

## Terms of Business Agreement

An Agreement dated «MarketSignatureDateTime» governing the conduct of Insurance Business between:

**A GRP Group Entity with whom an accompanying Schedule(s) is issued to the Broker from time to time** (the “GRP Group Entity”) each on its own behalf and/or as Agent of various Insurers (each an “Insurer”, together the “Insurers”)

And

«ProducerCompanyName», FCA No: «ProducerFcaNumber» of «ProducerAddress» (the **Broker**)

(Collectively the “Parties” and each of them a “Party”)

### 1. Definitions and Interpretation

- 1.1 **Agreement:** Refers to this agreement, the “Terms of Business Agreement”
- 1.2 **CASS:** The UK Regulator’s Client Assets Sourcebook.
- 1.3 **Commission:** Commission receivable by the Broker which shall be at the rates and times (if any) agreed from time to time in writing between the respective parties in respect of that Insurance Business.
- 1.4 **Group:** Has the meaning given to it either in section 421 of the Financial Services and Markets Act 2000 or section 474 of the Companies Act 2006.
- 1.5 **GRP Group Entity:** Means a subsidiary (including a direct/indirect subsidiary) of Global Risk Partners Limited whom provides a Schedule to accompany this Agreement.
- 1.6 **ICOBS:** UK Regulator's Insurance Conduct of Business Sourcebook.
- 1.7 **Insured:** Any person/company entering into a contract of insurance which is subject to this Agreement.
- 1.8 **Insurance Business:** Any insurances or reinsurances falling within the definition of “contract of insurance” in Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
- 1.9 **Records:** Anything on which any information of any description is recorded.
- 1.10 **Schedule(s)** Are documents attached to this Agreement provided by a GRP Group Entity.

- 1.11 **UK Regulator:** The Financial Conduct Authority (FCA) (or any other applicable regulatory body) or any successor regulatory body or bodies.

## 2. 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 this 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. This Agreement shall not override the terms of any underlying contract for or of Insurance.
- 2.2 Nothing in this Agreement shall be construed as creating a partnership or joint venture of any kind between the Parties or as appointing either Party as agent of the other Party for any purpose and neither Party shall have the authority to bind the other Party or to contract in its name for any purpose.
- 2.3 Subject to clause 12 (which is to be given a free and unfettered interpretation) 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 GRP Group Entity, or the placing of any Insurance Business.
- 2.4 Subject to clause 2.6 below, the Parties agree that the terms herein shall apply to the conduct of any Insurance Business on or after the date of this Agreement. The terms of this Agreement supersede the terms of any other terms of business agreement (TOBA) already in place between the Parties for such Insurance Business. Such TOBA(s) shall continue to apply to Insurance Business transacted between the Parties before the date of this Agreement.
- 2.5 If there is any inconsistency between any of the provisions of the terms of this agreement and the Schedule between the parties, the terms of the Schedule shall prevail.
- 2.6 The Schedule(s) forms part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedule or, if there are more than one, Schedules.
- 2.7 Each proposal for Insurance Business, renewal of existing Insurance Business or continuation of cover in respect of any existing Insurance Business will be accepted or declined by the GRP Group Entity at its sole discretion. The Broker is under no obligation to offer any proposal for Insurance Business or renewal of any existing Insurance Business to the GRP Group Entity.

2.8 Prior to or at the time of placement of any Insurance Business (or as otherwise agreed separately in writing between the Parties), the Broker and the GRP Group Entity may agree provisions relating to the conduct of that Insurance Business. These provisions may include (but are not limited to) roles and responsibilities relating to administration of the Insurance Business and the handling of claims and processes by which amendments to the risk may be agreed, and so forth. This Agreement shall be subject to any provisions so agreed, and does not seek to address such provisions.

### **3. Regulatory Status**

3.1 The Broker warrants that it is authorised by the UK Regulator to conduct insurance distribution activities (as defined in the UK Regulator's Handbook) from the date of this Agreement. The GRP Group Entity warrants that it is authorised to conduct Insurance Business from the date of this Agreement.

3.2 **The Broker shall inform the GRP Group Entity immediately in writing if at any time during the period of this Agreement: -**

3.2.1 The UK Regulator suspends or withdraws the Broker's authorisation; or

3.2.2 The Broker otherwise ceases in any way to be authorised by the UK Regulator to undertake any activities in relation to any Insurance Business subject to this Agreement; or

3.2.3 The Broker becomes insolvent; or

3.2.4 The Broker becomes aware of any wrongdoing in relation to the conduct of the Insurance Business; or

3.2.5 The Broker and/or its directors become aware of any criminal, compliance investigation and/or disciplinary action in which they are or are likely to be involved.

3.2.6 Of any material change to its management and/or control, including without limitation any change in directors, partners or control/ownership of the Broker, any change in the corporate or trading name and any transaction involving the transfer of 15% or more of the Broker's share capital.

3.3 **The GRP Group Entity shall inform the Broker immediately if: -**

3.3.1 The UK Regulator suspends or withdraws the Insurer's or the GRP Group Entity's authorisation; or

3.3.2 The Insurer or the GRP Group Entity otherwise ceases to be authorised by the UK Regulator to undertake any activities in relation to any Insurance Business subject to this Agreement; or

3.3.3 The Insurer or the GRP Group Entity becomes insolvent.

### **4. Authority**

4.1 This Agreement sets out the basis on which the GRP Group Entity will accept Insurance Business from the Broker.

4.2 Nothing in this Agreement shall grant the Broker authority to accept, amend, or vary Insurance Business, settle, negotiate or compromise claims, alter any document or policy, make any financial promotion on the GRP Group Entity's behalf without the GRP Group Entity's prior written consent, and/or commit the GRP Group Entity in any way.

## **5. Remuneration**

5.1 Commission shall be agreed in writing between the Broker and each applicable GRP Group Entity.

5.2 The Broker may deduct the Commission upon receipt of the gross annual premium received in full.

5.3 Where premium is payable in more than one instalment, the Broker will only deduct the proportion of Commission that the instalment premium bears to the premium as a whole, unless otherwise agreed on a risk-by-risk basis between the Parties.

## **6. Premiums and Claims**

6.1.1 How the GRP Group Entity will hold and manage all insurance monies under this Agreement is set out separately in the Schedule(s) attached to this Agreement for each GRP Group Entity.

6.1.2 The GRP Group Entity is authorised by certain Insurers to agree on behalf of those Insurers that the Broker can hold certain insurance monies as agent of Insurer ('Cascade of risk transfer'). Where this is the case, the identity of those Insurers, the scope of the risk transfer and any related terms or conditions for the Cascade of risk transfer to the Broker are specified within the relevant Schedule.

6.1.3 Other than as specified in the relevant Schedule, the Broker shall have no authority to collect or hold any monies on behalf of the GRP Group Entity or the Insurer and all such monies must therefore be held by the Broker as client money on behalf of the Insured.

6.2 The Broker has no authority under this Agreement to permit any third-party, sub-agent, or Appointed Representative to receive, hold or pay any money on behalf of the Insurer without the Insurer's consent.

6.3 The Broker will remit to the GRP Group Entity all monies in accordance with the period stated within the relevant Schedule between the relevant GRP Group Entity and the Broker. The payment required must be remitted to the GRP Group Entity at its office, or by direct credit to such of its bank accounts, as the GRP Group Entity may nominate.

6.4 In respect of monies held, the Broker shall advise the GRP Group Entity within 7 days of receipt of any request from the GRP Group Entity, whether it has received any specified premiums and notify the GRP Group Entity, within such

time as may be agreed between the Parties, that the Insured has failed to pay the premium (or as the case may be, any provisional premium).

- 6.5 Provided the Broker shall itself have received the premium, the Broker shall pay that premium (net of Commission, but including taxes) to the GRP Group Entity within the time permitted for the Insured to pay such premium in accordance with the terms of trade incorporated in the relevant documentation or otherwise as agreed between the Broker and the Insured. 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 GRP Group Entity as soon as reasonably possible.
- 6.6 Pending payment to the GRP Group Entity or Insurer (as the case may be), the Broker shall hold any monies where Cascade of risk transfer has been granted as described in 6.1.2 and the relevant Schedule, as the agent and trustee of the Insurer. Where the Broker has UK Regulator permission to hold client money, the Broker will hold the Insurer's money within its client monies account, which shall be a trust account, established and maintained in accordance with either CASS 5.3 or CASS 5.4. The GRP Group Entity on behalf of the Insurer consents to such monies being co-mingled with the Broker's other client monies. The GRP Group Entity further consents to the Insurer's rights with regard to monies held in the Broker's client monies account being subordinated to those of the Broker's clients, in accordance with CASS 5 and further agrees that any interest earned on the said account shall accrue to the Broker.
- 6.7 In the event that the Broker does not hold any client money then the monies held where Cascade of risk transfer has been granted, as described in 6.1.2 and the relevant Schedule, will be held in an account, segregated from the Broker's own funds, in trust for the benefit of the Insurer. The Insurer agrees that its money can be co-mingled with money held in the account for other Insurers and further agrees that any interest earned on the said account shall accrue to the Broker.
- 6.8 The Broker will notify the GRP Group Entity, within such time as may be agreed between the Parties, that the Insured has failed to pay the premium (or, as the case may be, any provisional premium).
- 6.9 In the event of the cancellation or avoidance of a contract of insurance, where the Insurer or the GRP Group Entity is obliged by law, regulation, or the terms of the contract of insurance to repay gross premiums in respect of such contract of insurance, the Broker agrees to repay the relevant Commission (which shall not for the purpose of this clause include fees paid by the Insured). Such repayment shall, in the case of cancellation, be only in respect of Commission received by the Broker which is attributable to that part of the premium repaid. Unless otherwise obliged to by law, regulation or terms of the contract of insurance, the GRP Group Entity shall refund premiums net of Commission.
- 6.10 Unless otherwise agreed in the relevant Schedule, the Broker has no authority under this Agreement to permit any third-party, sub-agent, or Appointed Representative (as defined in the UK Regulator's Handbook) to receive, hold, or pay any money on behalf of the GRP Group Entity, without the GRP Group Entity's consent.

## **7. Tax**

- 7.1 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 Insurer 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.
- 7.2 Where the Broker processes and pays taxes on behalf of the GRP Group Entity related to premium in respect of any Insurance Business, the Broker will hold such monies in accordance with clause 6.6 above for the Insurer and account to the GRP Group Entity for amounts received by the Broker in respect of such liability for tax which the Insurer may have in respect of that Insurance Business.

## **8. Compliance**

- 8.1 Each Party will comply with their respective legal, licensing and regulatory requirements (including but not limited to the UK Regulator) applicable to the production, placing, claims handling and premium and claims accounting of any Insurance Business which the Broker places with the GRP Group Entity under this Agreement.
- 8.2 The Broker will inform the GRP Group Entity in relation to all Insurance Business whether the Insured is classified as a consumer or a commercial customer for the purposes of ICOBS.
- 8.3 The Broker will forward promptly notices of Insureds' rights to cancel Insurance Business in all instances where such notices are required by Chapter 7 of ICOBS and in accordance with those rules
- 8.4 Each Party shall pay due regard to, and co-operate in respect of the observance of, any applicable financial crime and international economic, financial or trade sanctions laws and regulations which bind the relevant customer, the Broker or the GRP Group Entity.
- 8.5 Neither Party shall take any action which facilitates the evasion of taxes anywhere in the world or which is contrary to any related financial crime laws and regulations (including without prejudice to the generality of the foregoing the Criminal Finances Act 2017).
- 8.6 Neither Party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any laws and regulations against bribery (including without prejudice to the generality of the foregoing the Bribery Act 2010).
- 8.7 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 Bribery Act 2010, the Criminal Finances Act 2017 or any other relevant laws and regulations, maintain on an ongoing basis appropriate systems, procedures and controls designed to prevent any breach of paragraphs 8.3 to 8.6 above.
- 8.8 Nothing in this Agreement overrides or discharges the duty of the Broker to place an Insured's interests before all other considerations nor shall this

Agreement override any legal or regulatory requirements which may apply to the Broker prevailing from time to time regarding the Insured's insurance business.

## **9. E-Trade**

If the Broker trades with the GRP Group Entity electronically additional terms may be set out in the applicable Schedule

## **10. Data Protection**

10.1 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.

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

(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.

10.3 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.

10.4 **For the purposes of this clause 10:**

"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.

## **11. Termination**

### 11.1 This Agreement shall terminate:-

- 11.1.1 At any time by one Party giving 30 days' written notice of termination to the other;
- 11.1.2 Immediately, without notice, should either Party become the subject of voluntary or involuntary rehabilitation or liquidation proceedings (save for the purposes of amalgamation or solvent re-organisation) or become the subject of an action in bankruptcy or make or propose any composition with its creditors or otherwise acknowledge its insolvency;
- 11.1.3 Immediately, without notice, should the Broker have any authority or permission granted to it by the UK Regulator withdrawn or altered by the UK Regulator in such a manner as materially to affect in any way the Broker's ability to introduce, arrange, conclude, administer, perform or otherwise be involved with any Insurance Business which is carried out between the Parties under this Agreement.

### 11.2 Following termination:-

- 11.2.1 The Parties will agree the procedure for administering the Insurance Business current at the time of termination;
- 11.2.2 The Broker will make all reasonable efforts to provide the GRP Group Entity with contact details for any Insured or other party with whom the GRP Group Entity has contracted in the conduct of Insurance Business where:-
  - 11.2.2.1 The Broker has acted as the agent of the GRP Group Entity;
  - or
  - 11.2.2.2 Where such information is reasonably required in order for the GRP Group Entity to carry out its obligations in relation to Insurance Business concluded in accordance with this Agreement.
- 11.2.3 Where permissible the Parties will remain liable to perform their obligations in accordance with the terms of this Agreement in respect of all Insurance Business subject to this Agreement until all Insurance Business has expired or has otherwise been terminated.

11.3 For the avoidance of doubt, each term of this agreement shall apply separately between the Broker and each GRP Group Entity. Any Termination of this Agreement by, or on behalf of, a GRP Group Entity shall be effective only so far as to apply to that GRP Group Entity and shall not otherwise affect the operation of this Agreement as between the Broker and any other GRP Group Entity.

## 12. Access to Records



- 12.1 The Broker will retain all of the Records created or held by it in its capacity as agent of the GRP Group Entity and all Records received by the Broker for the purposes of the introduction, arranging, concluding, administration or performance of the Insurance Business for a minimum of six years and in any event the minimum periods required by law or any regulatory body with jurisdiction over the Broker, the GRP Group Entity or the Insurance Business.
- 12.2 The Broker agrees to allow the GRP Group Entity, on reasonable notice, to inspect and to take copies of the following:-
  - 12.2.1 The accounting records pertinent to any Insurance Business including information relating to the receipt and payment of premiums and claims and documentation such as any insurance contract, addenda or bordereaux in the possession of the Broker relating to the Insurance Business;  
  
and
  - 12.2.2 Documents as may be in the possession of the Broker which were disclosed to the GRP Group Entity by the Broker in respect of any Insurance Business including, but not limited to, documentation relating to the proposal for the Insurance Business, the placing thereof (including endorsements and reinstatements) and any claims thereunder.
- 12.3 In the event that the GRP Group Entity requests the Broker to carry out any functions or duties on its behalf, such as the appointment of loss adjusters, lawyers or others, or the Broker otherwise acts as a Broker between the GRP Group Entity and its representatives or agents:-
  - 12.3.1 The Broker accepts the GRP Group Entity's appointment or instructions on the basis that the information received by it in respect of a claim made upon any Insurance Business is disclosable to the Broker's client.
  - 12.3.2 All documentation and records created or received by the Broker in the performance of such functions or duties shall be and remain the property of the GRP Group Entity other than documents over which the Broker has a proprietary commercial interest.
  - 12.3.3 The Broker will take reasonable steps to retain, maintain and safeguard any of the GRP Group Entity's documents in the Broker's possession in accordance with any regulatory requirements which apply to the GRP Group Entity and of which the Broker has notice.
- 12.4 On termination of this Agreement for whatever reason and on reasonable notice the Broker will deliver up to the GRP Group Entity such documentation if requested.

### **13. Confidentiality**

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.

### **14. Complaints/Claims**

- 14.1 Each Party will notify the other in accordance with the rules of the UK Regulator of any complaint concerning the other Party relating to Insurance Business subject to this Agreement.
- 14.2 The Broker shall inform the GRP Group Entity immediately in writing if at any time during the period of this Agreement an Insured notifies the Broker that he/she is considering making a claim.

### **15. Protection of Reputation/Intellectual property**

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.

In addition the parties will retain ownership of their respective rights, including intellectual property rights, in the products, data, databases, computer programs, documents, materials, ideas or other information or any compilation thereof used in the performance of the services.

### **16. Conflicts of Interest**

The Parties will adopt and/or maintain procedures to ensure that they disclose and manage any potential conflict of interest.

Each Party will maintain separate and independent procedures to identify and manage any conflict of interest that may arise in connection with business conducted under this Agreement.

For the avoidance of doubt, nothing in this Agreement shall require any GRP Group Entity or any Broker to enter into any business relationship with any other GRP Group Entity or any Broker. In particular, consideration will be given to whether:

- The due diligence undertaken on the other party meets any applicable minimum standards;
- The arrangement will be of benefit to customers;

- Specific conflicts relating to each individual trading arrangement have been identified and recorded and mitigating controls documented and implemented.

## **17. Disclosure**

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.

## **18. Variation and Assignment**

18.1 This Agreement and the rights and obligations herein may not be assigned, sub-contracted and/or delegated to any other third party without the prior written consent of the GRP Group Entity, unless expressed stated within this Agreement and/or the accompanying Schedule.

18.2 This Agreement and/or the Schedule may only be varied only in writing by duly authorised representatives of the Parties.

## **19. Rights of Third Parties**

A person who is not a Party to this Agreement or the accompanying Schedule 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.

## **20. Dispute Resolution**

20.1 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:-

20.1.1 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; or

20.1.2 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

20.1.3 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.

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

**21. Jurisdiction and Choice of Law**

This Agreement shall be construed according to English law and any disputes arising under it shall, subject to the provisions of clause 20 above, be determined in the Law Courts of England and Wales.

**22. Enforceability Clause**

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

**23. General Interpretation of this Agreement**

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 this Agreement.

**24. Service of Notices**

Any notices to be given under this Agreement shall be sent by first class recorded delivery post, by hand, or facsimile 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 and if by facsimile, or by hand, at the expiration of one business day after it was dispatched.

**25. Force Majeure**

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 Party of such Force Majeure Event and uses all reasonable endeavours to continue to perform its obligations under this Agreement.