If you are entering into this agreement in the course of your business, or as a charity, for charitable purposes and providing information on other individuals to us, for example your employees, you shall ensure that individuals whose personal data you are providing to us have been provided with fair processing notices that are sufficient in scope and you have obtained all appropriate consents in order to transfer the personal data to us and enable us to use the personal data and process the personal data for the purposes of this agreement.

How do we handle your money?

In this section, and **only** in this section, references to 'we', 'us' and 'our' should be interpreted as meaning AJGUK and not Capsicum Re. AJGUK receives and holds client money on behalf of Capsicum Re under the terms of an Appointed Representative agreement.

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In our role as an intermediary between you and your insurers we may hold money:

- paid by you to be passed on to insurers
- paid to us by your insurers, to be passed on to you
- paid by you to us for our services, but which we have not yet reconciled.

For your protection, the way that we handle your money is designed to protect your interests in the event of our financial failure.

Insurer Money (money we hold as agent of an insurer):

Where we have an agreement with your insurer to hold money as their agent, any premiums you pay to us are treated as having been received by the insurer as soon as they are received by us. Claims payments and/or premium refunds are treated as received by you when they are actually paid to you.

Where we receive monies as agent of your insurer, we can only deal with that money in accordance with the instructions of the insurer. This means that, for example, if you want us to return such monies to you, we can only do so with the agreement of the insurer.

Client Money (money we hold as your agent):

Where we do not have an agreement with your insurer to hold money as their agent, we will hold premiums you pay to us as your agent. Money we receive from your insurer which is payable to you will be your property whilst we hold it.

We may also hold money as your agent where you have paid this to us in respect of our fee for a service, until such time as we have reconciled the payment against the relevant service.

Money we hold as your agent is referred to as "Client Money".

FCA rules require us to keep Client Money separate from our own money. We hold Client Money with an approved bank, segregated in a client account subject

to a Non-Statutory Trust ("NST"). The aim of the NST is to protect you in the event of our financial failure. If such an account is held outside the United Kingdom, it may be subject to different laws and regulations, which may mean that the Client Money held in that account is not protected to the same extent as it would be if it were held in the United Kingdom, or at all. Please tell us if you do not wish us to hold any money for you in a particular jurisdiction.

We may use Client Money held in the NST on behalf of one client ("Client A") to pay another client's premium ("Client B") before we receive such premium from Client B. We may also make claims payments/premium refunds to other clients before monies are received from the insurer. Although there may be occasions when we do this, it is not our policy to routinely cross-fund in this way. For the avoidance of doubt, we may not use Client Money to pay ourselves commissions before we receive the relevant premium from you.

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

Holding both insurer and Client Money

We may hold both insurer and Client Money together in the NST. We will not normally tell you when this happens, as your interests are protected in any event.

Payment to third parties:

We may transfer Client Money to another person, such as another broker or settlement agent, for the purpose of carrying out a transaction on your behalf through that person. This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK. This means that, in the event of a failure of the broker or settlement agent, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK. You may notify us if you do not wish us to pass your money to a person in a particular jurisdiction.

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Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from the FSCS if we cannot meet our financial obligations to you. This depends on the type of insurance contract that we have arranged for you, certain eligibility criteria and the circumstances of the claim. Further details regarding the FSCS are available online at www.fscs.org.uk or by calling 0800 678 1100 (+44 20 7741 4100 from overseas).

Separately, your insurer and/or you may be covered by a different compensation scheme.

Your obligations

You are required to make a fair presentation of the risk to an insurer which discloses every material circumstance which you know or ought to know relating to the risk to be insured. This includes information known by your senior management and those responsible for arranging your insurance as well as information which would reasonably have been revealed by a reasonable search of information available to you. A circumstance is material if it would influence the judgment of a prudent insurer in determining whether to provide insurance for the risk and, if so, on what terms. Disclosure must be reasonably clear and accessible to a prudent insurer. Material representations of fact must be substantially correct and material representations of expectation/belief must be made in good faith. Failure to comply with the duty of fair presentation could mean that your policy of insurance is void or that insurers are not liable to pay all or part of your claim(s).

The above duty of disclosure is the applicable duty under the laws of England, Wales, Scotland and Northern Ireland. You may have different obligations if your policy of insurance is subject to a different law. As a minimum, we expect you to disclose your information in accordance with the duty set out above.

For certain types of insurance covers you may be required to complete and sign a proposal form or questionnaire. Take care to ensure that the information you provide is complete and accurate. Note that if you are aware of anything that you feel may be material to the proposed policy of insurance you should disclose it,

even if there does not appear to be a question on the proposal form or questionnaire that covers the particular point. If you are in any doubt as to whether information is material, you should disclose it.

Anti-bribery, corruption and financial crime

If you are a business, you agree that you will ensure that at all times you comply with all laws, statutes and regulations that apply to you relating to anti-bribery and corruption. In particular, you will comply with the UK Bribery Act 2010 and (if it applies to you or any of your group companies) the US Foreign and Corrupt Practices Act 1977, and any other applicable legislation.

Please be aware that we are required to obtain adequate "Know Your Client" information about you. In order to prevent bribery, corruption or other financial crime, we may take further steps, including notification to the relevant authorities, carrying out status and credit checks using credit reference agencies, and other background checking as appropriate.

Policies may include clauses on financial and trade sanctions, and export controls, ("Sanctions"). How you comply with Sanctions is specific to your business: you should take legal advice where necessary and pay special attention to relevant policy clauses. Please also tell us if you have specific requirements relating to your Sanctions compliance, which may affect how we provide services to you.

To comply with financial crime or Sanctions, we may be required to take actions such as freezing the funds of parties subject to Sanctions, not performing placing and/or claims handling activities, or making licence applications or notifications. Third parties we deal with, such as financial institutions, may also apply their own policies or restrictions.

We reserve the right to take steps to comply with financial crime or Sanctions (and we will not be liable to you for this or for similar steps taken by third parties).

You should advise us of all of the countries connected to the (re)insurance you require. We will advise you if there are any which we consider to be of higher trade risk. Where this is the case, we reserve the right not to perform obligations under this agreement to the extent

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that this would be contrary to our commercial risk appetite.

Your premium payment obligations

Insurers require you to pay premium at or before the start date of each policy, or as otherwise specified under the policy terms. You must pay all monies due in cleared funds in accordance with the amounts and on or before the dates specified in our invoice(s). If you do not make payment within that period, insurers may cancel your policy and may also require that you pay a premium in relation to the time that you have been on risk. It is therefore very important that you meet all payment dates.

You may be able to pay premium payments by instalments through a credit scheme operated by a third party premium finance company or insurer. Please note that we can only pay premium to insurers on your behalf once we have cleared funds from you or the premium finance company.

If we make a premium payment on your behalf, prior to receiving the relevant cleared funds from you, you will reimburse us by an equivalent amount within 10 business days of a request from us. Please also see the following sections: *How we handle your money ((Client Money (money we hold as your agent)) and "Right to set-off"*.

Please note that we do not recommend any particular credit provider. If you wish to pay premium by instalments, we are able to introduce you to credit providers (which may include a third party premium finance company or an insurer). There may be other credit providers (including insurers) able to offer better credit terms than those that made available to you by a party we have introduced you to.

Where you decide to enter into a credit scheme for the payment of premium, you will receive separate terms and conditions from the relevant premium finance company or insurer which will govern that arrangement. You agree that, in accordance with the terms of any such credit scheme, we may instruct your insurer to cancel your policy if you are in default under the credit scheme and that any return premium or other payment due from the insurer may be applied to

discharge your liability under the credit scheme without further reference to you.

Your policy documents

You will receive written terms and conditions of any insurance policy we arrange for you. Please check these documents and advise us as soon as reasonably practicable if the terms of the cover arranged are not in accordance with your requirements. Please pay special attention to the claims notification provisions and to any warranties and conditions (including as to the payment of premium) as any failure to comply with these terms may invalidate your cover.

The documents relating to your insurance will confirm the basis of the cover from the relevant insurer(s) and provide their details and if applicable, the insurer's agent. It is therefore important that you keep all of your policy documents in a safe place. It is our current practice to retain client information for at least six years. After this period, your information may be destroyed at our discretion without notice to you.

Making a claim

Your insurance policy will usually require you to notify all claims and/or circumstances that may give rise to a claim as soon as possible. If you are unsure whether a matter needs to be notified please contact us and we will endeavour to assist you.

Where we handle claims on your behalf, we will do so fairly and promptly. If we receive claims payments for you, we will remit them to you as soon as reasonably practicable after receipt. We reserve the right to charge an additional or separate fee (based on the nature of the work and duration and agreed with you in advance) to negotiate a large or complex claim on your behalf.

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Conflicts of interest

Circumstances may arise where we have a conflict of interest between us (including our managers, employees or agents) or another of our group companies and you, or between you and another of our clients. We always aim to treat you fairly and avoid conflicts of interest. We never deliberately put ourselves in a position where our interests, or our duty to another party, prevent us from discharging our duty to you.

We may arrange insurance for you through another company in the Arthur J. Gallagher group which acts on behalf of one or more insurers, including Pen Underwriting Limited. In arranging an insurance solution that meets your demands and needs, we will ensure that our duty to you does not conflict with the duties that an Arthur J. Gallagher group company owes to the insurers that it represents.

We may act as agent of an insurer under a delegated underwriting authority and/or delegated claims settlement authority. In these instances, where we act as your agent for your insurance needs we will always act in your best interests when arranging your policy.

As part of paying your claim, your insurer may require us to deduct the value of sums due (such as premiums or instalments under a credit scheme) before sending the balance of any claims payment to you.

We follow our own conflict management policies and procedures (for example, using information barriers). These are designed to prevent any conflicts of interest adversely affecting or compromising your interests. However, in some cases, where we cannot be reasonably confident that we can prevent the risk of damage to your interests, we will discuss this with you. If you have any concerns in relation to conflicts of interests, please contact us.

Complaints

We value our relationship with you and we welcome feedback on the service you receive from us. Please tell us if you are dissatisfied with part of our service so that we can improve our products or services. Our aim is that you should benefit from a high quality service using our experience and breadth of insurance broking

expertise. We always try to provide a high standard of service but if you ever have cause to complain, please do so by contacting your usual Capsicum Re representative by whatever means is convenient to you.

If you wish to deal with someone wholly independent of the branch or division that has been servicing your business, please contact:

Address: Complaints Management Team
7th Floor
Spectrum Building
55 Blythswood Street
Glasgow
G2 7AT

Email: commercialcomplaintsuk@ajg.com

We will acknowledge written complaints promptly. Our complaints procedure is available on request.

If you feel that we have not been able to resolve the matter to your satisfaction, after this process you may have the right (subject to eligibility) to refer your complaint to the Financial Ombudsman Service; this address is:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Telephone: 0800 0234 567 (from landline)

Telephone: 0300 123 9 123 (from mobile)

Email: complaint.info@financial-ombudsman.org.uk

Website: <http://www.financial-ombudsman.org.uk>

Whether or not you make a complaint to us and/or refer your complaint to the Financial Ombudsman Service, your right to take legal action will not be affected.

Online Dispute Resolution Platform

The European Commission has established an Online Dispute Resolution Platform (ODR Platform) http://ec.europa.eu/consumers/odr/index_en.htm that is specifically designed to help EU consumers who

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have bought goods or services online from a trader based elsewhere in the EU and subsequently has a problem with that online purchase. The ODR platform will refer your complaint to the Financial Ombudsman Service which will pass it on to us.

Other territories

Other territories may also offer complaints and dispute resolution arrangements that we are required to follow where we are held to be doing business there.

Right of set-off

If you are a business, we may at any time, without notice to you, set off any liability of yours to us against any liability of us to you, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this agreement.

If the liabilities to be set off are expressed in different currencies, we may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by us of our rights under this clause will not limit or affect any other rights or remedies available to us under this agreement or otherwise.

Intellectual property rights

We (or our licensors) will retain all ownership, title, copyright and other intellectual property rights in all materials developed, designed or created by us before or during the provision of services to you including systems, methodologies, software, know-how and working papers. We will also retain all ownership, title, copyright and other intellectual property rights in all reports, written advice or other materials provided by us to you. We grant you a royalty-free licence to use those materials, but only for the purposes for which they were created under this agreement and only for as long as this agreement remains in force.

Termination of this agreement

Without prejudice to any rights that have accrued under this agreement or any other rights or remedies, either party may terminate the services contemplated under this agreement by giving not less than 30 days' notice in writing to the other.

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If our appointment as your broker is terminated or not renewed, we reserve the right to charge an additional or separate fee, agreed with you in advance, for any ongoing services performed from the date on which our appointment terminates. The terms of this agreement will continue to apply in relation to those ongoing services.

Notwithstanding anything else contained in this agreement, we are not required to act for you, or to continue to act for you, if we reasonably consider that to do so would put us in breach of any laws, regulations or professional rules. In such circumstances, we will be entitled to terminate our existing relationship with you with immediate effect and will not be responsible or liable to you for any direct or indirect loss which you or any other party may suffer as a result.

Cancellation of your policy

Your insurance contract may include a cancellation clause. For more details, please refer to your insurer's policy documents. If you wish to cancel a policy please let us know. If your policy is cancelled, the insurer will determine any return premium in relation to policies placed by us.

Please see the section above "How are we paid for our services?" in relation to our rights to payment of brokerage/commission and fees in the event of policy termination.

Currency conversion

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 the currency is converted, then any such payment will be made in the currency to which the funds have been converted. Any shortfall arising from exchange differences remains your liability. 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.

Severability

The invalidity, illegality or unenforceability of any of the provisions of this agreement will not affect the validity, legality or enforceability of the remaining provisions in this agreement.

Notices

If notice is given to us under or in connection with this agreement, except as expressly provided in this agreement, it must be in writing and sent to our registered address. We are entitled to give you a notice under or in connection with this agreement at your registered address (if a company or limited liability partnership) or at your last known address (in any other case).

Third party rights

A person who is not party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term contained in this agreement.

Unexpected acts or events

Neither party will be in breach of this agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control. In that event, the

affected party will notify the other as soon as reasonably practicable.

Transfer of this agreement

Neither party can transfer their rights and obligations under this agreement in whole or in part to anyone else, except that:

- (a) we may transfer all or some of our rights and/or obligations to one or more other members of the Arthur J Gallagher group of companies; and
- (b) either party may transfer all or some of our rights and/or obligations to someone else with the prior written consent of the other party, such consent not to be unreasonably withheld or delayed.

Governing law and jurisdiction

The law of England and Wales will apply to this agreement unless, at the date of this agreement, your registered office or principal place of business is situated in Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case the law of that jurisdiction will apply.

The parties irrevocably agree that the courts of England and Wales will have the necessary jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter.

However, the parties retain the right at their discretion to institute proceedings in any court having jurisdiction or, upon the written agreement of the parties, to resolve any disputes in accordance with alternative dispute resolution mechanisms such as mediation or arbitration.

Part B: For Producing Intermediaries only

Application of this section

The sections in this part of the agreement apply solely to our relationship with you if you are an “Insurance Intermediary” or an “Exempt Professional Firm”, in either case acting on behalf of your client in using our services. You are an Insurance Intermediary if you have permission from the FCA or other competent regulator to carry out insurance mediation activity. You are an Exempt Professional Firm if you are a member of any one of the designated professional bodies as detailed in schedule 1 of this agreement and appear on the FCA’s exempt professional firms register.

Whilst the sections in Part A of this agreement are expressed in terms that are appropriate to customers with whom we deal directly as the policyholder, the sections equally apply to our relationship with you where applicable. For example, the section entitled “How do we maintain your privacy?” as it applies to our customers will equally apply to you where you provide us with personal data. References to “you” or “your” in this agreement should be read as “your client” or “your client’s”, if the context requires.

Obligations

Where this agreement imposes obligations on us in respect of your client, we will discharge these obligations through our dealings with you, not your client. Similarly, where this agreement imposes an obligation on your client, it is for you to ensure that your client is aware of the obligation and the consequences of failing to comply with it, including premium payment terms and your client’s duty of disclosure. In respect of your client’s duty of disclosure, you are required to assist your client discharging its obligations (unless law or contract specifies otherwise), whether the applicable contract(s) of insurance are subject to the law of England and Wales or any other governing law.

In circumstances where premium due to insurers cannot be collected for whatever reason from the insured and insurers will not waive all or some of the amount due, you will be responsible to us for payment of the full amount outstanding in respect of premium and our share of the brokerage.

You acknowledge that you shall review all information received from us and let us know if any details of the insurance or the participating insurers do not meet with your approval, or do not reflect the instructions given to us.

The renewal of your clients’ insurances shall be your responsibility and you must allow enough time for the proper and timely interchange of information between you and us and the relevant insurer and the subsequent consideration of the renewal terms. We shall be responsible for the cancellation of any policy.

You and we shall provide each other with all reasonable co-operation required to resolve complaints received from clients in relation to the services provided by you or us under this agreement.

Handling of monies

Unless otherwise confirmed to you in writing, in the event that we have risk transfer arrangements in place with the relevant insurer (so that we receive or pay money as agent of the insurer), such arrangements do not cascade to you. Accordingly, where you are doing business within the UK, you will need FCA Client Money permission, or be exempt from FCA Client Money requirements, in order to hold Client Money, or alternatively have arrangements in place to ensure premiums are paid direct to us. If doing business outside the UK, other rules may apply.

Capsicum Reinsurance Brokers group of entities as stated on Appendix 1, are registered as appointed representatives of Arthur J. Gallagher (UK) Limited which is authorised and regulated by the Financial Conduct Authority.

Registered Office: The Walbrook Building, 25 Walbrook, London EC4N 8AW.
Registered in England and Wales.

Licensing / Authorisation

As part of this agreement both we and you undertake to comply with our respective legal, licensing and regulatory requirements applicable to the production, placing, claims handling and premium and claims accounting of any insurance which you place through us. You warrant that you are authorised by your local regulator, if such authorisation applies, to carry out all activities contemplated by virtue of this agreement. You also undertake to notify us immediately if your authorisation is revoked, suspended or changes.

Commission

Commission payable to you under this agreement, or any separate written agreement between you and us, will only be paid to you following receipt of commission by us.

Anti-bribery and corruption

In addition to the Anti-Bribery, corruption and financial crime section in Part A, you will ensure that you have put in place and maintain adequate policies and procedures to prevent you, and protect us, from being exposed to a bribery or corruption event.

Sanctions

Each party will conduct appropriate due diligence and screening against applicable financial sanctions target lists (UK, EU, UN and US), and have systems and controls in place to prevent participation in activities which would place you and/or us in breach of financial sanctions legislation. Insurance cover and the parties involved in its provision or arrangement, may be, or may become subject to sanctions legislation. In such circumstances, insurance cover, associated payments and transactions may be prohibited or subject to restrictions. If you are an intermediary placing or producing business to us, you remain responsible for maintaining effective systems and controls to ensure you do not participate in activity which breaches financial sanctions legislation. You

will be aware that some policies may include clauses specifically dealing with sanctions imposed on states/entities/individuals. You should pay particular attention to such clauses as they may affect cover under the policy.

Professional Indemnity Insurance (“PII”)

You will at all times maintain PII in accordance with the requirements of your relevant statutory regulator or as agreed between us, whichever is the higher. You will inform us in writing if the level of cover drops below the statutory minimum, unless otherwise specified by us.

Audit

We may, on reasonable notice to you, carry out an audit of the books and records held by you in relation to this agreement for the purpose of verifying your compliance with its terms. You agree to allow us (and/ or our agents) prompt access to your premises and such books and records. You agree to assist us (or our agents) in any matters involving or raised by such audit.

Termination

In addition to the Termination section in Part A, should you wish to terminate this agreement you may only do so provided all outstanding premiums and other sums due from your client have been received by us in full. This agreement shall terminate immediately in the event that your regulatory authorisation is revoked, suspended or changed such that you are no longer permitted to carry on the activities contemplated by this agreement.

If this agreement terminates: (a) in accordance with this Part B; (b) for reasons of your insolvency; or (c) your client does not renew their insurance(s) placed under this agreement, we shall be entitled to contact your client directly for the purposes of administering their insurance or the renewal of their insurance.

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Taxation

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

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Schedule 1: Designated Professional Bodies

The Law Society of England & Wales

The Law Society of Scotland

The Law Society of Northern Ireland

The Institute of Chartered Accountants in England and Wales

The Institute of Chartered Accountants of Scotland

The Institute of Chartered Accountants in Ireland

The Association of Chartered Certified Accountants

The Institute of Actuaries

The Council for Licensed Conveyancers

The Royal Institute of Chartered Surveyors

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Appendix 1

Company Registration No.	FCA Firm Reference No.	Full Legal Name	Registered Address
OC391007	747052	Capsicum Reinsurance Brokers LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC391039	613127	Capsicum Reinsurance Brokers No. 1 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC393713	711294	Capsicum Reinsurance Brokers No. 2 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC393712	648501	Capsicum Reinsurance Brokers No. 3 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC397192	679381	Capsicum Reinsurance Brokers No. 4 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC395297	647947	Capsicum Reinsurance Brokers No. 5 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC397191	711295	Capsicum Reinsurance Brokers No. 6 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC399845	711061	Capsicum Reinsurance Brokers No. 7 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC414706	793735	Capsicum Reinsurance Brokers No. 9 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW
OC419563	792150	Capsicum Reinsurance Brokers No. 11 LLP	The Walbrook Building, 25 Walbrook, London, EC4N 8AW

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