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Terms of Business Agreement

An Agreement dated TBA governing the conduct of Insurance Business between:

Blagrove Underwriting Agency Ltd (BUA)

34 Lime Street, London EC3M 7AT

(the Company)

And

Registered in England, number TBC, and regulated by the Financial Conduct Authority, FCA No TBC.

(The Broker)

Status of BUA and DFI

- 1.1 Blagrove Underwriting Agency Ltd (BUA) is Authorised and regulated by the Financial Conduct Authority and their reference number is 511162. BUA's registered address is The Long Barn, Priory Lane, Burford, OX18 4SG and their offices are at 34 Lime Street, London EC3M 7AT. The BUA Co Reg No is 04209302.
- 1.2 Direct Fleet Insurance Services Ltd (DFI) is Authorised and regulated by the Financial Conduct Authority and their reference number is 788712. DFI's registered address is The Long Barn, Priory Lane, Burford, OX18 4SG and their offices are at 34 Lime Street, London EC3M 7AT. The DFI Co Reg No is 05816268. For the purposes of this Agreement, DFI is acting as the administrative arm of BUA for the placement of fleet insurance business with BUA by the broker. DFI and BUA share the same ownership.

Scope

- 2.1 The purpose of this Agreement is solely to set out the rights and obligations of the Parties only in respect of the matters specifically addressed in the Agreement. To the extent that any matters relating to the relationship between the Parties are not expressly addressed in this Agreement, they remain unaffected and unaltered by this Agreement.
- 2.2 Nothing in this Agreement overrides the Broker's duty to place the interests of its client before all other considerations nor shall this Agreement override any legal or regulatory requirements (whether obligatory or advisory) which may apply to the Broker, the Company, or the placing of any Insurance Business.

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- 2.3 This agreement is for risks based in England, Wales, Scotland, Northern Ireland, The Channel Islands & The Isle of Man.
- 2.4 This agreement shall be governed and construed in accordance with the laws of England and Wales.
- 2.5 The Company will accept or decline any proposal or renewal for insurance, or continuation of cover for an existing policy, at their sole discretion, unless otherwise agreed in writing.
- 2.6 This Agreement is assignable only with the consent of all parties.
- 2.7 In the case of this Agreement being granted to more than one person the Company shall be entitled to assume that they are in partnership, and may deal with any one of them, or any person subsequently admitted into that partnership, in relation to all matters relating to this Agreement.

Financial Conduct Authority

- 3.1 References in this document to FCA and/or the Rules appearing in this Agreement refer to:
 - (a) The Financial Conduct Authority and/or its rules; and
 - (b) Any subsequent additions, amendments and revisions made to them, or any replacements of them; and
 - (c) Any other regulatory or legal requirement.

All of the above shall be binding on the Broker and the Company.

- 3.2 The Broker is responsible for complying with the rules that apply to the conduct of the Broker's business when acting on behalf of the Company under this Agreement, or under any additional authority, or Binder agreed between the Company and the Broker.
- 3.3 The Broker will ensure that any documentation, advertising or promotional material that the Broker produces or commissions independently without the written Agreement or approval of the Company complies with the rules.
- 3.4 The Company will be responsible for compliance with the rules in respect of any regulated activities undertaken by the Company in dealing with customers under this Agreement, for any instructions issued to the Broker by the Company and for any documentation, advertising or promotional material produced by the Company, or produced by written Agreement with the Broker and approved by the Company.
- 3.5 The Company must be notified immediately if there is any change to the Broker's regulatory status.
- 3.6 If the Broker becomes aware of any actual or pending compliance investigation by the FCA where it involves commercial business transacted with the Company and relates to a breach of the rules, or of any actual or pending disciplinary action by the FCA where it involves commercial business transacted with the Company, the Broker must notify the Company immediately.
- 3.7 If the Company becomes aware of any actual or pending compliance investigation by the FCA into any matter in which the Company is involved and where it relates to a breach of the rules, or of any actual or pending disciplinary action by the FCA involving the company, the Company must notify the Broker immediately.

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Risk Transfer and Client Money

- 4.1 The Company shall act as the agent for the insurer in accordance with the insurer's risk transfer arrangements. The Broker will be the agent of the Company for the payment of premiums which are, or will become, payable to the Company and must comply with all of the conditions documented in this agreement.
- 4.2 Monies the Broker receives from the customer will be deemed as paid to the Company when the Broker receives them from the customer and any monies will be deemed as paid to the customer when monies from the Company for the customer are paid by the Broker to the customer.
- 4.3 Money held by the Broker as agent for the Company may be co-mingled with client money and held in (i) a Statutory or Non-Statutory Trust in strict accordance with FCA rules from time to time in force and in accordance with CASS 5.4 or (ii) an Insurer trust account.
- 4.4 Where the Broker does not hold client money, then premium monies and IPT (including refunds of premium) are held as agent of the Company and subject to Risk Transfer.
- 4.5 All monies and IPT must be held in trust for the Company in a segregated bank account with an Approved Bank (designated as an insurance broking account or insurance bank account) and may be co-mingled with other insurer and client monies in this bank account. The Broker must ensure at all times that such monies are easily identifiable as being held on trust for the insurer.
- 4.6 The Company and the insurer consent to their interests in money held by the Broker in a Statutory or Non-Statutory Trust account containing client money being subordinated in accordance with CASS 5 to the interests of the Broker's other clients.
- 4.7 The Broker is entitled to retain any interest earned on Premiums held on our behalf.
- 4.8 The Broker will supply the Company on request copies of all documents constituting the trust or the Insurance Broking Account and thereafter copies of any amendments to such documents.
- 4.9 The Broker is strictly prohibited from further delegation or assignment, or sub-contract of any functions delegated to them by the Company.
- 4.10 The Company will give 30 days' notice if the Risk Transfer Facility is to be terminated.
- 4.11 Except where required by law or regulatory authority or by the terms of this Agreement, the Parties agree that the Broker will not be expected to act as guarantor to the Company with regard to the payment of any taxes relating to any Insurance Business. Where at the date of this Agreement it is market practice that the Broker administratively arranges payment of taxes, that practice shall continue.
- 4.12 Where the Broker processes and pays Taxes on behalf of the Company related to premium in respect of any Insurance Business, the Broker will hold such monies in accordance with clause 4.1 above for the Company and account to the Company for amounts received by the Broker in respect of such liability for tax which the Company may have in respect of that Insurance Business

Commission

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- 5.1 The Company will allow the Broker commission on insurance business transacted and completed with the Company, so long as the Broker retains control of the business.
- 5.2 Commission rates are allowed on gross premiums, exclusive of any taxation. These rates are applicable unless an additional arrangement is made with the full agreement of the Company and the Broker.
- 5.3 The Broker may deduct the Commission upon receipt of the premium from the customer and/or producing broker concerned, or on collection of the premium from any party funding the premium on behalf of the customer, or on acceptance by the Company of a mandate to pay the premium via the Company's own premium payment arrangements.
- 5.4 Any additional fees allowed, as listed in the schedules or otherwise detailed in writing, are supplementary to and do not form part of the commission.
- 5.5 For all classes of business, should the Company refund all or part of a premium for a risk or risks not incurred, the amount of commission in respect of that refund shall be repayable by the Broker to the Company.

Credit and Payment

- 6.1 The Company will be responsible for preparation of a statement of account (which may be contained in writing, or direct on-line communication to computer terminal, or any other method of communication which may be agreed by the Company and the Broker) and, unless otherwise agreed, the statement shall be the basis of accounting transactions between the Company and the Broker.
- 6.2 The Company will allow the Broker 45 days credit for payment of premiums due. The period of 45 days will run from the date of the inception of the policy. This settlement period will apply to all premiums other than for any specific policy / policies where special premium payment arrangements are made by the Company. Any changes to credit period will require a minimum of one month's notice to the Broker by the Company.
- 6.3 Provided the Broker shall itself have received the premium (including Taxes) or part thereof, the Broker shall, unless the Broker raises a dispute with the Company as to the premium or terms of trade in accordance with the relevant Slip in good faith (a "Dispute"), pay such premium (net of Commission, but including Taxes) or part thereof to the Company within the time permitted for the Insured to pay such premium in accordance with the terms of trade set out in this agreement. In the event the Broker receives the premium after the time permitted for the Insured to pay the premium and provided the relevant contract of insurance has not been validly cancelled, the Broker shall pay that premium (net of Commission but including Taxes) to the Company as soon as reasonably possible. Where there is a Dispute between the Company and Broker, once resolved, and provided the relevant contract of insurance continues to be in place and has not been validly cancelled, the Broker shall pay the relevant premium (net of Commission but including Taxes) as soon as reasonably possible.
- 6.4 The Company shall at its discretion request from the Broker prior to the expiry of the period of credit (but not earlier than 45 days following inception) confirmation of the premiums it has received, and the broker shall provide this information as soon as reasonably practicable following such request. Where the Broker has not received the premium, the Company may request confirmation that the insured has arranged premium finance, and the Broker will endeavour to obtain documentary evidence of the finance agreement for the Company.

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- 6.5 Where the Broker has been unable to collect the premium within the credit terms the Company may agree to remain on risk for a further period or to cancel the relevant insurance contract unless the Broker accepts responsibility for payment of the premium.
- 6.6 Where the Company cancels the insurance the Company and the Broker shall co-operate to recover from the insured any applicable Time on Risk charge.

Premiums

- 7 If the Broker does not obtain payment of the required premium from the customer, or from the third party funding the premium on behalf of the customer, within 45 days of:
- (a) Commencement of the insurance cover or adjustment or
 - (b) Calculation / agreement of the final premium to be levied.

The Broker will notify the Company immediately.

On receipt of such notification the Company may agree to remain on risk for a further period or cease cover thereafter unless the Broker accepts responsibility for payment of the premium.

Authority

- 8.1 Unless specifically authorised in writing by the Company, the Broker has no authority to sign documents on behalf of the Company (except only receipts for premiums on the official forms issued by the Company), to make markings of any kind on the policies or in any other way whatever to make arrangements binding the Company.
- 8.2 The Broker will pass any material information provided by a customer, in accordance with the terms of the insurance contract, promptly to the Company.
- 8.3 In all cases for a commercial risk where a policy / endorsement is not taken up or ceases to be continued, unless otherwise specified in this Agreement, the Broker will return the policy endorsement, renewal lapse advice or receipt and certificate of insurance to the Company for cancellation, with the reason noted on it, immediately upon receipt of these instructions from the Customer.
- 8.4 Unless specifically authorised in writing by the Company, the Broker may not enter into any agreement to delegate or contract out to another party, any of the activities undertaken by the Broker in pursuance of the duties delegated to the Broker under this agreement.
- 8.5 When giving any quotation or indication of cover provided by the Company's policies, the Broker will ensure that up to date rating guides / literature supplied by the Company are used. Any changes notified to the Broker by the Company must be brought into use as defined in the Company's notices to the Broker, and any obsolete rating guides / literature must be destroyed or returned to the Company as required by such notices.

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- 8.6 A policy can only be cancelled by the Company, unless the Broker has been authorised in writing by the Company to cancel policies on behalf of the Company. The Broker is authorised to accept notice of cancellation on behalf of the Company from their producing brokers or customers exercising their cancellation rights under FCA Rules and must forward any such notice of cancellation to the Company without delay. For essential information relating to cancellation, see paragraphs 12.1, 12.2 and 12.3.
- 8.7 A motor policy can be cancelled by the Broker on behalf of the Company should the producing broker or client:
- (a) Exercise their right to cancel their policy within 14 days of inception,
 - (b) Default under the credit terms offered by the Broker.
 - (c) Instruct the Broker to cancel the contract of insurance during the policy term.

The broker will need to cancel the policy in line with the terms and conditions set by the Road Traffic Act 1988. For essential information relating to cancellation, see paragraphs 12.1 and 12.2.

New Business

- 9.1 The Broker will present information and proposals relating to any insurance cover requested in the form specified by the Company from time to time or in such other manner as may be agreed in writing between the Company and the Broker.
- 9.2 The Broker will notify their producing broker or their customer (where applicable) promptly of all terms and conditions applying to the insurance (particularly any restrictions and exclusions), details of the items covered and the gross premium payable (distinguishing this sum from any other charge being made).
- Any further information required by the Company will be sought promptly by the Broker and notified to the Company immediately on receipt.
- 9.3 The Company will issue the policy and other relevant documentation promptly after conclusion of negotiations and provision by the Broker of all relevant information. The Company may authorise the Broker to issue these documents on their behalf.
- 9.4 The duties delegated by the Company to the Broker under this agreement or under any additional authority or binder will not be undertaken by the Company direct with any customer, except where 13.1 applies, unless otherwise agreed by the Broker with the Company.

Renewals

- 10.1 The Broker will pass the Company's renewal invitations promptly to their producing broker or their customer, where applicable, together with details of any change in the terms and conditions applying to the insurance or to the items covered.

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- 10.2 Prior to renewal date and subject to availability of all necessary documentation and information the Company will issue renewal documentation, advise terms or notify the Broker if it is not their intention to renew, in accordance with statutory requirements.

If the Company has decided not to invite renewal, the Company will co-operate with the Broker providing information held to assist the Broker in placing the cover elsewhere.

Claims

- 11.1 The Broker and the Company will ensure that no undue delay occurs in their handling, negotiation and settlement of any claims.
- 11.2 The Broker must notify the Company as soon as reasonably practicable upon receipt of notice of a claim.
- 11.3 The Broker is not authorised to commit the Company in any way or to arrange a claim settlement without the written consent of the Company.

Cancellation

- 12.1 Where a customer wishes to cancel a policy, the Broker must inform the Company immediately upon receipt of the cancellation instruction. The Broker must advise the Company of the effective date of the cancellation and the reason for it. The Company will make a service charge for the cancellation. The Company will reclaim any unearned commission that has been paid to the Broker.
- 12.2 If the Company is imposing cancellation, the Company will give the Broker 7 days' notice of the cancellation. The Company will reclaim any unearned commission previously paid to the Broker.

Direct Dealings with Customers

- 13.1 To enable the Company to fulfil any regulatory or contractual duties to customers, on behalf of the Insurance Company named in the Insurance Policy schedule, the Company reserves the right to deal direct with customers whose insurances are arranged by the Broker with the Company in any of the following circumstances: -
- (a) If there are reasonable grounds to suspect fraud on the part of the broker.
 - (b) Civil/criminal charges material to the operation of this Agreement.
 - (c) If the Broker is unable to meet the FCA's financial requirements, or in the event of the bankruptcy, insolvency or liquidation of the Broker, or on the approval by the Broker's creditors of a voluntary arrangement or on the making of an Administration order in relation to the Broker.
 - (d) If the broker fails, without reasonable cause, to remedy unsatisfactory conduct as requested by the Company in writing.
 - (e) If the broker ceases to be authorised by the FCA to undertake any relevant general insurance regulated activities, or in the event of any serious failure by the Broker to comply with the Rules.

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(f) If the Broker is physically unable to undertake any of the duties delegated by the Company to the Broker under this Agreement or under any additional authority or Binder.

(g) The Company shall use their best endeavours to notify the Broker of the proposed action and the reasons for it.

13.2 The Company will make every effort to contact the Broker and inform them prior to contacting the client direct for any of the circumstances detailed in 13.1.

Termination

14.1 The Broker or the Company may terminate this Agreement: -

(a) On the expiry of 60 days written notice delivered by registered or recorded delivery post or electronic mail; or

(b) Without notice if there are reasonable grounds to suspect fraud, or in the event of the bankruptcy, insolvency or liquidation of the Broker or the Company, or on the approval by creditors of the Broker or the Company of a voluntary arrangement or on the making of an Administration order in relation to the Broker or the Company; or

(c) Without notice if the authorisation by FCA of the Broker or the Company to undertake any general insurance regulated activities is terminated following any proposed or actual disciplinary proceedings for any failure to comply with the Rules, or for any serious failure to comply with the Rules in respect of any regulated activities undertaken by the Broker in pursuance of the duties delegated to the Broker under this Agreement; or,

(d) If the Broker or the Company fails to remedy any other breach of this Agreement, or any unsatisfactory conduct, within a reasonable period of the Broker or the Company notifying the other party in writing.

14.2 For the period of 12 months following termination of this Agreement, other than for terminations by the Company in the circumstances set out in paragraphs 14.1 (c), (d) and (e) above, the Companies will co-operate with the Broker in providing information necessary for placing business elsewhere.

14.3 Upon termination of this Agreement under paragraph 14.1 above, the Company will prepare a statement of account, settlement of which shall be by way of payment by the Broker or the Companies of the net balance due to the other. All known premiums for which the broker would be liable under this Agreement and not included in this statement of account must also be paid to the Companies at the same time.

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Information

15.1 Each party will notify the other promptly: -

(a) If the Proprietor, Partner, Director, or any other approved person, is convicted of a criminal offence (other than a motoring offence), or becomes subject to a Court Judgement for debt.

(b) If the Broker's authorisation by FCA to undertake one or more general insurance regulated activities is changed or ceases or is terminated and the reason(s) for such change/cessation/termination.

(c) if any of the following change:

- Trading Name
- Brokers Address

Company's Property

16.1 The Broker will ensure that all books, documents, advertising and promotional material, computer software and hardware belonging to the Company will be available at all reasonable times to the Company for inspection.

16.2 If this Agreement is terminated or notice of termination is given, such books, documents, advertising and promotional material, and computer software and hardware must be delivered by the end of the period of notice of termination to the Company by the Broker.

16.3 The Broker shall maintain adequate records sufficient to demonstrate compliance with this Terms of Business Agreement. The Broker will, at all reasonable times, allow the Company access to the Broker's premises and to any records, papers, and other material and information held in any form by the Broker on behalf of the Company that the Company may request, for the purposes of monitoring or investigating the Broker's compliance with the Terms of Business Agreement or for any other audit the Company may reasonably require.

Broker / Client Relationship

17.1 Other than on termination by the Company in the circumstances set out in paragraphs 14.1(b), (c) and (d) above, the Company will not deliberately use information obtained from the Broker on business transacted under this Terms of Business Agreement to solicit, either directly, or indirectly by arrangement with another party, the insurance business of the Broker's clients.

17.2 In order to protect the legitimate business interests of the Broker, the Company shall not, during the term of this Agreement and for a period of 3 years after its termination or expiry, directly or indirectly solicit, entice away or attempt to solicit or entice away from the Broker any Restricted Client of the Broker. For the purposes of this clause, "Restricted Client" shall mean any firm, company, person or other client entity who is, or has: (i) at any time during the term; or (ii) following expiry or termination of this Agreement, in the immediately preceding 3 years, been introduced to the Company by the Broker.

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- 17.3 In order to protect the legitimate business interests of the Broker, the Company shall not during the term of this Agreement and for a period of 12 months after its termination or expiry, directly or indirectly solicit, entice away, or attempt to solicit or entice away from the Broker any Restricted Employee of the Broker. For the purposes of this clause, "Restricted Employee" shall mean any firm, company, contractor or person employed or engaged by the Broker above a junior level (including but not limited to officers and directors), with whom the Company has had material contact or who could materially damage the business interests of the Broker by virtue of their employment or engagement by the Company (i) during the term; or (ii) following expiry or termination of this Agreement, in the immediately preceding 12 months. The foregoing shall not restrict any Restricted Employee's rights to approach the Insurer where it has conducted a national advertising campaign open to all-comers and not specifically targeted at any officers or staff engaged by or contractors of the Broker (but without prejudice to any restrictive covenants or similar non-solicitation or non-compete provisions in any employment agreement or similar of such officer, staff or contractors).

Internet

- 18.1 The Broker is not authorised to include the Company's Products on an internet quotation (or similar) system without specific prior approval in writing from the Company.
- 18.2 If authorisation to include the Company's Products on an internet quotation (or similar) system is granted then the Broker must not alter the basis of derivation of any information within such system without specific prior approval in writing from the Company.

Registered Trade Marks

- 19.1 The "Blagrove Underwriting Agency" name and corporate logo are registered trademarks of the Company. The Broker may only use the "Blagrove Underwriting Agency" name and corporate logo for the purposes of the activities undertaken by the Broker on behalf of the Company in pursuance of this Agreement, unless the Company gives specific written approval for other purposes. Unless specifically authorised in writing, the Broker may not use the corporate logo on any documents or materials produced independently by or on behalf of the Broker.
- 19.2 On termination of this Agreement the Broker will stop using documentation or other materials bearing the "Blagrove Underwriting Agency" name and/or corporate logo and return to the Company any such documentation and materials provided to the Broker by the Company. After such termination the Broker may only use the "Blagrove Underwriting Agency" name and corporate logo for the purpose of concluding any matters the Broker is required or permitted to handle and/or run off for the Company.

Data Protection

- 20.1 The Broker will:
- 20.1.1 maintain all notifications in terms of the Data Protection Act 2018, as amended or re-enacted from time to time (the "DPA"), which are required for or otherwise appropriate to the performance of its obligations under this Terms of Business Agreement (which shall

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include, for the avoidance of doubt, any other supplemental agreement between the Broker and any of the Company).

20.1.2 in the performance of this Terms of Business Agreement, at all times comply with the DPA (including without limitation the data protection principles set out in the DPA) and with guidelines and guidance notes issued from time to time by the Information Commissioner;

20.2 The Company and the Broker warrant and undertake to each other that they will:

20.2.1 Act only on the instructions of the other party in relation to any personal data that they process on behalf of the other party.

20.2.2 Ensure that, in respect of any personal data processed on behalf of the other party, appropriate technical and organisational measures are taken against unauthorised or unlawful processing of such personal data and against accidental loss or destruction of, or damage to, such personal data.

20.3 When disclosing and/or transferring any personal data to the Company, the Broker shall be deemed to warrant and confirm to the Company that:

20.3.1 As far as it is aware, the Broker is not subject to any prohibition or restriction that would restrict or otherwise affect the liability of the Broker to disclose or transfer that personal data to the Company.

20.3.2 As far as it is aware, any such disclosure or transfer will not give rise to any breach of any provision of the DPA, any duty of confidentiality, any intellectual property rights of a third party, or any contractual obligation on the part of the Broker.

20.4 In maintaining this Agreement, the Company may from time-to-time search files made available to the Company by credit reference agencies for credit referencing and credit scoring purposes. Those credit reference agencies involved may keep a record of that search. Credit reference agencies share information with other organisations, enabling applications for financial products or services to be assessed or to assist in the tracing of debtors or to prevent fraud. Individuals have a right to access to any personal files held as permitted under the Data Protection Act 2018.

Security of Documentation

21.1 If the Broker holds any of the Company's documentation, which could be used to provide proof of cover these must be kept in secure storage, other than when issuing such documentation. The secure storage is to be a locked cupboard, cabinet or desk, which does not carry any indication of these contents, and with keys held by responsible, nominated individuals. Procedures are also to be in place to enable prompt identification of missing or lost documentation.

21.2 Loss of any cover note or any book of cover notes must be reported to the Company immediately, with details of the serial numbers involved. Theft of or fraudulent use of any cover note or any book of cover notes must be reported to the Police at the same time, with details of the serial numbers involved, and a note of the Police crime reference number is to be passed on to the Company. The Broker must apply similar reporting procedures to any other of the Company's documentation held which could be used to provide proof of cover.

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EDI Terms (for Personal / Commercial Lines General Insurance Business)

- 22.1 If the Broker trades with the Company electronically, the following terms in 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32 will apply to any such business. This Terms of Business Agreement will otherwise also apply in the same way as for any other business transacted between the Broker and the Company.

Definitions

Message – Data transmitted electronically between the Broker and the Company, including any part of such data.

Transaction Log – A complete record of the Messages sent and received by the Broker.

System – The electronic trading system(s) that the Broker is authorised to use under 23.2 below.

Software House – The supplier(s) of the System.

Operating Procedures

- 23.1 The Broker must comply with the procedures laid down by the Company from time to time.
- 23.2 The Broker is authorised to use the System for trading with or on behalf of the Company where such authorisation is given from time to time by the Company.
- 23.3 The Company reserves the right to suspend or to withdraw the Broker's authority to use the electronic trading facilities immediately on delivery of a notice in writing to the Broker.
- 23.4 The System must be kept up to date at all times with the latest releases of software received from the Software House, by the effective date of each such release. Failure to do so will invalidate any guarantees that apply to the insurance risk.
- 23.5 The Broker will ensure that the System containing data on policies underwritten by the Company is operated and maintained in a serviceable condition and in accordance with any instruction/guidelines issued by the Software House.
- 23.6 The broker must make a system connection at the end of each business day, so transmissions are sent to the company on the day of sale.
- 23.7 A permanent record of the EDI file must be kept by the broker, including the quotation with the date and time specified, a signed proposal form, MTA documentation, and other supporting information relating to the risk.

Security

- 24.1 The Broker will ensure that access to data relating to the business underwritten by the Company is restricted to individuals in the employment of the Broker and who need to have this access, or other persons specifically authorised by the Company.

Authenticity of Messages

- 25.1 Each Message must identify the sender and recipient(s) and must include a means of verifying the authenticity of the Message, either through a technique used in the Message itself or by some other means as provided for in the procedures laid down by the Company.

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- 25.2 The Broker and the Company may by agreement, also use higher levels of authentication to verify and message.

Integrity of Messages

- 26.1 The Broker and the Company will ensure that any Message sent to the other is complete, accurate and secure against being altered in the course of transmission. Subject to 26.2 and 26.4 below, the sender will be liable to any other person for the direct consequence of any failure to perform the sender's obligation under this clause.
- 26.2 The Broker and the Company each accept the integrity of any Message and agree to accord each Message the same status as would apply to any document or to information sent other than by electronic means, unless such Message can be shown to have been corrupted because of technical failure of any computer, computer system or transmission line.
- 26.3 Where there is evidence that a Message has been corrupted, or if any Message is identified as incorrect, it will be re-transmitted by the sender as soon as possible, with a clear indication that it is a corrected Message. No liability of the sender from failure to comply with this clause will arise if 26.4 below applies.
- 26.4 Notwithstanding 26.1 and 26.3 above, the sender will not be liable for the consequences of any incomplete or incorrect transmission if the error is or should be, in the circumstances, reasonably obvious to the recipient. The recipient must notify the sender immediately of any such error.
- 26.5 If the recipient has reason to believe any Message is not intended for him/her/it, the recipient must notify the sender and delete from the System the information contained in the Message, but a record must be kept of its receipt.

Back-up, Recovery and Re-transmission

- 27.1 The Broker will take sufficient back up from the System to ensure uninterrupted customer service without loss of data.
- 27.2 The Broker must make suitable alternative provisions for prompt handling of business with the Company in the event the System is disrupted or is out of use for any reason. Full details of the procedures in place must be provided to the Company on request.

Confirmation of Receipt of Messages

- 28.1 Except where receipt of Messages is confirmed automatically by the System, the Company may request the Broker to confirm receipt of each Message. Any such confirmation requested is to be sent to the Company without delay.

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- 28.2 The Broker and the Company will process and/or deal with each Message received in accordance with any response times specified by the Company or the Software House, or as the Broker and the Company may agree. In the absence of such specification, or agreement, the Broker and the Company will process and/or deal with each Message without unreasonable delay.
- 28.3 Confirmation of receipt of any message will not, in itself, give rise to any legal obligation, or confer any right on any person or constitute acceptance of any offer contained/implied in such Message.

Verification

- 29.1 The Broker will ensure that the Transaction Log and any reproduction made from it is correct.

Audit

- 30.1 All books, documents and any Message or other data relating to business underwritten by the Company and held by the Broker will be available on reasonable notice to the Company or their professional advisers, or HM Customs and Excise, for inspection.

Liability

- 31.1 The Broker is responsible for the accuracy of all data input or processed by the Broker.
- 31.2 The Company will not be liable for any loss or damage suffered by the Broker as a result of any delay in relaying data to the Broker where such delay is beyond the control of the Company, their agents or employees.

Termination

- 32.1 These terms will cease automatically in the event of the termination of the Broker's agency facilities with the Company from any cause, or if the Company withdraws the Broker's authority to transact business electronically with the Company in accordance with 23.3 above.
- 32.2 The Broker must continue to observe the provisions of 23, 24, 25, 26, 27, 28, 29, 30 and 31 above, notwithstanding any such termination, suspension or withdrawal of authority by the Company.
- 32.3 Within 14 days of such termination or withdrawal of authority by the Company, the Broker will provide to the Company all data or records held by the Broker relating to business underwritten by the Company.

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Variation

- 33.1 Any variation to this Agreement must be mutually agreed in writing and signed by the Broker and the Company and, as far as possible, a reasonable period of notice will be given before such changes become operative.
- 33.2 Should an agreement not be reached, the Company reserves the right to give a minimum of three months written notice to the Broker of any variations.

Confidentiality

34.1 Each of the Parties will treat information received from the other relating to this Agreement and to the Insurance Business as confidential and will not disclose it to any other person not entitled to receive such information except as may be necessary to fulfil their respective obligations in the conduct of the Insurance Business and except as may be required by law or regulatory authority. For the avoidance of doubt each party shall be entitled to disclose such information where necessary to its insurers or reinsurers, actuaries, auditors, professional agents and advisers and other Group companies. This clause will not apply to information which was rightfully in the possession of such party prior to this Agreement, which is already public knowledge or becomes so at a future date (otherwise than as a result of a breach of this clause) or which is trivial or obvious.

Complaints

35.1 Each Party will notify the other in accordance with the UK Regulator rules of any complaint concerning the other Party relating to Insurance Business subject to this Agreement.

Protection of Reputation

36.1 Each Party agrees it will not, without the written authority of the other Party, make use of the other Party's corporate or trading names or logos and trademarks.

Conflicts of Interest

37.1 The Parties will adopt and/or maintain procedures to ensure that each has in place arrangements for the identification and management of any conflicts of interest that may arise in relation to any Insurance Business.

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Disclosure

38.1 The Broker will comply with relevant regulatory, fiduciary and legal requirements regarding disclosure of all forms of remuneration from any arrangements it may have for remuneration in connection with Insurance Business.

Rights of Third Parties

39.1 A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This clause shall not affect any right or remedy of a third party which exists or is available apart from that Act.

Dispute Resolution

40.1 The Parties to this Agreement are committed to resolving all disputes arising under it (and whether such dispute arises before or after termination of this Agreement) without the need for litigation and to allow as far as possible for commercial relationships to remain unaffected by disputes and therefore the Parties:

40.1.1 will attempt in good faith to resolve any dispute or claim promptly through negotiations between respective senior executives of the Parties who have authority to settle the same;

40.1.2 will attempt in good faith, if the matter is not resolved through negotiation within three months of the dispute arising to resolve the dispute or claim through mediation with the assistance of a mediator agreed between the Parties or as recommended to the Parties by the Centre for Dispute Resolution or such similar organisation as the Parties may agree; or

40.1.3 if the matter has not been resolved by mediation within six months of the dispute arising, or if either Party will not participate in a mediation procedure, the Parties will refer the dispute in accordance with the *Jurisdiction and Choice of Law Clause* below.

40.2 Notwithstanding the above, either Party may seek the immediate protection or assistance of the High Court of England and Wales if appropriate.

Jurisdiction and Choice of Law

41.1 This Agreement shall be construed according to English law and any disputes arising under it shall, subject to the provisions of clause 40 above, be determined in the Law Courts of England and Wales.

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Enforceability Clause

42.1 In the event any portion of this Agreement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

General Interpretation of this Agreement

43.1 In this Agreement, words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of the Agreement.

Service of Notices

44.1 Any notices to be given under this Agreement shall be sent by first class recorded delivery post, by hand or sent by electronic mail to the Compliance Officer at the registered office of the Party to be served. The notice shall be deemed to have been served, if posted, at the expiration of two business days after posting, or by hand, at the time of delivery and if sent by electronic mail, at the time of transmission.

Force Majeure

45.1 Neither Party shall be liable for any delay or non-performance of its obligations under this Agreement caused by an event beyond its control (a "Force Majeure Event") provided that the Party affected gives prompt notice in writing to the other part of such Force Majeure Event and uses all reasonable endeavours to continue to perform its obligations under the Agreement. Either Party may terminate this Agreement if such Force Majeure Event continues for more than 3 months.

Market Security

46.1 The Company does not guarantee the financial position and solvency of any market utilised and cannot guarantee the future stability or any market to meet its client obligations and therefore the final decision on the suitability of any market rests with the Broker as agent of the client.

46.2 Where the Company places the Brokers business under any delegated underwriting authority the Company will notify the Broker immediately if the ultimate risk carrier terminates or changes midterm so that the Broker can undertake the appropriate action and perform any due diligence required on the new market.

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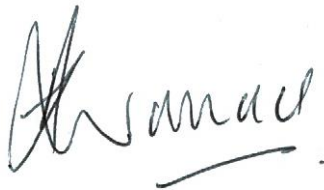
Broker Signature

Print Name:

Position held in the company:

Date:

Signed on behalf of Blagrove Underwriting Agency Ltd

A handwritten signature in black ink, appearing to read "Andrew Wallace". The signature is written in a cursive style with a horizontal line underneath the name.

Andrew Wallace

Position held in the Company Managing Director

Date