

DIRECT OR REINSURANCE CLIENT TERMS OF BUSINESS AGREEMENT

Scope and Application

The purpose of this Terms of Business Agreement (TOBA) is to detail the professional services we will provide to you and the basis on which we will do so. This TOBA takes effect on receipt and supersedes any previous version of this terms of business agreement you may have received from us.

You need to contact us if there is anything in this document that you do not agree with or do not understand.

Your direction and instruction to bind coverage and / or your payment of premium related to your (re)insurance placement will be deemed your agreement to be bound by the provisions of this TOBA.

About Us

Lex Surety Ltd is authorised and regulated by the Financial Conduct Authority. Its firm reference number is 101980.

Registered Office:

Oxford House, 15-17 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EN

Our Services

As an independent (re)insurance intermediary we generally act as the agent of you as 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, which could include another client or the (re)insurer. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest. We will also make you aware if our own interests conflict with any duty we owe to you.

Our services include:

- Advising you on your (re)insurance needs;
- Arranging suitable (re)insurance cover with (re)insurers to meet your requirements;
- Helping you with any subsequent changes to your (re)insurance you wish to make;
- Providing all reasonable assistance with any claim you make.

In some cases we act for (re)insurers and can issue (re)insurance policies and/or handle or settle claims on their behalf. Where we act on behalf of the (re)insurer and not you, we will notify you accordingly; in relation to claims we will advise you of this fact when you notify us of a claim. As an independent intermediary we offer a wide range of insurance products and have access to many leading (re)insurers and the Lloyd's market. For certain types of (re)insurance, however, we may offer the product of only one (re)insurer. We will advise you separately as to the market exercise that we have undertaken which will be one of the following:

- From a single (re)insurer;
- From a limited range of (re)insurers (we will inform you of the (re)insurers approached in this scenario).

From a range of (re)insurers (having conducted a fair analysis of the market). make every effort to place your insurances with (re)insurers that are financially sound we do not guarantee or otherwise warrant the solvency of any (re)insurer we place your (re)insurances with. If you have any concerns regarding any (re)insurer chosen to meet your (re)insurance requirements you should inform us as soon as possible and we will discuss them with you. Your liability for the premium, whether in full or pro rata, may still arise under policies where a participating (re)insurer becomes insolvent.

What will you have to pay us for our services?

We are committed to transparency in our relationship with you. We shall disclose the compensation we will

earn for the purchase of (re)insurance.

We will receive our remuneration by one or more of the following methods:

- A fee or administration payment which will be payable by you and will be agreed with you in advance of payment;
- A commission payment from the (re)insurer of your policy which is included in the premium you pay.

We may charge fees for additional services which we carry out on your behalf. Any additional fees will be agreed with you in advance. We may also earn income where we arrange premium finance for you.

All instructions which we receive verbally or in writing (which includes email) from you or your representative are binding. Any remuneration arising from such instructions will be deemed to be earned in full at the date of inception of your (re)insurance, even if we agree that you can pay in instalments. For the avoidance of doubt once our remuneration has been earned, our fees or brokerage may not be returnable even if the (re)insurance is cancelled after inception.

In addition to the fees and / or commission above, if you request additional services requiring further resource, those services may require additional fees / commission which we would discuss prior to engaging in the work. If you need our assistance with a claim which requires significant time, expertise or other effort from us, we reserve the right to charge an additional sum(s) for such services. We will always agree such charges with you before the services are provided.

We may engage other parties, which could include wholesale brokers, local specialists, underwriting managers or managing general agents. These parties may also earn and retain commission for their role in providing products and services to you.

Data Protection, Confidentiality and Intellectual Property

The definitions and terms in the Data Protection Act 2018 (the "DPA") (which implemented the General Data Protection Regulation EU 2016/679 in the UK) will apply to our engagement with you.

Information provided by you may be held, processed, disclosed and used by us, our professional advisers and any associated companies in servicing our relationship with you. Unless you notify us otherwise, you agree to the storage, use and disclosure of such information. However, all personal data you provide to us will otherwise be treated as confidential and kept secure.

Without your prior consent we would not disclose any of your confidential information we hold, except:

- Where we are required to do so by law or where requested by a regulator;
- Where the disclosure is normal broking practice, for example to any (re)insurer, including via web-based platforms customarily used in the London, Lloyd's and international insurance markets;
- Where we have an outsourced arrangement as part of providing our services and it is therefore necessary for us to disclose, provided those parties agree to respect the confidentiality of your information;
- If the confidential information is in the public domain without breach of this TOBA;
- To other companies within our group who may assist us in the provision of services to you.

By doing business with us, you agree that we may hold and use data provided to us by you or derived from your (re)insurance to create sector wide statistical analysis, management information, and other aggregated data for which we may be paid. Unless we have your written consent, you will not be identifiable in any such analysis, data or statistics where provided to third parties.

We may on occasion use your name, type of insurance and/or project name (where applicable) in any marketing or other documents we may produce to third parties to illustrate our experience and expertise. Please notify us in writing if you do not consent to this.

If we have arranged your (re)insurance under a lineslip, binder or facility, we may need to share information about your (re)insurance with existing and prospective insurers of such lineslip, binder or facility. We will

always do so on a confidential basis.

All the activities that we undertake on your behalf, as described in this TOBA, are provided for your exclusive use. All recommendations, proposals, reports and other information supplied to you in connection with these services are for your sole use and you agree not to make this information available to any third party without our express written permission. We own the intellectual property (IP) that is created throughout our appointment with you. This IP may take the form of concepts, products, information and reports. We do not give you the rights to this IP, but we do allow you to use the materials we create for you in your internal business purposes. We reserve the right to take action to protect our IP if we deem it necessary to do so.

Business Practices

We endeavour to comply with all applicable laws, rules, regulations and accounting standards and are fully committed to upholding the highest standards in respect of anti-bribery and corruption, financial crime and anti-slavery. We will not work with clients unless they share these ethical standards.

Duty of Fair Presentation

You must be sure that the information you have given to us to pass onto the insurers is a “fair presentation” of the risk. This means that you must have clearly disclosed every material circumstance which you, your senior management, or persons responsible for arranging your (re)insurance knows or ought to know following a reasonable search or failing that sufficient material to put a prudent insurer on notice that it needs to make further enquiries. A material circumstance is one which may influence an (re)insurers’ judgement over whether to take the risk, and if so on what terms. If you are in doubt as to whether a circumstance is material then you should disclose it.

Furthermore, you must inform us if any of the information provided to us has changed or you become aware of further material information. You must tell us about any such changes before we arrange cover or make any alteration to your (re)insurance.

Please note that failure to disclose a material circumstance may entitle an (re)insurer to impose different terms on your cover or reduce the amount of a claim payable. In some cases your cover could be invalidated, which would mean that a claim would not be paid. Your obligations of disclosure may be different if your (re)insurance is subject to the laws of a country other than England, Wales, Scotland or Northern Ireland.

Warranties and Subjectivities

Any (re)insurance we arrange for you may contain warranties. Warranties must be complied with strictly, because breach of them could result in a suspension of your cover. If you identify a breach, you should remedy it as soon as possible and keep a record of what actions you take and when. Your (re)insurance may separately be subject to certain requirements being fulfilled, known as a subjectivity. Any subjectivities should be satisfied as soon as possible to ensure that your (re)insurance is valid.

Payment of Premium

It is important that you pay your (re)insurance premium within any timeframe specified on the invoice or premium debit note you receive, or within 30 days of receipt if no payment date is referenced. If you do not pay on time, your (re)insurance cover may not be valid. Payment should be made to the account details specified on your invoice/debit note.

Any insurance premium tax, duty or other charge which is payable in addition to your premium will be specified on the invoice/premium debit note you receive. If any deduction is allowable by you of such tax, duty or other charge, you should ensure it is remitted to the appropriate authority.

Protecting your money

We will provide you with an invoice that specifies the amounts you need to pay, any terms of credit, and banking details for the party to whom monies should be paid.

This will normally be the insurer but in some circumstances we may collect premiums where we have been granted risk transfer by the insurer. Where we have been granted risk transfer, premiums paid to us are deemed to have been received by the insurer.

Trade Sanctions

If you are or become aware that your business in some way involves a restricted country, person or is otherwise subject to trade restrictions, or any person with an interest in the proposed (re)insurance (such as a named insured or loss payee) may be impacted by such restrictions, you should tell us immediately. If we, or your (re)insurers, become aware of any such restrictions or embargo affecting you, your business or your (re)insurances, then we may not act and your (re)insurance may be cancelled and any claims not paid.

Trade sanctions vary based on numerous factors including but not limited to ownership, control, structure, location, and nationality of employees and will equally apply to any companies, individuals or entities that may be insured by you as a reinsured.

We are unable to give advice on the application of sanctions to you or to warrant the position under any future sanctions regime. All sanctions issues will remain an issue for you and you must inform us if any (re)insurance requirements may touch on sanctioned territories, individuals or organisations.

E-Security

We will communicate with you by electronic mail, and in doing so each of us may at times attach electronic data. By doing business in this way we each accept the associated risks which may include transmission of viruses, email interception and corruption of data.

We cannot do business or accept your instructions over text message, Whatsapp or other similar instant messaging system and ask that all instructions to us are sent via formal business email addresses.

Termination

The termination of this TOBA can be given by either party providing one month's notice in writing or by Lex Surety Ltd. issuing a new TOBA (which will apply to any services we provide to you from then on).

If you terminate this agreement we will remain entitled to any and all fees and/ or brokerage payable in respect of any contracts placed by us in accordance with the payment section above.

Upon termination, we will have no further obligation to provide services to you in relation to your (re)insurance. We will use reasonable endeavours to work with you to ensure an orderly handover to you or to your nominated replacement insurance intermediary.

Records

We will maintain electronic records of the (re)insurances we arrange for you and any claims we assist you with. We will provide you with a copy of any records which you are legally entitled to receive in such format as we consider most appropriate. We will keep a copy for our own records.

Our Limit of Liability

We will not be held liable for any losses, liabilities, damages, costs, expenses or claims howsoever arising where they relate to or arise from any inaccurate, misleading, untrue, dishonest, criminal or negligent act, error or omission by you.

Under no circumstances will we, or any of our trading partners who assist us in providing services to you pursuant to this TOBA be liable to you for any lost opportunity, loss of profit, loss of anticipated savings, loss of reputation, exemplary, punitive or other special, indirect or consequential losses or damages.

The aggregate maximum limit of liability of us and our trading partners in respect of any and all losses to you and/or your parent(s), affiliates, subsidiaries, and your and their respective directors, officers, employees and agents whether based on contract, tort (including negligence), or otherwise shall be limited to £2m (two million), to the fullest extent permitted by law.

This limitation shall not apply to any losses arising as a result of our fraud, or to any death or personal injury caused by our negligence.

In no circumstances will you bring any claim arising out of, connected with or related to the services provided under this TOBA against any of our directors, officers or employees in their personal capacity.

Third Party Rights

No person other than of the parties to this TOBA shall benefit from this TOBA or have any rights to enforce it under the Contracts (Rights of Third Parties) Act 1999. This shall not affect any rights which may exist

outside of that Act.

Assignment

We may decide to transfer our rights and obligations under this TOBA to another company within our group which is able to perform the services on the same basis as we do. We will give you 21 days' notice before completing any such transfer.

What to do if you have a complaint?

If you wish to register a complaint, please contact us:

- In writing to: Josh Keith Moran (CEO), Lex Surety Ltd, Oxford House, 15-17 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EN
- By emailing: josh@lexsurety.com
- By telephoning: +44 020 3865 4922

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service:

- By writing to: The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR.
- By the internet: www.financial-ombudsman.org.uk.
- By telephone: 0800 023 4567.

Are we covered by the Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme.

Entire Agreement

This TOBA and any associated letter of appointment you have issued to us together constitute the entire terms on which we provide services to you.

It supersedes all prior discussions and representations whether written or oral.

Governing Law and Jurisdiction

This TOBA shall be governed by and construed in accordance with the laws of England and Wales and any dispute arising out of, or in conjunction with it, shall be submitted to exclusive jurisdiction of the English courts.