

TERMS OF BUSINESS AGREEMENT

Introduction

Iris Insurance Brokers Ltd (Iris) is regulated by the Financial Conduct Authority (FCA) which is the independent body that regulates financial services in the UK and they require Iris to send you this document. Iris' FCA registration number is 310825. It is possible to check information given in this letter by visiting the FCA's website <http://www.fsa.gov.uk/register> or by contacting the FCA on +44 (0) 845 606 9966 or by writing to them at 25 The North Colonnade, Canary Wharf, London E14 5HS, UK.

Our Responsibilities

We will discuss with you or your representative your (re)insurance requirements and we aim to offer the highest standard of professional service in managing your account with us. This document, which sets out the basis on which we will provide services to you, contains important information. We therefore ask you to read it carefully.

If you decide to instruct us on the basis of this document you should sign and return this document to us.

Should you require our business relationship to be governed in a different manner please let us know to enable us to produce a more specific document.

To ensure that we have a full and accurate understanding of your (re)insurance requirements we ask you to provide us with all relevant information at the earliest stage possible to enable us to advise you and develop the most effective approach to meeting your (re)insurance requirements in a cost effective manner.

In this respect, your attention is also directed to the section '**Duty to Disclose Information**' below.

We will use our judgement and experience in determining which (re)insurers to approach (a fair analysis of the market) in order to market your business and will respond promptly to any information requests you may have on the (re)insurers we intend to approach.

In circumstances where we approach only a limited number of (re)insurers we will advise you of this and you may request details of the (re)insurers approached.

However, Iris can not guarantee the financial performance of any (re)insurer or their future ability to continue to meet their contractual obligations.

We will keep you regularly advised of negotiations with (re)insurers as they progress. Should we be unable to fully place your cover or should the cover obtained not entirely meet your requirements we will advise you of this.

Please contact us immediately if there is anything in these terms of business which you do not understand or with which you disagree.



Claims

We will seek to expedite (re)insurers' agreement to any claims advised to us on coverage that we have placed during the term of our appointment and promptly pass monies that have been collected.

We particularly ask you to note any specific reporting requirements or protocols including reporting periods imposed by (re)insurers.

Documentation

Unless specifically requested by you in writing Iris will not be issuing formal Cover notes. However, we will provide you with detailed written confirmation of the terms and conditions of the (re)insurance placement by letter or fax or as an attachment to an email when binding coverage. We will use our best endeavours to obtain formal policy documentation from the (re)insurers as soon as possible.

It is essential that you review this documentation carefully and advise us at the earliest juncture if the cover we have arranged does not meet your needs or you require clarification of any of the terms.

Renewal

Where coverage is renewable we will seek your instructions in good time in advance of the renewal date to pursue terms from (re)insurers.

Mid-term Amendments

Should any mid-term amendments to cover, or changes to the contract be required we will look to obtain (re)insurers' agreement in an expeditious manner.

We will advise you in writing when we have obtained (re)insurers' agreement to any mid-term amendment.

Duty to Disclose Information

Although you are undoubtedly already aware that there is a requirement to disclose information to (re)insurers, we must draw your attention to the detail of this matter. The accuracy of any information provided by you, including but not limited to that provided in any proposal form, claim form or other documentation is your responsibility. Any failure to disclose facts or circumstances known to you (or which ought to be known to you) which are material to the (re)insurance contract may invalidate your cover in whole or in part or may exclude your rights to bring a claim. You also have a continuing duty to disclose any material changes to the information previously provided both during the policy period and for any subsequent renewal. Such changes in material information should be notified immediately.

Material facts are those which would influence any (re)insurer as to whether to underwrite the policy or the terms and conditions to impose. For example these may include:

Claims incurred but not reported;

Business risks that increase the likelihood of a claim;

Changes to business activities, procedures and locations.

If you are in any doubt as to whether a fact or change to the information is material please contact us immediately.



If you are a Lloyd's coverholder or a Lloyd's open market correspondent, you will have a duty to advise us immediately of any material change to your registration details.

Conflicts of Interest

As your agent we will always endeavour to act in your best interests. However, circumstances may arise where there is a potential for the interests of two or more of our clients to be in conflict or where the interests of Iris may conflict with those of a client or other party to whom we have obligations.

Should this situation arise we will advise you and seek your further instructions with regard to the basis of our appointment with you.

We may also have contractual arrangements with certain (re)insurers under which we may be able to bind risks and settle claims on their behalf. Should we recommend placing your cover with such (re)insurers we will disclose this fact to you.

Confidentiality

We will exercise reasonable care in using any information provided by you to ensure that it remains confidential save for the purpose of placing and servicing your contracts with (re)insurers.

Iris will not permit access by any third party to any information given to us except in order for us to undertake our duties unless required to disclose such information by a court, regulator, law or other legal entity.

Iris will either keep all original documents or have them electronically stored, (and then destroy all original documents) for the appropriate amount of time as required by our regulators.

Your liability for tax

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

Money laundering

We are obliged by UK money laundering regulations to undertake customer due diligence measures to verify the identity of clients, and to seek further information from you if you request us to make any payments to a third party.

Anti Corruption and bribery legislation

The Bribery Act and related regulations make bribery an offence punishable by fine or imprisonment. By conducting business with us you agree not to accept or agree to accept or offer or agree to offer any financial or other advantage to induce another person or entity to act improperly (e.g. to secure business). We may wish to check your records in relation to business conducted with us and you agree to allow us access to your records for that purpose. You also agree to inform us should you become aware of any breach of this clause.



Premium

You must provide the premium due in cleared funds in accordance with the amounts and payment dates notified to you. Failure to follow settlement instructions may lead to (re)insurers cancelling or voiding your policy.

Where (re)insurers have specified that the premium must be received by a certain date, failure to comply can result in the automatic termination of a (re)insurance contract.

Where you act as a coverholder you will be expected to settle premiums in accordance with the terms of the binding authority.

Remuneration

Our remuneration may be a fee payable by you, or brokerage, which is a percentage of the (re)insurance premium paid by you and allowed by the (re)insurer with whom the (re)insurance is placed. Additionally, we may be entitled to receive profit commission from (re)insurers on your business.

In addition to client fees and / or brokerage payments we may receive remuneration by way of administrative fees or commissions for services provided to (re)insurers.

We shall be entitled to withdraw such fees and commissions from the client bank account and retain them for our use as soon as such sums are received by us.

We will separately disclose to you any fees charged over and above any commission included in your premium.

You may request details of commission we receive from (re)insurers and on request, we will also provide you with a list of those (re)insurers with whom we are able to place the particular product arranged.

Handling Client Money

The FCA also require us to put in place certain additional important protections with regard to 'client money', as defined in the FCA 'CASS' rules, relating to (re)insurance transactions (e.g. premiums and claims) excluding money we hold on behalf of (re)insurers.

This money is held in a non-statutory trust based on the law of England and Wales and is segregated from our own money.

We retain the interest earned on such monies passing through these accounts.

We may have agreements in place with certain (re)insurers under which the (re)insurer delegates to us the authority to receive premiums on their behalf. This money is described as 'Insurer Money' and we may hold this with client money under FCA CASS rules subject to each (re)insurer having agreed that its rights are subordinated behind the rights of our clients.

If funds are received in a currency other than the premium settlement currency, there will be an exchange rate conversion using rates applicable at that time. Please note that currency fluctuations could result in an exchange rate loss in respect of any premium payment or return premium. Any such loss will be borne by the client.

Where it has been necessary to utilise a 'sub-broker' based in another country other than the UK to place your business, the money held by them may be held on a different basis as a matter of law and custom and may not offer the same protections as the UK. Please advise us if you do not wish premiums to be handled in this way.



Complaints

We aim to provide the highest standard of service to all our clients. If at any time you wish to make an enquiry or make a complaint either in writing or verbally, in connection with any matter concerning the service you have received from Iris we believe that in most cases these can be resolved to your satisfaction in conjunction with your normal contacts at Iris. However, you may wish to raise an issue with an independent Iris person who has not been involved in servicing your business.

You can do this by contacting the Iris Compliance Officer using the address and telephone number shown in this letter. He/she will acknowledge your enquiry or complaint promptly and will immediately undertake an independent review and contact you accordingly. In any event we will seek to have provided you with a complete response to any issues raised, including any further steps necessary to rectify the matter, within five working days. Where a complaint is particularly complicated or involves obtaining information from third parties we may take longer to investigate and resolve your complaint. We will endeavour to keep you informed on the resolution of your complaint. However should we be unable to resolve your complaint within eight weeks you may contact the Financial Ombudsman Service ("FOS") who may wish to investigate your complaint.

FOS contact details are:

Telephone: 08000234567 (fixed line users) / 03001239123 (mobile phone users);

Address: The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR;

Web site: www.fos.org.uk.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim. Further information about compensation scheme arrangements is available from the Financial Conduct Authority or the FSCS. The FSCS can be visited on the web at www.fscs.org.uk or by contacting the FSCS on 0207 892 7300.

Data protection

We are registered under the Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with personal data. Personal information will be kept secure.

Termination

Should you wish to terminate your appointment with us, this can be done by writing to Iris at our address shown on below.

In the event of termination we reserve the right to retain all of the remuneration accruing on the business we have placed unless we have entered into some other prior arrangement with you.

Should you wish to cancel a policy we have placed for you are statutorily entitled to do so within 14 days of the later of the date you entered the contract and the date you received your policy documents. In these circumstances we shall return your premium on a pro rata basis.



Governing Law

The Terms of this Business Agreement are governed by, and construed in accordance with, the Laws of England and Wales and the parties submit to the exclusive jurisdiction of the Courts of England and Wales.

Agreement

Please acknowledge receipt and your agreement to the contents and terms of this document by signing below and returning a copy to us.

Your acceptance of these terms

We will assume that you have given us your consent to working with us on the above basis if, having received these terms of business, you continue to do business with us.

Sections applicable in special circumstances

For broker clients

You will be a 'commercial customer' as defined in the FCA regulations.

Our duties are solely to you as our client, though you in turn will owe duties of care either to the ultimate policyholder or to another intermediate party. In all cases you must ensure that you have full authority to instruct us. It is your obligation to ensure that your client is aware of all the terms of any (re)insurance policy obtained by us on your instructions. It is also your obligation to ensure that you hold and comply with all necessary licences.

For P&I Club members requiring market cover

When our only involvement with you is to place a marine risk that is not covered by your P&I Club, you will be our client for that purpose only. Some information and instructions will be provided to us directly by your P&I Club, and so unless they authorise us in writing to send your evidence of the insurance directly to you, we shall send it to you care of your P&I Club. It will be for you to obtain its release from your P&I Club. This will fulfil our obligations, set out elsewhere in this TOBA, to provide you with evidence of cover and policy documentation.

Although you may have limited contact with us, possibly at very short notice, you will still owe us all the duties of care set out in full in this TOBA. You should read this TOBA carefully, particularly noting your duties of disclosure and utmost good faith, and the requirements concerning premium payment, money laundering and client money.

Client selection of insurers

If you instruct us to place all or part of a risk with a specific (re)insurer, in addition to the conditions set out above (see Market Security), you will be warranting that this is a lawful placement. This means that the (re)insurer is able to underwrite the risk lawfully and that the placement complies with all applicable (re)insurance or other regulations.

If it is not a lawful placement then you agree that you expressly release us from any liability arising out of the placement and that you will indemnify us for any damage, expense or fines we may sustain or incur.



US direct procurement

Some US states have "direct procurement" laws. These allow otherwise unauthorised (re)insurers to provide valid cover for entities or risks domiciled in the state, and may also prescribe or limit the roles of local and out of state brokers in the placement process.

If any placement of a US domiciled entity or risk is presented to us as directly procured, you warrant that it is a lawful placement under such direct procurement laws. This means that the (re)insurer is able to underwrite the risk lawfully and that the roles of local and out of state brokers in the placement process comply with all applicable (re)insurance or other regulations.

If it is not a lawful placement then you agree that you expressly release us from any liability arising out of the placement and that you will indemnify us for any damage, expense or fines we may sustain or incur.

We will process separately, from any other business we conduct for you, any element of a placement that falls within the scope of direct placement laws and negotiated directly with you.



On behalf of

Name:.....

Title:.....

Date:.....

Signature:.....

On behalf of Iris Insurance Brokers Ltd

Name: Margarita Hutley

Title: Director

Date:.....

Signature:.....