

TERMS OF BUSINESS AGREEMENT

1. STATUS

1.1 MG Insurance Consultants Ltd of Staley House, Hassall Street, Stalybridge, SK15 2LF is an Independent Insurance Broker. We are authorised and regulated by the Financial Conduct Authority (FRN 300370)

2. PURPOSE

2.1 We wish to appoint you as our non-exclusive sub-broker for the selling of insurance policies in accordance with the terms of this agreement.

2.2 In accepting this appointment, you confirm that you are authorised by the FCA and any other authority necessary to perform your obligations set out in this agreement.

2.3 By performing your obligations and receiving consideration under this agreement, you accept that the relationship be governed by the Terms and Conditions set out below.

2.4 You have no authority to act as agent employee or representative for MG nor may you describe yourself or in any way represent to any third party that you are an agent of MG in any other way other than set out in this agreement.

2.5 This agreement specifies the terms under which you will place business with us on behalf of your clients, which will be placed by us under Binding Authorities held by us.

3. INTERPRETATION

3.1 The following terms shall have the following meanings for the purpose of the Agreement (except where the context otherwise requires):

<p>"Our/We/Us" means MG Insurance Consultants Limited (registration number 3315805) whose registered office is Staley House, Hassall Street, Stalybridge Sk15 2LF;</p>
<p>"Broker/You/Your" means the Company, partnership or sole trader with whom we do business and whose details are set out in the Schedule which forms part of this agreement</p>
<p>"Customer/Customers" shall have the same meaning given to that term as defined in the FCA Handbook glossary and any revision thereof</p>
<p>"FCA" means the Financial Conduct Authority</p>
<p>"Insurance Company" means the insurance business or company including Lloyd's Syndicates who provide the Insurance Policy to Us;</p>
<p>"Insurance Policy" means any insurance product identified by Us from time to time including any insurance policy renewals;</p>
<p>"Insurance Policy Terms" means those terms identified by Us from time to time as being the contractual basis for the Insurance Policy;</p>
<p>"Premium" means the premium quoted by Us to You in respect of the Insurance Policy which shall include the commission payable to Us by the Insurance Company;</p>
<p>"Regulatory Requirements" means the FCA, the Distance Marketing of Consumer Financial Services Directive together with all other statutory and non-statutory rules, regulations, instruments and provisions in force from time to time, including (without limitation) the rules, codes of conduct, codes of practice, practice requirements and accreditation terms stipulated by the FCA;</p>

3.2 In this agreement (except where the context otherwise requires):

- the clause headings are included for convenience only and shall not affect the interpretation of this agreement;
- use of the singular includes the plural and vice versa;
- any reference to “persons” includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality);
- any reference to a statute, statutory provision or subordinate legislation (“legislation”) shall (except where the context otherwise requires) be construed as referring to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation.

4. PERIOD OF AGREEMENT

4.1 This agreement shall commence from the date as indicated in Appendix 1, and supersedes and cancels any other agreement that may have been in force. It shall be continuous unless either party invokes Clause 5 Cancellation.

4.2 Notwithstanding the above, however, MG may alter or amend this agreement at any time by giving of 14 days’ notice in writing.

5. CANCELLATION OF AGREEMENT

5.1 This agreement may be cancelled by either party by the giving of 14 days notice in writing except where MG have reason to believe that you are in breach of the rules and regulations as set down by the FCA or where you are no longer regulated or authorised by the FCA where cancellation shall be effective immediately such information is brought to the attention of MG.

5.2 In the event that this agreement is cancelled

- Quotations that have been provided by MG prior to the date of cancellation and where no cover has been agreed are declared void and of no effect.
- Business written will continue to the natural expiry date and renewal of such business will not be offered unless satisfactory arrangements are made to transfer the business to MG or another broker who is acceptable to MG.
- Adjustments to existing business will continue to be carried out.
- Claims made under existing business will continue to be managed.

5.3 Notwithstanding the above where the cancellation is due to a breach of the FCA rules and regulations, MG may write directly to the policyholder advising of the situation and the reasons why it has become necessary to handle the risk ourselves.

6. DELEGATION

6.1. MG delegates no authority of whatsoever nature to you except in respect of the onward transmission of documents issued by MG, to the Insured.

6.2. You shall not assign, delegate or transfer the performance of all or any part of its obligations under this agreement

6.3 Our products and services are available only to your own clients and you shall not use our facilities to provide quotations to other intermediaries

7. RELATIONSHIP WITH CUSTOMER

7.1 We undertake that, while this agreement is in force and for a period of 3 months following the date of termination; We will not directly or indirectly solicit, entice away or endeavour to solicit or entice away Your Customers or provide information to a third party to enable them to solicit Your Customers or endeavour to entice away any of Your Customers from You. Save as expressly set out in the agreement we will not communicate directly with any Customer unless we are expressly authorised to do so by clause 7.2 or with your express permission.

7.2 We may deal directly with the Customer solely in respect of administration and maintenance of the Customer's Insurance Policy and administration of claims but not for renewals or cancellation (except pursuant to clause 7.4):

- if it is necessary for Us to do so in order to comply with the Regulatory Requirements and due to Your default We have been initially unable to communicate through You;
- for the purposes of fulfilling Our contractual obligations to the Customer and due to Your default we have been initially unable to communicate through You;
- if You fail to become FCA authorised or cease to maintain the authorisations, licences and consents necessary to transact business under this Agreement and You fail to transfer Your business to another solvent and authorised broker;
- if You cease to trade or become insolvent or bankrupt and You fail to transfer Your business to another solvent and authorised broker;
- on Your death if You are a sole trader;
- where the Customer makes an unsolicited request for Us to do so either directly or through another intermediary;
- In addition, you agree to provide us with such information, as we reasonably require in order contacting the Customer directly in these circumstances.

7.3 If we contact the Customer under any of the circumstances set out in Clause 7.2 You will not be entitled to any payment for goodwill.

7.4 In the event that one of these circumstances set out in Clause 7.2 arise we reserve the right to appoint another broker or third party to contact the Customer on Our behalf.

8. OUR SERVICE: QUOTATIONS

8.1 MG will provide quotations on risks submitted by you whenever possible.

8.2 You acknowledge that quotations are valid for a period of 30 days (unless otherwise stated) after which MG reserve the right to amend or withdraw the quote.

8.3 Where MG's quotation has been accepted and cover is required you will be responsible for accepting the quote on our website.

8.4 Cover can only be regarded as being in force where the MG system shows that the risk is Oncover.

9. OUR SERVICE: POLICY DOCUMENTATION

Policy documentation will be made available on the MG Website as soon as a policy is live. You should forward to the Insured the policy documentation in full, without alteration or amendment, as issued by MG.

10. OUR SERVICE: ADJUSTMENTS

- 10.1 Where adjustments or amendments are required MG shall issue the necessary adjustment or amendment.
- 10.2 MG's target for processing any amendment shall be 21 days.
- 10.3 Mid-term adjustments may be subject to an administration charge.

11. OUR SERVICE: RENEWALS

- 11.1 MG will review the risk and shall endeavour to provide to you within 28 days prior to the renewal date either renewal terms or a reason why the risk is no longer acceptable.
- 11.2 You are required to put forward the renewal terms offered by MG as soon as possible after being received by us.
- 11.3 If our renewal terms are accepted you will be responsible for accepting cover on the website and obtaining the relevant documentation prior to or at the renewal date.
- 11.4 If Underwriters terms are not accepted you should advise MG to lapse the risk.
- 11.5 If you do neither, MG will automatically lapse the risk on the renewal date.

12. CANCELLATION OF POLICY

- 12.1 Policies are issued for periods of one year and if cancelled mid-term, refunds will be processed in accordance with the Insurers cancellation procedures. A pro-rata refund of premium may NOT always be allowed.
- 12.2 Cancellation may incur a time on risk charge and/or administration fees of up to 15% of the total premium.
- 12.3 In the event of cancellation or policy avoidance commissions and fees are non-refundable unless agreed otherwise by MG Insurance.

13. CLAIMS

- 13.1 If you are notified of a claim you should obtain from the Insured brief details of the incident and notify MG immediately. Delays in notifications may result in Insurers refusal to indemnify your client and/or penalties being enforced.
- 13.2 MG will inform Insurers and handle the claim in accordance with the policy terms and conditions and this may include the use of Loss Adjusters or Solicitors or any other claims handling agent.
- 13.3 MG will keep you informed of the progress of the claim and you agree to transmit to the Insured any communication MG send to you and to forward to us any correspondence received from

the Insured concerning the claim. When necessary you will assist us in obtaining further information from the Insured as requested by Insurers or other claims handling agents.

13.4 You are not authorised to agree settle or negotiate the settlement of claims on behalf of insurers under any circumstances

14. PREMIUMS and PAYMENT OF ACCOUNTS

14.1 You must collect monies from your client and retain as required by the FCA until passed on to us.

14.2 Statements will be issued by us monthly to include all new business, renewals and mid-terms amendments that became effective in the preceding month.

14.3 Statements will be issued on or around the 5th working day of the month and should be settled by the 20th of the same month.

14.4 If a statement is not settled a reminder will be issued by email. If premiums remain unpaid after 29th of the month, you will be deemed to be in breach of this agreement and this may result in a policy being cancelled and a time on risk charge being raised. Non-payment may result in your agency and this agreement being cancelled.

14.5 Queries or disputes are not grounds for withholding invoice settlement except with our express agreement.

14.6 We will pay all premium monies into our FCA Client Trust Account pending settlement with the insurer.

15 COMMISSION

15.1 MG may pay you a commission on business placed with us including renewals and adjustments. In the event of cancellation or return of premium any commission paid shall be reclaimed. The commission in all cases shall be calculated as a % of the Gross Premium excluding IPT.

15.2 You may transfer commission to your office bank account as income only as and when the premium to which that commission relates has been received in cleared funds.

15.3 It is warranted that at all times the bank account into which premium and commission is remitted shall be maintained in accordance with CASS and the Regulatory Requirements.

15.4 Our standard rates of commission for each of our products are shown in the table below and will be applied other than where alternative rates have been agreed between the parties subject to this agreement.

15.5 The commission schedule may change during the course of this agreement and you will be given 28 days' notice in writing.

Product	Commission Rate (%)
Property Owners Residential	15% - 22.5% depending on Insurer
Property Owners Commercial	15%
Commercial Combined	15%
Liability Only	15%

16. RISK TRANSFER and CO-MINGLING

16.1 Our Insurers allow you to act as their agent in the collection of premium on its behalf and for the payment of premium refunds, subject as follows:

- Such monies shall be deposited in a segregated bank account in an Approved Bank (as defined by FCA), which account shall be designated as an “insurance broking account” or “insurance bank account; and
- Held on trust for the benefit of the Insurer

16.2 Where you are authorised by the FCA to hold client money you may co-mingle monies held as insurers’ agent and client monies in the same client money bank account

16.3 You shall agree that on our request you will provide copies of all documents relating the bank account and copies of all audits and accounts produced in relation to the trust

16.4 Where monies are held in accordance with sub-clause 14.2 above, the insurers’ interests will be subordinated to those of your clients in accordance with CASS.

16.5 You shall be entitled to interest on any premium held in a bank account set up and operated in accordance with this agreement, subject where applicable to Regulatory Requirements

16.6 Insurers may withdraw the appointment of Risk Transfer with 14 days’ notice in writing

17. CHARGES MADE BY YOU

17.1 If you charge a policy fee or make any other charge for services you must notify and obtain the agreement of your client.

17.2 Any charge must be shown as a separate item on any invoice, policy or endorsement forwarded to your client.

17.2 Any charge must be compliant with the regulations set out in the Financial Services Act 2012.

18. COMPLIANCE

18.1 You will comply with the terms and conditions of The Financial Services and Markets Act 2000 (Part IV) and if amended with those amended terms and conditions.

18.2. You will at all times:

- Maintain Professional Indemnity insurance to the minimum required by the FCA.
- Notify MG of any changes to your status in relation to your registration with the FCA and acknowledge that any changes may lead to this agreement being cancelled.
- Acknowledge that this agreement cannot be delegated to anyone else without our specific agreement.

19. TRANSFER OF BUSINESS

19.1 MG will not transfer any risk to another broker without a letter of authority being completed by the Insured.

19.2 MG will forward a copy of this letter to you and will give you a period of 7 days to make representation to the Insured.

19.3 Where the account has been cancelled by reason of a breach of FCA rules then MG may write directly to the policyholder advising of the situation and the reasons why it has become necessary to handle the risk ourselves.

20. ADVERTISING AND PROMOTION

You will not advertise or promote any policies or schemes underwritten by MG without our specific agreement. This includes promotion by the use of electronic means (i.e. web sites or Internet sites).

21. COMPLAINTS

- 21.1 You will maintain a complaints procedure in accordance with the FCA and FOS rules.
- 21.2 You will bring to the attention of the Insured the Complaints procedure as set out in the policies issued by MG.
- 21.3 If we are the subject of any complaint received by You, You will notify us of the complaint and will send to us any document relating to the complaint immediately. You agree to provide us with all reasonable assistance in dealing with the complaint.

22. OWNERSHIP OF RECORDS AND ACCESS TO RECORDS

- 22.1 MG acknowledges that ownership of your customer base belongs to you and MG will not contact your client direct in any capacity except when handling a claim under the policy or where MG have cancelled this agreement by virtue of Clause 5
- 22.2 You will maintain proper records of all policies placed with MG and you agree that MG or any appointed representative of MG may upon reasonable notice being given be entitled to inspect or audit any or all of the business placed with MG including policies which have been lapsed or cancelled.
- 22.3 Should you receive any information that is materially relevant to any business placed with MG you will pass such information to MG.
- 22.4 You and MG acknowledge that the terms and provisions of the Data Protection Act 1998 and as amended apply in all transactions.
- 22.5 MG may carry out credit checks or searches and monitor your trade performances and may make available to regulatory agencies any information obtained.

23. LIABILITY FOR LOSS

23.1 We shall not be liable to you for any loss, damage, costs, or expenses of any nature whatsoever incurred or suffered by you of an indirect or consequential nature including without limitation any economic loss or other loss of turnover, profits, business, or goodwill.

24. RIGHTS OF THIRD PARTIES

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 terms 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.

25. DISPUTES

25.1 Should a dispute arise under this Agreement MG will endeavour to find a way of resolving the dispute without the need for litigation.

25.2 MG will therefore attempt in good faith to resolve any dispute promptly through negotiations, if after a period of three months the matter remains outstanding MG with YOUR agreement shall refer the dispute to a mediator agreed between us.

25.3 If the matter has not been resolved by mediation within 6 months of the dispute arising, or if either party will not participate in a mediation procedure then either party may refer the dispute in accordance with Jurisdiction and choice of Law clause as set out below.

25.4 It is agreed that notwithstanding the above either party may seek the protection or assistance of the High Court if appropriate.

26. FORCE MAJEURE

Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement if such delay or failure is caused by conditions beyond its control, including but not limited to Acts of God, wars, insurrection, terrorism or any other cause beyond the reasonable control of the party whose performance is affected.

27. ENFORCEABILITY

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

28. 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 25, be determined in the English Courts.

29. WAIVER AND REMEDIES

The failure to exercise or delay in exercising a right or remedy provided by this agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. A waiver of a breach of any of the terms of this agreement or of a default under this agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this agreement. A waiver of a breach of any of the terms of this agreement or of a default under this agreement will not prevent a party from subsequently requiring compliance with the waived obligation. The rights and remedies provided by this agreement are cumulative and (subject as otherwise provided in this agreement) are not exclusive of any rights or remedies provided by law.

30. NO PARTNERSHIP / AGENCY

Nothing in this agreement shall operate to create a partnership or joint venture of any kind between the parties. Neither shall it authorise either party to act as agent for the other, nor shall no party have authority to act in the name or on behalf of each other to bind the each other in any way. This includes but is not limited to the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power.

31. CONFIDENTIALITY AND DATA PROTECTION

31.1 Neither party shall disclose or publish information relating to or connected with or arising out of this agreement nor the matters contained in it. This includes information relating to the business or affairs of the other party, without obtaining the previous approval of the other party to its contents and the manner of its presentation and publication or disclosure (such approval must not be withheld or delayed).

31.2 Clause 33.1 does not apply to:

- any information which is or becomes generally available to the public other than as a result of disclosure by either party, its representatives or advisers contrary to its obligations hereunder;
- any information which is, was or becomes available to the relevant party otherwise than pursuant to this agreement and free of any restrictions as to its use or disclosure;
- any information which is required to be disclosed by either party in accordance with any statutory or regulatory requirement or required by a court of law;
- Any information, which we are required to disclose to the Insurance Company or the Underwriter save that, we shall make sure that the Insurance Company or Underwriter is made aware that the information is confidential.

31.3 Notwithstanding the above, both parties agree to comply with their relevant obligations under the Data Protection Act 1998. Specifically, if either party receives a subject access request pursuant to the Data Protection Act 1998 the other party will, were requested provide such assistance and information as is necessary for the party in receipt of such a request to comply with its obligations.

31.4 The provisions of this clause 31 shall continue to apply notwithstanding termination of this agreement.

32. BRIBERY ACT 2010

You will at all times maintain a relevant Anti-Bribery Policy and ensure all staff are aware of the requirements for your firm.

33. TERRORIST ASSET FREEZING ETC ACT 2010

You will ensure that each client is screened on acquisition and renewal, using appropriate data to ensure that compliance with the above legislation is maintained.

34. ENTIRE AGREEMENT

34.1 This agreement, and the documents referred to in it, constitute the entire agreement and understanding of the parties, and supersede any previous agreement between the parties relating to the subject matter of this agreement.

34.2 Each of the parties acknowledge and agree that in entering into this agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of

any person (whether party to this agreement or not) other than as expressly set out in this agreement. Nothing in this clause shall operate to limit or exclude any liability for fraud.

35. VARIATION

35.1 Subject to clause 35.2, no variation of this agreement or of any of the documents referred to in it shall be valid unless it is in writing and signed by or on behalf of each of the parties.

35.2 We may vary the terms of this agreement at any time by giving you written notice if required to do so by the FCA or any change to the Regulatory Requirements.

36. SEVERANCE

36.1 If any provision of this agreement shall be found by, any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity, or unenforceability shall not affect the other provisions of this agreement, which shall remain in full force and effect.

36.2 If any provision of this agreement is found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it valid and enforceable.

37. RIGHTS OF THIRD PARTIES

No term of this agreement shall be enforceable by a third party (being any person other than the parties).

38. GOVERNING LAW AND JURISDICTION

38.1 This agreement shall be governed by and construed in accordance with the law of England and Wales.

38.2 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this agreement.



Staley House
Hassall Street
Stalybridge
Cheshire
Sk15 2LF

APPENDIX 1 (COPY TO BE RETURNED TO MG)

DECLARATION OF ACCEPTANCE

FOR MG INSURANCE:

I / We agree to observe and accept the terms and conditions of this Agreement that shall form the basis of all transactions between us.

SIGNED.....

NAME & POSITION: Michael Bond, Managing Director

DATE **27/04/2015**

.....

FOR THE SUB BROKER:

I / We agree to observe and accept the terms and conditions of this Agreement that shall form the basis of all transactions between us.

SIGNED.....

NAME & POSITION:

DATE

ADDRESS

Please ensure that both copies of this page are signed and one copy returned to MG at the address above together with a copy of your current PI certificate.



Staley House
Hassall Street
Stalybridge
Cheshire
Sk15 2LF

APPENDIX 1 (COPY TO BE RETAINED BY SUB BROKER)

DECLARATION OF ACCEPTANCE

FOR MG INSURANCE:

I / We agree to observe and accept the terms and conditions of this Agreement that shall form the basis of all transactions between us.

SIGNED.....

NAME & POSITION: Michael Bond, Managing Director

DATE 27/04/2015

.....

FOR THE SUB BROKER:

I / We agree to observe and accept the terms and conditions of this Agreement that shall form the basis of all transactions between us.

SIGNED.....

NAME & POSITION:

DATE

ADDRESS

Please ensure that both copies of this page are signed and one copy returned to MG at the address above together with a copy of your current PI certificate.