

Citynet Insurance Brokers Limited

Terms of Business Agreement (“TOBA”)

An Agreement dated XXXXXX governing the conduct of business between:

1. Citynet Insurance Brokers Limited

- 1.1 Citynet Insurance Brokers Limited (also referred to as “Citynet”, “we”, “us” or “our”). Our registered address is Ground Floor, 71 Fenchurch Street, London, EC3M 4BS
- 1.2 We are a Lloyd’s broker and are authorised and regulated by the Financial Conduct Authority (FCA) to conduct general insurance activities. This can be verified by checking the Financial Services Register on the FCA’s website or by contacting the FCA by telephone on 0800 111 6768. You can contact us by telephone on 0207 488 7950 and find out more about us at www.Citynet-insurance.com.

and

- 1.3 XXXXXX (also referred to as “you” , “your”)

- 1.4 Together (the “parties”)

2. Scope

- 2.1 This TOBA is between you and us It provides you with information about the basis on which we agree to act for you in arranging insurance for you. Where the acts, omissions or permissions of your client (including but not limited to another intermediary or insurer) have the potential to influence your ability to comply with the terms of this Agreement, you agree to procure that you and your client act appropriately to enable you to discharge your responsibilities herein. Where we have agreed with you to deal directly with your client, we will do so as your agent and not the agent of your client.
- 2.2 Where the context so admits in this agreement, the term ‘insurer’ includes ‘reinsurer’ and the term ‘insurance’ includes ‘reinsurance’.
- 2.3 This Agreement constitutes an offer by us to act on your behalf in connection with you and your client’s insurance requirements on the terms set out herein. In the absence of any specific acceptance communicated to us, you are deemed to have accepted our offer to act for you on the basis of this Agreement when you instruct us to arrange, renew or otherwise act for you in connection with insurance matters. Please contact us immediately if there is anything in these terms of business that you do not understand or with which you disagree as proceeding with a quotation or renewal will be taken as your acceptance of these Terms of Business

3. Your regulatory authorisation to act

- 3.1 You will maintain your authorisation to act as an insurance intermediary or insurer at all times during the course of our relationship, in accordance with the relevant legislation in the territory(is) in which you operate.

4. Our service to you

- 4.1 We will provide insurance broking services and/or insurance consultancy services (“the Services”) with reasonable care and skill. In providing any insurance broking element of the Services, we will:
- (a) Explain the main features of products and the Services we are offering to you.
 - (b) Provide you with information about any risk quoted, before it is bound.
 - (c) Place you or your client’s insurance only when you instruct us to, and we will advise you if we are unable to complete the placement.
 - (d) Provide claims services to you, as further described in clause 16.
- 4.2 We normally act as you and your client’s agent when providing the Services. However, in some cases, we may act as agent of the insurer, which can be in various capacities, including in connection with binding authorities or administration services. Clause 10 explains how client money will be held when we act as either you or your client’s agent or agent of the insurer.

5. Professional Indemnity Insurance

You will maintain professional indemnity insurance in accordance with the requirements of the FCA (or other Regulator if you are authorized outside the United Kingdom) and will provide a copy of your policy to us upon request.

6. Market security

- 6.1 We check the financial strength ratings provided by specialist agencies for each participating insurer and, based on these, we may seek you or your client’s (via you) specific approval of some proposed security. We do not assess or guarantee the solvency of any insurer.
- 6.2 You should note that if an insurer who has granted risk transfer (see clause 10) to Citynet becomes insolvent, any related premiums we hold for that insurer are deemed to have been paid to them and will not be returnable to you.
- 6.3 We do not accept any liability for any unpaid amounts in respect of claims or return premiums due to you from a participating insurer who becomes insolvent or delays settlement.

7. Evidence of cover and policy documentation

- 7.1 We will promptly send you evidence of cover in the form of an insurance policy, a certificate of insurance, a copy of our placing slip, or an insurer or Citynet produced insurance document. You should examine any insurance documents very carefully to ensure that they meet you and your client's requirements. If the documents do not meet your requirements, if you feel they are incorrect, if you do not understand them, or if you are dissatisfied with the insurance security, please advise us immediately. Otherwise, we will assume that the documentation meets you and your client's requirements. In any event, it is important for you to keep your insurance documents safe.
- 7.2 Unless you advise us otherwise in writing, we will treat any paper documents that you provide to us as copy documents. Such documents may ultimately be destroyed by us in accordance with our document retention policy. Please let us know if you require any further information regarding our document retention policy.
- 7.3 Any placing or signing slip evidencing insurance placed by us on your behalf belongs to and remains the property of Citynet.

8. Non-payment of premium

- 8.1 You agree to pay all premiums and other charges on or before the due date as set out in our invoice or debit note, as applicable.
- 8.2 Should you or your client's fail to pay the premium or any instalment of it in full with cleared funds in the invoiced currency by the due date, the insurance contract may be cancelled by us or by insurers in accordance with any cancellation clause in the policy.
- 8.3 We will advise you if insurers have imposed a premium payment warranty or condition. Where insurers have specified a premium payment warranty, they must receive the premium due by that date. If you do not think you will be able to comply with the premium warranty, please contact us immediately.
- 8.4 Where applicable and where the relevant details have been passed to us, any other party with an interest in the insurance contract will be advised of any non-payment of premium and given the opportunity to pay the outstanding amounts.

9. Currency

- 9.1 When conducting your business, 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 conversion, then any such repayment will be made in the currency to which the funds have been converted. Any shortfall arising from exchange differences remains your liability.
- 9.2 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.

10. Client money

10.1 We will hold money received from you or your client's , or to pay to you, as "client money", either:

- (a) as agent of your client; or
- (b) as agent of you or your client's insurers under agreements with some insurers specifying that premiums and claims monies received by us are held as agent for those insurers. This is termed "risk transfer".
- (c) as agent of you or your client's insurers under "non risk transfer" agreements only when mandatory by reason of any legal or regulatory requirements of your client's principality.

10.2 We will hold and co-mingle client money as defined at clause 10.1 in non-statutory trust bank accounts in accordance with the FCA's Client Money rules. Where the monies are also subject to risk transfer, we have agreed with insurers that they subordinate their rights in those monies to those of our clients. Therefore, in the unlikely event of our failure, all monies held in our non-statutory trust bank accounts will be available to clients ahead of insurers and other creditors. As the trust bank account protects money held on either basis, we will not usually inform you on which basis we hold the money we have received from you or for you.

10.3 We are permitted, in the normal course of business, to use client money held on behalf of one client or insurer to pay another client's or insurer's premium or claim. We may not use it to pay ourselves commissions before we receive the premium from our client. Upon receipt of you or your client's premium, the commission will be retained by us.

10.4 Notwithstanding the operation of the trust bank account as described above, in the usual course of business we do not:

- (a) Fund premium on you or your client's behalf to insurers and you agree that we will not be deemed to have been paid premium by you or your client; or
- (b) Fund claims to your client due from insurers.

However, in the event that we elect to fund premium, you acknowledge that any funded amount, whether arising as a result of a payment by us or a deduction by you from amounts payable to us, is to be refunded to us immediately, and that for the duration of any funding, such funded amounts are not considered to be a gift from us. We reserve the right to charge interest on any such funded items from the date the funding commenced to the date of payment.

10.5 Any interest earned on you or your client's money held by us and any investment returns on any segregated designated investments will be retained by us for our own use, rather than paid to you. We may hold separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into the non-statutory trust account. If we do so, we are responsible for any resultant shortfall in your client's money held by us.

10.6 You or your client's money will normally be deposited in client accounts with banks which have been approved by the relevant regulatory authority. In the unlikely event that the bank is not approved, it will still be held in a designated bank account. We may transfer you or your client's money to other banks or intermediaries, including those outside the UK, where the legal and regulatory regime will be different. In the event of their failure this money may be treated in a different manner.

10.7 Where you do not wish you or your client's money to be passed to a particular bank, intermediary or jurisdiction, you should tell us.

11. Warranties

11.1 It is very important that you familiarise yourself with all the terms of any insurance contract that you purchase. In particular, you must treat any warranties seriously and comply strictly with them. Failure to do so will entitle the insurer to terminate you or your client's insurance contract. If you have any doubts or reservations, you should tell us.

12. Your duty of disclosure / utmost good faith

12.1 You and your client must disclose to insurers via us, before the terms of the insurance contract are finalised with insurers, all information which is known to you and your client (or which ought to be known to you or your client) in the ordinary course of business and which is material to the risk. Information is material if it would influence the judgement of a prudent insurer in establishing the premium or determining whether to underwrite the risk, and/or the terms and conditions on which to underwrite the risk. This is not limited to answering specific questions asked by us or insurers. If there is any doubt as to whether information is material, it must be disclosed to insurers (through us).

12.2 You agree that we shall provide the Services in reliance on the information and data provided by you. You should take care to complete claims and proposal forms or questionnaires required by insurers fully and accurately. The provision of incorrect or incomplete information may result in the denial of you or your client's claim or the avoidance of you or your client's insurance contract.

12.3 If you become aware that material information that you have supplied before the contract of insurance is finalised was incorrect or has been omitted, you should tell us immediately.

12.4 The duty of disclosure is a continuing obligation and applies when there are changes in you or your client's circumstances which materially increase the risk, or relate to compliance with a warranty or condition in the policy. Any such changes must be notified to us at once. The duty of disclosure is also re-imposed when there are changes or variations in cover and when the policy is renewed or extended.

12.5 Please note that in circumstances where you are a broker client of ours and your client is a natural person, the disclosure obligations of your client are as described in A1.4 of Schedule A.

13. Your liability for tax

13.1 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 insurance transactions.

14. Remuneration

14.1 Our remuneration may be as a fee or as brokerage which is a percentage of the insurance premium paid by you to us and allowed by the insurer with whom the insurance is placed, or a combination of both. Where a fee is payable by you in addition to brokerage we shall identify the amount prior to your liability to pay it. All fees and brokerage are earned for the policy period and we will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us.

- 14.2 In the event of a mid-term adjustment we may earn further brokerage on any additional premium levied by insurers or charge additional fees provided they are pre- agreed by you. If policy adjustments result in a return premium, we reserve the right to retain brokerage previously accounted for: in other words, we retain the right to process return premiums to you net of brokerage. We do not take credit for brokerage due until the premium has been received from you. Fees and brokerage are deemed fully earned and payable once you or your client's insurance cover has been arranged even if you or your client's insurance cover is later amended, terminated or cancelled during the period of cover. We may charge other fees for the production of policies or duplicate documents.
- 14.3 In addition to fees and/or brokerage we may receive remuneration by way of administrative fees or commissions or enhanced brokerage for services provided to insurers such as when we operate binding authorities or line slips for them. Insurers may also pay us additional fees or commissions relating to profitability or volume of business placed with them.
- 14.4 We may sometimes act as reinsurance brokers to insurers in relation to business that we have placed for clients with them. We are remunerated separately by insurers for this work as they are our client in such circumstances and because it is a separate contract.
- 14.5 Where we introduce a premium finance company, we also receive additional remuneration for the administration services we provide for the finance company.
- 14.6 In the handling of client money, we will earn interest on cash amounts held and may benefit from foreign exchange differentials and returns on segregated designated investments held in respect of client money. Any such interest or investment returns shall belong to us and we shall not be required to account for it to you.

15. Conflicts

- 15.1 This TOBA will not prevent us from acting for other clients who may be your competitors or with whom you may have business dealings. You acknowledge and agree that this may prevent us from advising you of information which has come into our possession by virtue of us acting for another client.
- 15.2 In the event that we identify a conflict of interest in our providing the Services to you, we will immediately notify you and, where we are able to do so, will agree how to continue to provide the Services.
- 15.3 During the submission and consideration of any claim that you may have under an insurance contract, we may provide, and be separately remunerated for, limited services to your insurers. In performing these services, we will always use reasonable endeavors to avoid a conflict of interest. Should we consider, however, that a conflict has arisen, then we shall take no further action on behalf of the insurer without your written approval.

16. Claims

- 16.1 Any loss, claim or circumstances that may give rise to a claim must be notified in a timely manner and in accordance with the notification provisions contained in the policy we have arranged on your behalf or for your client.
- 16.2 When you make a notification under you or your client's policy you should provide us with details of all material facts concerning the event you or your client's are notifying. Your policy documentation will describe in detail the procedures and conditions in connection with making a claim. Where we act for the insurer in relation to a claim we will advise you of this when you notify us of the claim.

16.3 We will assist you in submitting a notification under the policy(ies) we have arranged for you or your client and in seeking to obtain reimbursement or indemnity without charging you separately for doing so (unless otherwise agreed with you as part of our remuneration). Our remuneration includes payment for the placement of you or your client's policy(ies) with underwriters and the handling of claims throughout this policy year and for as long as we remain your broker. In the event that our relationship is terminated we reserve the right to require you to arrange for the handling of any claims outstanding at the date of termination to be transferred to a party nominated by you. Alternatively, we will be pleased to continue handling claims outstanding at the date of termination provided we are able to and we have agreed between us an appropriate method of remuneration for this service. In the event that an insurer becomes insolvent or delays making settlement of a claim, we do not accept liability for any outstanding claims.

17. Exclusions and Limitations of Liability

- 17.1 The Services are provided solely and exclusively by us, acting through our employees, and accordingly no employee shall owe you any personal duty of care.
- 17.2 It is agreed and understood that no employee shall be liable to you for any loss or damage howsoever arising as a consequence of the acts or omissions of such (including negligent acts or omissions), save where such loss or damage is caused by fraud on the part of such employee, or cannot otherwise be lawfully excluded. Citynet itself shall be liable to you to the same extent as it would have been in the absence of this exclusion, and we undertake not to rely upon any matter by way of defence if and to the extent that such matter would not have been available to it in the absence of this exclusion.
- 17.3 The extent to which any loss or damage will be recoverable by you or your client from us will also be limited so as to be in proportion to our contribution to the overall fault for such loss or damage, taking into account any contributory negligence by you and any negligence by your other advisers and/or any third party responsible to you and/or liable in respect of such loss or damage.
- 17.4 Citynet's aggregate liability for breach of contract, negligence, breach of statutory duty or other claim arising out of or in connection with this TOBA or the Services provided hereunder shall be limited as follows:
- (a) in respect of personal injury or death caused by our negligence, no limit shall apply;
 - (b) in respect of any fraudulent acts (including theft or conversion) or our willful default, no limit shall apply;
 - (c) in respect of claims other than in connection with sub-clauses (a) and (b) above, our total aggregate liability shall be limited to the sum of £1m or the equivalent in your local currency at the prevailing rate; and
 - (d) subject to sub-clauses (a) and (b) above, in respect of the following losses: loss of revenue; loss of opportunity; loss of reputation; loss of profits; loss of anticipated savings; increased costs of doing business; or any other indirect or consequential loss, we will have no liability in any circumstances.
- 17.5 Both you and we agree that the foregoing exclusions and limitations are reasonable, based on the level of risk assumed by us in connection with the Services we provide and the fees and/or commission or brokerage earned under this TOBA.
- 17.6 The terms of this clause 5 shall be enforceable by employees.

18. Complaints

18.1 Our complaints procedure is available upon request. All complaints should be addressed to:

Complaints@citynet.eu.com
Or David Walland (dw@citynet.eu.com) Or
Richard Seeley (rjs@citynet.eu.com)
Citynet Insurance Brokers Ltd
Ground Floor, 71 Fenchurch Street,
London, EC3M 4BS

18.2 If we are unable to settle your complaint with us, you may be entitled to (subject to being an eligible complainant) refer it to:

The Financial Ombudsman
<http://www.financial-ombudsman.org.uk/>

18.3 It may be the case that you are entitled to compensation through the Financial Services Compensation Scheme (FSCS) if we cannot meet our obligations. Further information is available from:

Financial Services Compensation Scheme
<https://www.fscs.org.uk/>

Or your local equivalent within the EEA.

19. Confidentiality and Data Protection

19.1 The Parties acknowledge and agree that where a Party processes Personal Data under or in connection with this Agreement it alone determines the purposes and means of such processing as a Controller.

19.2 All information about data subjects, your business, your client's business or which you otherwise supply to us, of a sensitive or personal nature will be treated as private and confidential. We will however use and disclose the information we have in the course of arranging, placing and administering insurance requirements. This may involve passing information to insurers, other intermediaries, risk management assessors; uninsured loss recovery agencies service providers, industry regulators, our auditors and other third parties. We may also pass information to credit reference agencies and premium finance providers in connection with the assessment of financial standing generally.

19.3 If you have supplied us with personal information relating to a third party, you must make them aware of how we use it and of their rights under Data Protection Law.

19.4 In respect of the Personal Data a Party processes under or in connection with this Agreement, the Parties:

- (a) shall comply at all times with its obligations under the Data Protection Law;
- (b) shall notify the other Party without undue delay after, and in any event within 24 hours of, becoming aware of a Personal Data Breach; and
- (c) shall assist and co-operate fully with the other Party to enable the other Party to comply with their obligations under Data Protection Law, including but not limited to in respect of keeping Personal Data secure, dealing with Personal Data Breaches, complying with the rights of Data Subjects and carrying out data protection impact assessments.

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- 19.5 The Parties shall work together to ensure that each of them is able to process the Personal Data it processes under or in connection with this Agreement for the purposes contemplated by this Agreement lawfully, fairly and in a transparent manner and in compliance with the Data Protection Law. This shall include but not be limited to entering into such other written agreements as may be required from time to time to enable each Party to comply with the Data Protection Law.

For the purposes of this clause 19 :

“Controller” means the person which, alone or jointly with others, determines the purposes and means of the processing of Personal Data;

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

“Data Subject” means the identified or identifiable natural living person to whom the Personal Data relates;

“Personal Data” means any information relating to the Data Subject; and

“Personal Data Breach” means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Personal Data transmitted, stored or otherwise processed.

20. Money laundering

- 20.1 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.

21. Compliance

- 21.1 We will pay due regard to, and you agree to co-operate with us to ensure compliance with, any applicable international economic, financial or trade sanctions legislation.
- 21.2 As a consequence, Citynet undertakes client due diligence and verification in order to satisfy ourselves and demonstrate that we undertake business with entities that are of good repute and are not subject to any global sanctions regimes. As such, we will ask you to provide to us information about your entity and your banking arrangements, which enables us to meet our legislative and regulatory requirements and facilitate future payments to you.
- 21.3 Each Party shall pay due regard to, and co-operate in respect of the observance of, any applicable international economic or financial sanctions legislation which bind the relevant customer, the Broker or us.

22. Responsibilities under Anti-Money Laundering and Anti-Bribery and Corruption legislation

- 22.1 United Kingdom money laundering regulations require us to obtain evidence of the identity of clients for whom we act at the start of a business relationship. Unless we can verify your identity electronically, we will usually require you to send us some or all of the following as evidence of your identity: a copy of your certificate of incorporation; a list of directors; a list of shareholders; details of your registered address.

22.2 Neither party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any law against bribery (including without prejudice to the generality of the foregoing the United Kingdom Bribery Act 2010). The Parties shall insofar as required to do so, and whether or not either party is an associated person of the other for the purposes of the United Kingdom Bribery Act 2010, maintain on an on-going basis its own anti- corruption/bribery policies and procedures, to prevent corruption/bribery offences and will enforce them where applicable.

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

23. Obeying financial sanctions, embargoes and trade sanctions

23.1 We are not permitted to conduct business with any client that is subject to sanctions or embargoes. If sanctions or embargoes are in place, then we will not be able to proceed with the policyholders' transaction on your behalf and your insurers may terminate your clients' policy ab initio and not pay any claims that have been notified. If you or the policyholder subsequently become subject to sanctions or embargoes we may have to terminate our relationship and your insurers may invoke their cancellation rights under you or your client's policy as well as being unable to proceed further with any claims that have been notified without the express permission of H M Treasury.

24. Termination of this Agreement

24.1 Subject to the following provisions, this Agreement shall remain in force for an indefinite term. Each of us may terminate this Agreement at any time without liability to the other by giving the other Party not less than 30 days' written notice. We shall be entitled to terminate this Agreement with immediate effect by giving written notice to you if we have reason to believe that you are in material breach of this Agreement.

24.2 As set out elsewhere, you shall be entitled to terminate this Agreement with immediate effect if we give you notice of a conflict of interest.

24.3 Each of us shall be entitled to terminate this Agreement with immediate effect by giving written notice to the other if that other party:

- (a) becomes the subject of voluntary or involuntary rehabilitation or liquidation proceedings (save for the purposes of amalgamation or solvent re- organisation) or becomes the subject of an action in bankruptcy or makes or proposes any composition with its creditors or otherwise acknowledges its insolvency; or
- (b) has its authority or permission revoked by its regulatory authority, where such revocation materially, as a result of or in connection with, impacts upon the insurance transactions which are carried out under this Agreement.

24.4 Each of us may terminate this Agreement where such right arises in accordance with the provisions of the section on Force Majeure.

24.5 With effect from termination (whatever the reason for termination) we shall have no further obligation to perform any services for you and all sums payable by you or us to each other shall become due and payable.

- (a) With effect from termination (whatever the reason for termination) we shall have no further obligation to perform any services for you and all sums payable by you or us to each other shall become due and payable.
- (b) shall be entitled to all fees and commissions including brokerage that have been paid or are due to be paid for insurances already placed;

- (c) may continue to handle claims on policies we have placed for you at your request but only if we are able to do so and can agree an appropriate remuneration; and
- (d) shall transfer all of your files to you or another party nominated by you unless you request us to continue certain work, (such as in (b)) and we are able to continue and agree to do so and have agreed appropriate additional remuneration with you

25. Third party rights

- 25.1 This TOBA is not intended to and it does not confer a benefit or remedy on any third party, whether by virtue of the Contract (Rights of Third Parties) Act 1999 or otherwise, save for the employees' right to enforce the terms of clause 4. Further, we may rescind or vary this TOBA, in accordance with its terms, as it applies to you, whether in whole or in part without the consent of any third party.

26. No Partnership or Agency

- 26.1 Nothing in this Agreement is intended to, or shall be deemed to establish any partnership or joint venture between any of the parties.

27. Language

- 27.1 Unless otherwise agreed with you in writing, all evidence of cover and other documentation provided to you, and any discussion with you, will be in English. Unless we have agreed otherwise with you, please ensure that any documentation and/or instructions that you provide to us are always in English.

28. Intellectual property

- 28.1 We shall retain all title, copyright, patents and other intellectual property rights to all methodologies and documents used in our provision of the Services to you.

29. Authority to give instructions

- 29.1 Unless instructed otherwise, we shall assume that all of your employees, directors and officers who give us instructions are authorised to do so and that we may act on oral instructions.

30. No Assignment or Waiver

- 30.1 A failure at any time by either of us to enforce any right or obligation shall not be deemed to be a continuing waiver of such right or obligation. You may not assign your rights or obligations without our prior written consent. We may assign, novate or subcontract any of the Services or any other insurance broking, insurance administration and/or insurance consulting services without your prior consent.

31. Governing law and jurisdiction

- 31.1 This TOBA, any associated letter/correspondence and our business relationship with you are governed by English law and are subject to the exclusive jurisdiction of the High Court in London.

32. Severability

- 32.1 If any term of this TOBA, or any part of such term, is or becomes illegal, invalid or unenforceable in any respect, then such term shall to that extent be deemed not to form part of this TOBA and the remainder of the TOBA will remain valid and enforceable.

33. Entire agreement

33.1 This TOBA, including Schedule A, constitutes the entire agreement between both you and us with regard to our engagement and supersedes all proposals, prior discussions and representations, oral or written, between us relating to the Services.

34. Force majeure

34.1 We shall not be liable to you if we are unable to perform the Services as a result of any cause beyond our reasonable control. In the event of any such occurrence affecting us we shall notify you as soon as reasonably practicable.

Citynet Insurance Brokers Ltd

Terms of Business Agreement

Schedule A Sections applicable in special circumstances

A1. To the extent that you are a broker client:

- A1.1 You will be a “commercial customer” as defined in the FCA regulations.
- A1.2 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 insurance policy obtained by us on your instructions. It is also your obligation to ensure that you hold and comply with all necessary licenses.
- A1.3 You understand and agree that we do not assume a responsibility or a duty of care to the ultimate policyholder and that you undertake to explain this to the ultimate policyholder.
- A1.4 If your client is a consumer and enters into an insurance contract subject to English law, wholly or mainly for purposes unrelated to the individual’s trade, business or profession, the individual is subject to a duty to take reasonable care not to make a misrepresentation to insurers. Failure by such consumer client to comply with their duties in the Consumer Insurance (Disclosures and Representations) Act 2012 to provide correct information about the risk or inform the insurers of any changes could adversely affect the policy, including invalidating the policy or claims being rejected or not fully paid.

A2. To the extent that you select insurers:

- A3.1 If you instruct us to place all or part of a risk with a specific insurer, in addition to the conditions set out at clause 6 of this TOBA, you will be warranting that this is a lawful placement. This means that the insurer is able to underwrite the risk lawfully and that the placement complies with all applicable insurance or other regulations.
- A3.2 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.