

Terms of Business

This Agreement governs the Conduct of Insurance Business

between:

The MECO Group (the Underwriting Agent) underwriting on behalf of insurers as set out in various delegated underwriting authority agreements

and

You as the Producer (the Producer) (collectively the "Parties" and each of them a "Party")

1. Definitions and Interpretation

- 1.1 The MECO Group: this includes The MECO Group Ltd, Michael Else & Co Ltd, and the associated trading brands Charterers P&I Club, Transmarine, True North, Carina and MECO Marine.

This Terms of Business does not cover business transacted under the True North brand.

- 1.2 CASS: The FCA's Client Assets Sourcebook.
- 1.3 Commission: Commission receivable by the Producer which shall be at the rates and times (if any) set out in a relevant Slip or otherwise agreed in respect of that Insurance Business.
- 1.4 FCA: The Financial Conduct Authority or any successor regulatory bodies.
- 1.5 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.
- 1.6 ICOBS: The FCA's Insurance Conduct of Business Sourcebook.
- 1.7 Insured: Any Party (not being the Underwriting Agent) 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 Slip: Any document held in whatsoever form which is or is to form the basis of either a contract for insurance or contract of insurance. A Slip may incorporate details of administrative arrangements pertinent to the processing of the contract for or of insurance.
- 1.11 Taxes: All Insurance Premium Taxes (IPT) and other parafiscal charges which may be levied by overseas fiscal authorities on insurance premiums.
- 1.12 BIPAR Principles: A set of high-level principles to follow when handling the placement of a risk with multiple insurers, agreed with DG Competition by BIPAR, the European Federation of Insurance Intermediaries.
- 1.13 Law or legal requirements: Any reference to law or legal requirements includes any applicable, common or customary law and any treaty, constitution, statute, legislation, decree, rule, regulation, code of practice, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which has

the force of law or compliance with which is in accordance with the general practice of such jurisdiction.

- 1.14 Statutory provision: Reference to a statutory provision (including for the avoidance of doubt a reference to an FCA rule) includes a reference to the same as modified, re-enacted or both from time to time after the date of this Agreement and any subordinate legislation made under the same after the date of this Agreement.
- 1.15 Date of this Agreement: the date at which you receive this Agreement.

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 the Agreement. To the extent that any matters relating to the relationship between the Parties are not expressly addressed in this Agreement, they remain unaffected and unaltered by this Agreement. This Agreement shall not override the terms of any underlying contract for or of Insurance Business or the terms of any Slip.

The Producer has been appointed by the client to act as its agent for the purposes of providing advisory and placement services in respect of the above described Business. The Underwriting Agent agrees to take instructions only from the Producer in respect of the work undertaken by it. For the avoidance of doubt the Producer is acting as agent of the client and the Underwriting Agent is acting as agent of the insurer.

The Underwriting Agent agrees not to contact the client except with the prior consent of the Producer. Any communications between the Underwriting Agent and the client will be copied to the Producer.

- 2.2 Except to the extent stated in sections 8.2 and 11.3 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 section 11 (which is to be given a free and unfettered interpretation) nothing in this Agreement overrides the Producer'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 Producer, the Underwriting Agent, or the placing of any Insurance Business.
- 2.4 Subject to section 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 the Agreement. The terms of this Agreement supersede the terms of any other terms of business already in place between the Parties for such Insurance Business.
- 2.5 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 Underwriting Agent at its sole discretion. The Producer is under no obligation to offer any proposal for Insurance Business or renewal of any existing Insurance Business to the Underwriting Agent.
- 2.6 Prior to or at the time of placement of any Insurance Business (or as otherwise agreed separately in writing between the Parties), the Producer and the Underwriting Agent 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 Producer warrants that it has the correct regulatory status in its Home State for the purposes of introducing Insurance Business to the Underwriting Agent. The Underwriting Agent warrants that it is authorised by the FCA to conduct Insurance Business.
- 3.2 The Producer shall inform the Underwriting Agent immediately in writing in accordance with section 25 if at any time during the period of this Agreement:
 - 3.2.1 The FCA (or other regulatory body) suspends or withdraws the Producer's authorization or registration; or
 - 3.2.2 The Producer otherwise ceases in any way to be authorised by the FCA (or other regulatory body) to undertake any activities in relation to any Insurance Business subject to this Agreement; or
 - 3.2.3 The Producer becomes insolvent.
- 3.3 The Underwriting Agent shall inform the Producer immediately if:
 - 3.3.1 The FCA suspends or withdraws the Underwriting Agent's authorisation; or
 - 3.3.2 The Underwriting Agent otherwise ceases to be authorised by the FCA to undertake any activities in relation to any Insurance Business subject to this Agreement; or
 - 3.3.3 The Underwriting Agent becomes insolvent.

4. Authority

- 4.1 This Agreement sets out the basis on which the Underwriting Agent will accept Insurance Business from the Producer.
- 4.2 Nothing in this Agreement shall grant the Producer authority to accept, amend, or vary Insurance Business, settle, negotiate or compromise claims, alter any Agreement or policy, make any financial promotion on the Underwriting Agent's behalf without the Underwriting Agent's prior written consent, and/or commit the Underwriting Agent in any way.

5. Obligations

- 5.1 The Underwriting Agent agrees:
 - 5.1.1 That the Producer will be kept informed of the progress of the work carried out by the Underwriting Agent;
 - 5.1.2 It will not confirm the order until a written instruction is received from the Producer on behalf of the client to commence cover;
 - 5.1.3 To follow the instructions of the Producer as are necessary for the Producer to comply with the relevant rules of the Home State regulator;
 - 5.1.4 That it is not responsible for ensuring the adequacy or amount of cover that the Producer has requested;
 - 5.1.5 Not to process mid-term variations to the contract or policy wording until written instructions are received from the Producer;
 - 5.1.6 To provide in a timely fashion information reasonably requested by the Producer in relation to the renewal of any existing insurance policy on behalf of the client;
 - 5.1.7 To provide evidence of cover within 30 days of inception of the policy, or on receipt of the firm order, whichever is the later;
 - 5.1.8 To comply with the FCA Rules; and
 - 5.1.9 To exercise the standards of skill and care reasonably expected from an Underwriting Agent of the Underwriting Agent's expertise and to observe the duty of utmost good faith in all its dealings.

- 5.2 The Producer agrees:
- 5.2.1 To comply with the Rules applied by its Home State regulator;
 - 5.2.2 To use its reasonable endeavours to obtain all facts and circumstances from its client which would or may be considered to be material to the decision whether to underwrite the client's risk or to continue to do so on any given terms;
 - 5.2.3 To ensure that all facts and circumstances are accurately and completely disclosed by the client to the Producer and by the Producer to the Underwriting Agent;
 - 5.2.4 That it will use its best endeavours to ensure that the adequacy or amount of cover is suitable for its client's insurance requirements;
 - 5.2.5 To use its reasonable endeavours to ensure that all changes in the facts or circumstances relating to the client obtained at the time of any relevant proposal are promptly, fully and accurately disclosed by the client to the Producer and by the Producer to the Underwriting Agent;
 - 5.2.6 That it will only confirm the terms of the insurance cover to the client after having received written confirmation from the Underwriting Agent that such insurance is in force;
 - 5.2.7 That the renewal of the client's Business shall be the Producer's responsibility who will liaise with the Underwriting Agent to allow for the proper and timely interchange of information and the subsequent consideration of renewal terms; and
 - 5.2.8 That all information from the client in relation to the insurance contract is passed to the Underwriting Agent on a timely basis.

6. Remuneration

- 6.1 Commission shall be agreed between the Parties and shall be set out in the relevant Slip or as otherwise agreed.
- 6.2 The Producer may deduct the Commission upon receipt of the premium.
- 6.3 Where premium is payable in more than one instalment, the Producer 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.

7. Premiums and Claims

- 7.1 The Producer shall hold such monies as the agent of the client. The Producer has no authority under this Agreement to permit any third-party, sub-agent, or Appointed Representative (as defined in the FCA's Handbook) to receive, hold, or pay any money on behalf of the Underwriting Agent, without the Underwriting Agent's consent. For the benefit of clarity, the Underwriting Agent and/or insurers do not grant risk transfer to the Producer.
- 7.2 Provided the Producer shall itself have received the premium (including Taxes) or part thereof, the Producer shall pay such premium (net of Commission, but including Taxes) or part thereof to the underwriting agent within the time permitted for the Insured to pay such premium in accordance with the terms of trade incorporated in the relevant Slip or otherwise as agreed between the Underwriting Agent and the Insured. In the event the Producer 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 Producer shall pay that premium (net of Commission but including Taxes) to the Underwriting Agent as soon as reasonably possible.
- 7.3 Pending payment to the Underwriting Agent, a third party or the Producer's client (as the case may be), the Producer shall hold client and insurer monies separated from its own monies and, where relevant in accordance with the FCA's CASS (or other regulatory body) rules. The

Underwriting Agent further agrees that any interest earned on the said account shall accrue to the Producer.

- 7.4 In the event of the cancellation or avoidance of a contract of insurance, where the Underwriting Agent 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 Producer agrees to repay the relevant Commission (which shall not, for the purpose, of this section include fees paid by the Insured). Such repayment shall, in the case of cancellation, be only in respect of Commission received by the Producer 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 Underwriting Agent shall refund premiums net of Commission.
- 7.5 The Underwriting Agent warrants that all insurance monies are held in an account separated from its own monies and in accordance with the FCA's CASS rules.

8. Taxes

- 8.1 Except where required by law or regulatory authority or by the terms of this Agreement, the Parties agree that the Producer will not be expected to act as guarantor to the Underwriting Agent in respect of the payment of any Taxes relating to any Insurance Business. Where it is market practice that the Producer administratively arranges payment of Taxes, that practice shall continue.
- 8.2 Where the Producer processes and pays Taxes on behalf of the Underwriting Agent related to premium in respect of any Insurance Business, the Producer will hold such monies in accordance with section 7.3 above for the Underwriting Agent and account to the Underwriting Agent for amounts received by the Producer in respect of such liability for Tax which the Underwriting Agent may have in respect of that Insurance Business.
- 8.3 The Underwriting Agent is not liable to pay any local duties, fees and taxes on either the Producing Broker's behalf, or on behalf of the Insured. Furthermore, has no responsibility or liability for any loss suffered by the Producer or the Insured as a result of, any failure to pay duties, fees, and/or taxes.

9. Compliance

- 9.1 Each Party will comply with their respective legal, licensing and regulatory requirements applicable to the production, placing, claims handling and premium and claims accounting of any Insurance Business which the Producer places with the Underwriting Agent under this Agreement.
- 9.2 The Parties will pay due regard to the Contract Certainty Code of Practice published by the London Market Group (or successor body) in issue at the time of placing the Insurance Business.
- 9.3 The Producer 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, if applicable.
- 9.4 Each Party will pay due regard to the BIPAR Principles (if applicable).
- 9.5 Each Party shall pay due regard to, and co-operate in respect of the observance of, any applicable international economic, financial or trade sanctions legislation which bind the relevant customer, the Producer or the Underwriting Agent.
- 9.6 Neither party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any law against bribery (including without prejudice to the generality of the foregoing the 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 Bribery Act 2010, maintain on an ongoing basis its own anti-corruption/bribery policies and

procedures, including but not limited to adequate procedures under the Bribery Act 2010, to prevent corruption/bribery offences and will enforce them where applicable.

- 9.7 Each Party shall notify the other immediately in writing in the event of a change in control which results in the transfer of 50% or more of the direct or indirect beneficial ownership of the share capital, stock or other participating interest carrying the right to vote or to distribution of profits of that entity or person, as the case may be.

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:
- 10.2.1 Shall comply at all times with its obligations under the Data Protection Law;
 - 10.2.2 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
 - 10.2.3 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. Access to Records

- 11.1 The Producer will retain all of the Records created or held by it and all Records received by the Producer 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 Producer, the Underwriting Agent or the Insurance Business.
- 11.2 The Producer agrees to allow the Underwriting Agent, on reasonable notice, to inspect and to take copies of the following:
 - 11.2.1 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 or Slip endorsements, addenda or bordereaux in the possession of the Producer relating to the Insurance Business; and
 - 11.2.2 Documents as may be in the possession of the Producer which were disclosed to the Underwriting Agent by the Producer 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.
- 11.3 In the event that the Underwriting Agent requests the Producer to carry out any functions or duties on its behalf, such as the appointment of loss adjusters, lawyers or others, or the Producer otherwise acts as an intermediary between the Underwriting Agent and its representatives or agents:
 - 11.3.1 The Producer accepts the Underwriting Agent'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 Producer's client.
 - 11.3.2 All documentation and records created or received by the Producer in the performance of such functions or duties shall be and remain the property of the Underwriting Agent, other than documents over which the Producer has a proprietary commercial interest.
 - 11.3.3 The Producer will take reasonable steps to retain, maintain and safeguard any of the Underwriting Agent's documents in the Producer's possession in accordance with any regulatory requirements which apply to the Underwriting Agent and of which the Producer has notice.

12. Audit of books and records

- 12.1 The Underwriting Agent shall be entitled to audit the Producer in connection with its obligations under this Agreement provided reasonable notice is given to the Producer. The Producer will not unreasonably withhold access to its offices.
- 12.2 The Producer will co-operate fully with any such audit supplying such documentation and information which the Underwriting Agent deems reasonable. Any reasonable request by the Underwriting Agent for copies of such documentation, information, records and data relating to the Producer's duties, obligations and compliance with this Agreement shall be made available in a timely manner.

13. Confidentiality

- 13.1 Each of the Parties will treat information received from the other relating to this Agreement and to the Insurance Business as confidential and will not disclose it to any other person not entitled to receive such information except as may be necessary to fulfil their respective obligations in the conduct of the Insurance Business and except as may be required by law or regulatory

authority. For the avoidance of doubt each party shall be entitled to disclose such information where necessary to its insurers or reinsurers, actuaries, auditors, professional agents and advisers and other Group companies.

- 13.2 This section 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 section) or which is trivial or obvious.

14. Termination

- 14.1 This Agreement shall terminate:

14.1.1 At any time by either Party giving written notice of termination to the other; or 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; or

14.1.2 Immediately, without notice, should You have any authority or permission granted to it by the Relevant Regulator withdrawn or altered in such a manner as materially to affect in any way Your 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; or

14.1.3 Immediately if either Party breaches the terms of this agreement and, upon notification, fails to rectify the breach within a reasonable timeframe.

- 14.2 Following termination:

14.2.1 The Parties shall agree the procedure for administering the Insurance Business current at the time of termination;

14.2.2 You will make all reasonable efforts to provide Us with contact details of any Insured or other party who has contracted in the conduct of Insurance Business.

14.2.3 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 terminated.

15. Complaints

Each Party will notify the other in accordance with the rules of the FCA (or other regulatory body) of any complaint concerning the other Party relating to Insurance Business subject to this Agreement.

16. Professional Indemnity Insurance

- 16.1 Each Party will each have and maintain, at its own cost, Professional Indemnity insurance in relation to their activities associated with transacting insurance business with the Underwriting Agent. For regulated entities this should be the minimum level as prescribed by the Party's Home State regulator.

- 16.2 The Producer agrees to supply details of its Professional Indemnity insurance cover to the Underwriting Agent on an annual basis or as requested by the Underwriting Agent.

17. Protection of Reputation

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.

18. Conflicts of Interest

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

19. Disclosure

The Producer 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.

20. 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 term of this Agreement. This section shall not affect any right or remedy of a third party which exists or is available apart from that Act.

21. Dispute Resolution

- 21.1 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:
- 21.1.1 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;
 - 21.1.2 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;
 - 21.1.3 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.
- 21.2 Notwithstanding the above, either Party may seek the immediate protection or assistance of the High Court of England and Wales if appropriate.

22. 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 section 20 above, be determined in the Law Courts of England and Wales.

23. 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.

24. 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 the Agreement.

25. 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.

26. 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 the Agreement.

27. Validity

This MECO TOBA, V20190201, is valid from 1 February 2019 until amended or replaced by MECO.

Signed for and on behalf of
The MECO Group



Lee Wilson
Chief Operating Officer