



Dashwood Brewer & Phipps Ltd

Terms of Business

INFORMATION ABOUT US

Dashwood Brewer & Phipps Ltd is an independent Lloyd's Insurance and Reinsurance Broker. Our Company is registered in England and the Company No. is 02122641. Our offices are situated at Independent House, 7 Cutler Street, London E1 7DJ. Further information about us, including our Financial Statements, can be found on our website www.dashwood.co.uk.

We are authorised and regulated by the Financial Services Authority. Our permitted business is arranging general insurance contracts for commercial clients. Our FSA Firm Reference Number is 464294. These details can be checked on the FSA's Register by visiting the FSA's website <http://www.fsa.gov.uk/register> or by contacting the FSA on 0845 606 1234. We are also a member of LIIBA (London and International Insurance Brokers' Association).

We are required to comply with the FSA Regulations relevant to an insurance intermediary, including:-

- A firm must conduct its business with integrity, pay due regard to the interests of its clients and treat them fairly.
- A firm must conduct its business with due skill, care and diligence.
- A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.
- A firm must manage conflicts of interests fairly, both between itself and its clients and between a client and another client.
- A firm which holds client money has to meet certain minimum specified conditions.
- A firm must take reasonable care to establish and maintain such systems and controls as are appropriate to its business.
- A firm must maintain and keep up-to-date a list of the insurance undertakings it selects from and be able to provide a copy of this list in a durable medium to a client on request.

Please read this document carefully. It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities.

We specifically draw your attention to the sections relating to Non-statutory trust accounts; segregation of designated investments; and interest on client money

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

RELATIONSHIPS

As an independent insurance intermediary, we normally act for you. We are subject to the law of agency, which imposes various duties on us. However, in certain circumstances we may act for and owe duties of care to other parties. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest.

We are a 100% wholly owned subsidiary of Dashwood Group Ltd, a company registered in England (Company No. 687923). Dashwood Group Ltd's shareholders with a shareholding in excess of 10% include one of its directors, N.C. Belcourt who holds 13.12% of the share capital and who is also a director of Dashwood Brewer & Phipps Ltd.

In undertaking business with us you are confirming that you are regulated to undertake insurance mediation activities by the FSA or equivalent overseas body and should you cease to be regulated or should you be subject to any disciplinary or regulatory actions, you must inform us immediately.

We shall seek to place the insurance business that you introduce to us and have access to a wide range of insurers. We will advise you of the insurers we have considered for the insurance if you so request. We will advise and make a recommendation for you based on the information that you provide us with regarding the proposed insurance. This will include the type of cover you seek for your client together with the costs. Upon receipt of your instructions we will commence discussions with insurers and keep you informed of the progress of our negotiations. However for some insurance products, insurers may have granted us a Binding Authority or we may have in place a Lineslip/ Open Cover or similar facility. If we place the insurance under such a facility we will advise you accordingly.

We will advise you of any inability to place the insurance.

PROFESSIONAL INDEMNITY INSURANCE

Both parties must maintain Professional Indemnity Insurance at a suitable level throughout the period of this agreement. Failure to do so will terminate this agreement with immediate effect.

SECURITY

We will use our best endeavours to ensure that the security we use is suitable for the insurance. All security is vetted regularly by our Security Committee and will be clearly identified on the confirmation of coverage documentation. We will ask you to check that you and the insured are happy with the insurer(s) whom we have used.

We do not guarantee the solvency of any insurer we place business with. Should any security that we have placed the business with be unacceptable, you must advise us immediately. A liability for the premium, whether in full or pro rata, may arise under policies if a participating insurer becomes insolvent.

POLICY DOCUMENTATION

Once the placement of the insurance has been completed, we will advise you in writing. We will issue you with a document which will confirm the basis of the cover we have arranged on your behalf and will also give details of the insurers with whom the coverage is placed. It is your responsibility to ensure that your client understands the terms of the insurance we have obtained and that it is adequate for their requirements. We will ask you to check this document carefully, to make sure that it meets your client's requirements and if there are any questions to revert to us immediately. You will also receive a debit note for the premium due showing the dates that the premium is due, your commission and any penalties, should this not be adhered to. We will make every effort to send you this documentation within a week of the contract inception or of the placement being completed, if this is later.

We will contact you regarding the renewal of the contract and, where we are able, provide you with renewal terms in writing or notify you that renewal is not being invited. Included with the renewal terms will be an explanation of any significant changes to the terms of the contract.

Where a change occurs mid-term we will undertake to amend the insurance as soon as practicable and confirm to you in writing that the change has been effected. In the case of a mid-term cancellation we reserve the right to retain the commission or fee earned at inception.

It is our policy to retain documents for business effected on your behalf in electronic or paper format for at least seven years. For some types of insurance cover it is possible that a claim may be made under a contract long after its expiry date and it is therefore important you keep such documents safely.

DUTY OF DISCLOSURE TO INSURERS

In addition to providing all the basic information for us to place the risk, you must ensure that you and the insured comply with your legal duty to disclose all matters relating to the risk.

In particular you must satisfy yourself as to the accuracy and completeness of the information you provide to us for insurers before the contract is concluded, at the time of any variation of the policy and upon renewal. You must ensure that you keep us advised of any such facts or changes to facts that occur during the policy period. A material fact is a fact which may influence an insurer's judgement in the assessment of the risk. If you or the insured are in any doubt as to whether a fact is material we recommend that it be disclosed. Failure to disclose material facts may entitle insurers to avoid the policy from inception.

WARRANTIES

Warranties are important provisions that may be contained in the contract documentation/policy and must be exactly complied with at all times. Breach of a warranty will cause insurers to be automatically off risk from the date of that breach, and in some instances may mean that insurers do not come on risk at all. This is the position regardless of whether there is any connection between the warranty breached and any loss which leads to that breach becoming evident. The insured may be deemed to have warranted the accuracy of information provided in a proposal form, such that any inaccuracy will constitute a breach of warranty. It is your responsibility to make sure your client is aware of and understands the warranties contained within the insurance.

CONDITIONS PRECEDENT

Please also take particular note of any conditions precedent that appear in the contract documentation/policy. If a condition precedent to the validity of the policy or the commencement of the risk is not complied with, the insurer may not come on risk. If a condition precedent to the insurer's liability under this policy is not complied with, the insurer may not be liable for any loss that may occur. Again, you must make your client aware of any such conditions precedent.

SUBJECTIVITIES

If the cover provided is granted by insurers subject to certain requirements, failure to comply may result in cover not being in place or cancellation of coverage. You must make sure that your client understands and complies with any subjectivities that are imposed.

PREMIUM

When we place the insurance the insurer will stipulate when the premium must be paid. We will also advise you of any premium payment condition or warranty. Non-payment of premium within the terms may lead to insurers cancelling the contract. Where insurers have specified that the premium must be received by a certain date, failure to comply can result in the automatic termination of the insurance contract. In addition it is of critical importance to us that we pay premiums within these terms as late payment could affect our ability to trade with a certain insurer. We will therefore ensure that we advise you when you must pay the premium so that we can pay insurers by the due dates they have set.

You must be aware that if a Premium Payment Warranty has been imposed and you fail to pay the premium before the date specified (allowing sufficient time for us to receive and pass on the payment to your insurer) then the contract will be cancelled automatically back to inception.

We will advise you of our bank details and will accept payment by bank transfer or cheque. All payments must be clearly identified and we will return any payments where the routing of the payment is not in the normal manner or where we are unable to identify

immediately what the payment is in respect of. If you are paying by cheque please allow sufficient time for the cheque to clear our Bank Account. We will only pay money on to insurers once we can confirm we have cleared funds.

The offsetting of one amount due against another will not be allowed unless you have received prior written agreement from us.

OUR REMUNERATION

Our remuneration may be as a fee, or as brokerage which is a percentage of the insurance premium paid by you and allowed by the insurer with whom the insurance is placed. Brokerage and fees are earned for the contract period and we will be entitled to retain all brokerage and fees in respect of the full contract period in relation to policies placed by us. Our remuneration will be disclosed to you on request.

In addition to client fees and/or brokerage payments we may receive remuneration by way of administration fees or commissions for services provided to insurers. We may also act as reinsurance brokers to insurers with whom we have placed insurance or reinsurance.

CLAIMS

You must notify us as soon as possible of a claim or circumstances which may give rise to a claim. Any potential claims will need to be notified immediately and in accordance with the information provided in the contract wording. However if you require any assistance or are unsure in any way of your or the insured's obligations please contact us directly.

We will remit claims payments to you as soon as possible after they have been received on your behalf. We will provide you with every assistance in submitting a claim and seeking to obtain reimbursement for you. However in the event that an insurer becomes insolvent or delays making payment we do not accept liability for any unpaid amounts.

If the contract is on a "claims made basis" then any event which may give rise to a claim must be notified immediately and in accordance with the contract terms. After the contract has expired, no claims can be made on the contract even though the event giving rise to the claim may have occurred during the contract period. It is therefore imperative that insurers are notified of any potential claim immediately, in writing, and that such notification is received by insurers before the expiry of the contract.

PRODUCTION OF INFORMATION AND FIGURES.

Where a contract requires a periodic bordereau/statement or Year End adjustment then we will advise the basis on which figures need to be provided and where multiple years of account are involved, information and/or figures must be provided for each Year of Account separately. You must always obtain and provide any information that you think a prudent insurer would require to see.

CANCELLATION CLAUSE

The insurance contract may include a cancellation clause. In the event that the premium is not paid by the due date the insurance may be cancelled forthwith (which may be back to inception) or by insurers, giving notice of the cancellation. In the event of cancellation of the insurance contract, insurers may return a pro rata premium to us or may require a "Time on Risk" Premium.

Once our remuneration has been earned, in the event that the insurance is cancelled after inception, our fees or brokerage will not usually be returnable.

CLIENT MONEY DISCLOSURES

Client money is money of any currency that we receive and hold in the course of carrying on insurance mediation on behalf of our clients or which we treat as client money in accordance with the client money rules. A copy of these rules is available on request.

Client money can be held in one of the following ways:

- a) It can be subject to a statutory trust;
- b) It can be subject to a non-statutory trust or it can be in accordance with the FSA client assets sourcebook (CASS).

We hold client money subject to a non-statutory trust, as explained below. The majority of the insurers that we use have granted us risk transfer. This means that when we receive premium from you or when we receive a return of premium or claims monies from the insurer that are due to the insured, we will be holding this money as an agent of the insurer. Where risk transfer has not been agreed, we will advise you when the premium has been paid to the insurer. Money will only be held on behalf of an insurer in accordance with a written agency agreement.

Non-Statutory Trust

The aim of the trust is to protect the client in the event of the failure of the firm, or the failure of the bank or a third party where the money may be held. In such a circumstance, the firm's general creditors should not be able to make claims on client money as it will not form part of this firm's property.

The FSA require that Firms wishing to operate non-statutory trusts have adequate resources and they set a higher capital requirement for the Firm. The FSA also require an independent audit concerning the adequacy of the Firms' systems and controls. In the context of these safeguards, the FSA allows us to use client money held on behalf of one client to pay another client's premium before the premium is received from that other client, and to pay claims and premium refunds to another client before we receive payment from the insurer. However, we are not entitled to use client money to pay commissions before we receive the relevant premium from the client.

The fact that we will hold money on trust gives rise to fiduciary duties which will be owed to you until the client money reaches the insurer or product provider. We believe this flexibility is in the best interests of our clients.

If we do not hear from you to the contrary, and we continue to do business with you, then we will consider that you are in agreement to us keeping your money in a Non-Statutory Trust.

Segregation of Designated Investments

We keep client money separate from our own money, as stated above. We may do this by paying it into a client bank account. However, we may also do this by arranging to hold separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into a client bank account. If we do this we will be responsible for meeting any shortfall in our client money resource which is attributable to falls in the market value of a segregated investment.

Interest on Client Money

Any interest earned on our client 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 or the insured.

Payment to Third Parties

We may transfer client money to another person, such as another broker, for the purpose of effecting a transaction on your behalf through that person. This may include brokers outside the UK. The legal and regulatory regime applying to a broker outside the UK may be different from that of the UK and, in the event of a failure of the broker, this money may be treated in a different manner from that which would apply if the money were held by a broker in the UK. You may notify us if the insured does not wish their money to be passed to a person in a particular jurisdiction.

BANK ACCOUNTS

Client money will be deposited with one or more approved banks, a list of which is provided to you. Please notify us immediately if the insured does not wish us to use any bank or banks on this list.

We may hold client money in a client bank account outside the UK. In such circumstances the legal and regulatory regime applying to the bank will be different from that of the UK and, in the event of a failure of the bank, the money may be treated in a different manner from that which would apply if the client money were held by a bank in the UK. You may notify us if the insured does not wish your money to be held in a particular jurisdiction.

COMPLAINTS

It is always our intention to provide a first class service. However, should you have any cause for complaint or should you receive a complaint you should in the first instance contact our Compliance Officer. The contact details are as follows:-

The Compliance Officer
Dashwood Brewer & Phipps Ltd
Independent House, 7 Cutler Street, London E1 7DJ

Fax No. +44 (0)207 626 1333
Tel No +44 (0)207 626 3711

We take all complaints seriously. We will acknowledge your complaint within 5 business days. If we are unable to settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at South Quay, 183 Marsh Wall, London, E14 9SR (Tel: 0845 080 1800).

COMPENSATION

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Full details and further information on the scheme are available from the FSCS.

MONEY LAUNDERING/PROCEEDS OF CRIME ACT

UK money laundering regulations require us to obtain evidence of the identity of clients for whom we act at the start of a business relationship and this is therefore incorporated in the checks that we undertake on any potential new client. . We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report. Any applicable claims' payment will be made in favour of you or the insured. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a full explanation for the request.

BRIBERY ACT

We have in place an anti-bribery policy, procedures and controls to enable us to comply with our responsibilities under the Bribery Act. As part of our relationship with you, we require you to confirm that you have in place adequate systems, procedures and controls to comply with your own responsibilities to prevent bribery and to provide evidence to us, if requested.

INFORMATION ABOUT YOU

All information about you will be treated as private and confidential and we will only disclose information if it is required in the normal process of arranging the insurance. This information will be kept secure. We may from time to time request information from you, such as your latest Financials, proof of licensing and/or Professional Indemnity Insurance as we need to be able to confirm that our clients continue to meet our minimum criteria.

DATA PROTECTION

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

LAW AND JURISDICTION

These Terms of Business shall be governed by and construed in accordance with English law. In relation to any legal action or proceedings arising out of or in connection with these terms of business we both irrevocably submit to the exclusive jurisdiction of the English courts.

Please note that wherever we refer to an insurer(s) we mean both insurer(s) and/or reinsurer(s). Whenever we refer to insurance we mean insurance or reinsurance