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IMPORTANT INFORMATION AND TERMS OF BUSINESS

Terms of Business - Wholesale

Lothbury UK Limited (LUK) is committed to providing its clients with the highest quality standards when dealing with their 'Insurance Requirements'.

You should read these terms of business carefully, as they set out our undertakings to you about our conduct, including limitations on our ability, and identify your own responsibilities both to us and to insurers, plus our regulatory and statutory obligations.

Please contact us immediately if there is anything in these terms of business that you do not understand or with which you disagree, as if you instruct us to proceed with any insurance placement or to undertake any other insurance-related service we will be doing so on these terms alone and they will have contractual effect between us. Please note that any references we make to insurance and insurers shall always be deemed to include reinsurance and reinsurers. These terms meet the standards required of us by our regulators. They can only be varied by a specific agreement in writing between both parties.

Information about Lothbury UK Limited

Lothbury UK Ltd, registered at 7th Floor Offices, Ibex House, 42-47 Minories, London EC3N 1DY is a Lloyd's broker, authorised and regulated by the Financial Conduct Authority (FCA). Our permitted business is arranging general insurance contracts and our FCA reference no. is 311701. These details can be verified on the FCA's Register by visiting the FCA's website www.fca.org.uk/register or by contacting the FCA on 0800 111 6768.

Our terms of business have been compiled to cover our direct relationship:

1. As you are subject to Regulation by the laws of the Republic of Ireland then we will expect you to conduct yourself at all times with the due skill, care and diligence required of you. These terms of business and all the points set out below are subject to this overriding requirement. If you are subject to a Regulatory investigation or your Permissions are varied or suspended, you will notify us immediately and dependent upon the circumstances we may immediately terminate this agreement.
2. Whilst our duties will be solely to you as our broker client, you in turn will owe duties of care either to the ultimate policyholder or another intermediate party. It is for you alone to discharge those duties and you may not rely upon us to do so for you. In all cases you must ensure that you have full authority to instruct us.
3. It is your obligation to ensure that your client is aware of all the terms of any insurance policy obtained by us on your instructions. In particular, we look solely to you to explain to your client the meanings and importance of their duties (and your duties to them), including but not limited to the duties of disclosure and utmost good faith, the preparation of proposal forms and questionnaires, compliance with warranties, subjectivities, cancellation clauses, premium payments and notification of claims.
4. Any reference throughout these terms of business to "your insurance" and to "your policy documents" or similar should be read as "your clients" as the context requires. LUK nonetheless looks to you as our broker client as being solely responsible for compliance with all the matters here set out in these terms of business and LUK in turn owes duties only to you.

Treating you fairly:

We always aim to treat each client fairly and in doing so we endeavour to:

- Conduct business with due care and integrity.
- Ensure that our primary duty to you is never compromised.
- Deal with a complaint sympathetically and independently.
- Be transparent in the matter of remuneration.
- Respect confidentiality.

Security

LUK cannot and does not guarantee the solvency of any insurer it places business with, nor does it rate, assess or approve security. However, it does monitor the financial strength ratings provided by specialist rating agencies such as Standard & Poor's and A. M.

Best. Based on the information they provide we may ask you for specific approval of the proposed security. The authorisation requirements can be explained in more detail by the individual responsible for your account.

A liability for premium whether in full or pro rata may arise under policies where a participating insurer becomes insolvent. Such liability will be yours alone, although we will be able to offer advice if requested. Similarly claims or returns premiums may be due to you, where a participating insurer becomes insolvent or is delaying settlements. Whilst in those circumstances we cannot and do not accept liability for any unpaid amount(s), we will provide you with assistance in submitting a claim and seeking to obtain reimbursement for you.

Marketing:

As mentioned above, we may use your personal data to send you marketing materials.

If you would like to stop receiving marketing information from us, please unsubscribe by clicking the "unsubscribe" link in the relevant marketing email, email us at info@lothburyuk.com or write to us at our registered office: Ibex House, 42–47 Minories, London. EC3N 1DY

GDPR - General Data Protection Regulation

Individuals have the right to access and obtain data held about themselves and how it is accessed and where, the purpose of the access, and what categories of data are being accessed.

GDPR introduces a duty on all organisations to report certain types of personal data breach to the relevant supervisory authority. This information must be reported within 72 hours of becoming aware of a breach, where feasible.

If the breach is likely to result in a high risk of adversely affecting individuals' rights and freedoms, we are regulated therefor duty bound to inform those individuals without undue delay.

We have processes in place to investigate internally such events, this will facilitate decision-making about whether or not the relevant supervisory authority and the affected individuals, should be notified.

Confirmation of Cover and Policy Documentation

Our aim is to provide you and your client with a policy and/or Evidence of cover setting out terms, conditions and participating insurers, in a timely manner. You should examine any insurance documents we send you very carefully to ensure that they do meet your client's requirements. If you think they are incorrect, if you are dissatisfied with the insurance security or the documents do not meet with yours or your clients requirements in any way, please advise us immediately. Otherwise, we will assume that the documentation is in order.

You will be provided with the renewal terms in writing in good time before expiry of the policy, or notified that renewal is not being invited.

If renewal is not being offered, you will still be notified in good time before expiry of the policy.

Mid-term changes to any policy will, where possible, be provided in good time, prior to the change taking effect.

It is our policy to retain documents for business effected on your behalf in electronic or paper format in line with market practice.

We expect you to conform to Regulatory requirements on record keeping.

Premiums

On business where debit notes are sent they will show the premium due dates. It is important that payment in full is made to our bank account, as specified on our documentation, so that we hold all necessary monies in cleared funds before the due date. We draw your attention to the significant time taken for non-Sterling cheques to clear and we therefore recommend that all non Sterling payments be made by electronic transfer. Failure to pay by the due date may result in the cancellation of an insurance contract possibly back to its intended inception date or being cancelled forthwith by us or by insurers giving notice of cancellation as per the Cancellation Clause below.

Where insurers have specified that the premium must be received by a certain date, failure to comply can result in automatic termination of your insurance contract.

Our preferred method of payment is:-

- 1) Telegraphic Transfer (BACS) in the currency of our debit note (when rendered), made direct to the bank account shown, in all instances quoting our debit note reference or statement details for the items being settled.
- 2) Cheques, in the currency of our debit note or statement, should be made payable to "Lothbury UK Limited" and sent to the finance department at Lothbury UK Limited, 7th Floor Offices, Ibex House, 42-47 Minories, London, EC3N 1DY.
- 3) Premium Credit Facility – Finance Options available – please ask LUK for a quote.

Any payments of premium in a different currency to that stated in our documentation will require our prior consent. LUK reserves the right to recover from you any loss relating to exchange differences or otherwise arising from payments made in currency different to that agreed.

Any bank charges in respect of funds transferred to Lothbury UK Ltd should be paid for by the remitter.

It is your obligation to provide us with sufficient details for any remittance made by you to enable us to allocate it against specific transactions.

If you decide to undertake finance via Premium Credit Ltd (PCL), we will provide you with quotation for payments to be spread over 6, 10 or 12 monthly instalments. This is a finance agreement and all appropriate lending checks will be made on your behalf. You will be bound by the payment terms of the loan agreement which will be confirmed in the credit agreement issued to you prior to finance being set up. We will confirm the interest rate (APR %), the number of instalments to be met by Direct Debit by your nominated bank account. You are advised that this is a loan agreement and a breach of the terms and conditions of the agreement (subject to PCL approval) may result recovery of outstanding debt and further costs to be incurred.

Client Money

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 FCA's client money rules.

Client money will be held by LUK in one of the following ways:

- a) Subject to a non-statutory trust, in accordance with the FCA Client Asset Sourcebook (CASS).
- b) On behalf of insurers and co-mingled with monies held in the non-statutory trust accounts

Client money will be held on behalf of an insurer or underwriter in accordance with a written agency agreement.

As it is the Insurers who extend Risk Transfer and not ourselves, we are unable to extend any Risk Transfer arrangements to you and therefore in our relationship you will handle client money.

Non-Statutory Trust Bank Accounts

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

We hold client money subject to a non-statutory trust. This means that we are entitled to and may 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.

Interest on Client Money

Any interest earned on client money held by us and will be retained by us for our own use.

Payment to Third Parties

We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that person.

This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK and, in the event of failure of the broker or settlement agent, this money may be treated in a different manner from, that which would apply if the money were held by a broker or settlement agent in the UK. You may notify us if you do not wish your money to be passed to a person in a particular jurisdiction.

Our Approved Bank Accounts

Client money will be deposited in a general account with Barclays Bank plc. Our choice of approved bank may be subject to change in the future. However any additions will be in accordance with the FCA client money regulations.

It may on occasion be necessary to hold client money with a bank that is not an approved bank. In such circumstances the legal and regulatory regime applying to the bank with which the client money is held will be different from that of the UK and, in the event of a failure of the bank, the client money may be treated differently from the treatment which would apply if the client money were held by an approved bank in the UK.

Where client money is held in a bank that is not an approved bank, such money will be held in a designated bank account. This means that it is not pooled with money held in any other account.

We will not hold client money in a bank that is not an approved bank any longer than is necessary to effect the transaction.

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 failure of the bank, your 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 you do not wish your money to be held in particular jurisdiction.

Premium Warranties

Where insurers have specified a premium payment warranty, insurers must receive premium due by that date. We will advise you as soon as possible of these terms and request that premium is paid to us in sufficient time to allow us to pass cleared funds to insurers. If you do not think you will be able to comply with the premium warranty please contact us immediately as failure to comply can result in the automatic termination of the insurance. If you require we will request an extension to Underwriters payment terms, however, we cannot guarantee they will agree. Until we confirm otherwise payment terms are as stated in the insurance documentation.

Warranties / Subjectivities

You should familiarise yourself with all the terms of an insurance contract that you purchase. In particular, you must treat Warranties and Subjectivities seriously and comply with such terms whether express or implied contained in it. Failure to comply will entitle the insurer to terminate the insurance contract.

Further, the existence of a Subjectivity in an insurance contract may lead to that contract being invalidated or coverage prejudiced if the Subjectivity remains outstanding. Whilst we will advise you of such terms we will look to you promptly to comply and to confirm that the subjectivity has been satisfied thus enabling it to be removed.

Your Duty of Disclosure / Utmost Good Faith.

You and any agent acting on your behalf are required to act with utmost good faith towards both ourselves and insurers at all times and you must disclose to insurers via ourselves before the contract is finalised all information which is known to you (or which ought to be known to you) in the ordinary course of your business and which is material to the risk. Information is material if would influence

the judgement of a prudent insurer in fixing the premium or determining whether he would take the risk. If there is any doubts as to whether information is material, it must be disclosed to the insurers.

The duties of utmost good faith and full disclosure apply before the contract is concluded, during the contract period, at renewal, and on extension or amendment of the contract. In addition the duties also apply to the claims process and to any situations during the period of the contract where you are required to provide information to insurers. The accuracy of all statements, information and answers required by insurers is your sole responsibility and we are entirely reliant upon you to discharge it fully. Breach of these duties may entitle insurers to avoid the contract with effect from inception and repudiate liability in respect of all claims under the contract.

We have an obligation to you to explain the above duties of disclosure and the consequence of any non-compliance by you, and so if you are unsure whether information may be material or if you have any other query regarding your duties towards either LUK or insurers, please do not hesitate to discuss matters with your contact at LUK.

Proposal Forms

It is your responsibility to complete proposal forms or questionnaires required by insurers fully and accurately. We remind you of your duty of utmost good faith and your obligation to disclose all material information, as mentioned above. In most cases the information you provide will be the basis of or form part of the insurance contract. The provision of incorrect or incomplete information may result in denial of a claim or avoidance of the insurance contract.

Remuneration

Our normal means of remuneration is from commission or brokerage earned on insurances placed, or by way of a fee negotiated. Brokerage and fees are earned for the policy period on placement and we will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us.

Commercial Risks	Fees applied in placement of cover on behalf of LUK client
Premiums €0 to €1,000	€25
Premiums €1,001 to €10,000	€50
Premiums €10,001 to €50,000	€75
Premiums over €50,001	Application of Fee is at local Management discretion
Multiple Policies with a common renewal date.	A discounted fee will be applied for multiple policy renewals.
Personal Lines	New and Existing Business
Placement fee applied per policy	€25
Premiums €0 to €5,000	€40
Premiums over €5,001	Discretionary
Mid Term Transaction Fees	Commercial & Personal Lines
MTA - Fee charged for adjustments to cover during a policy period in force.	€20
	<i>Applied for all mid-term adjustments unless agreed at renewal/inception risk to be excluded.</i>
MTC - Mid-Term Cancellations	<i>Cancellations will carry a €45.00 charge. If cancelled after 6 months the charge will reduce to €25.00</i>

Services we may provide to others

During the submission and consideration of any claim that you may have under an insurance contract we may provide, and be separately remunerated for, limited services to your insurers such as relaying instructions from those insurers to surveyors, adjusters, solicitors and other third parties appointed by the insurers, distributing reports and arranging the collection and payment of fees or disbursements on behalf of insurers. In performing these services, we will always endeavour to use reasonable methods to avoid conflicts of interest. Should we consider, however, that a conflict has arisen, then we shall take no further action on behalf of the insurer unless you agree in writing, that we may do so.

Cancellation Clause

A cancellation clause may be inserted into an insurance contract. It emphasises your obligation to pay the premium promptly and in full. In the event that you or your agents fail to pay LUK the premium or any instalment thereof by the due date, the insurance contract may be cancelled forthwith by us or by insurers, giving notice of cancellation. Insurer may return pro rata premium to us from the date of notice or from such date of cancellation as may be required in that notice. Where applicable, and where the relevant details have been passed to us, any other party with an interest in the insurance contract will be advised of any non payment of premium and given the opportunity to pay outstanding amounts. However, as our client we will consider the primary duty to make payment to remain with you.

You should be aware that once our remuneration is earned in the event the insurance is later cancelled after inception usually no return of brokerage/our fee will be given.

Claims

You must notify us of all details of any incidents that could give rise to a claim without delay and provide us with all material information in order for us to inform insurers and to comply with the terms of your insurance contract. We will provide you with advice of the insurer's decision about the claim promptly upon receipt from that insurer. In the event that the insurer accepts your claim we will remit claim payments to you as soon as possible after they have been received by us on your behalf. In the event that an insurer rejects your claim we will inform you promptly upon receiving that information, together with any explanation of that insurer's reasons.

Should an insurer become insolvent or delays making settlement, we do not accept liability for any unpaid amounts.

Confidentiality & Security

Information provided by you to LUK will remain confidential, and will only be disclosed in the normal course of negotiating, maintaining or renewing your insurance policies, unless you have consented otherwise. Disclosure may also be made to our regulator (so that it may fulfil its regulatory function), or where we are legally obliged to disclose the information. We shall be pleased, in appropriate circumstances, to enter into a specific Confidentiality Agreement with you should you deem it appropriate.

Data Protection

We are registered under the Data Protection Act 1998 and from 25 May 2018 will be governed by the General Data Protection Regulations. We undertake to comply with the Act and the General Data Protection Regulations in all our dealings with personal data. Please refer to our Privacy Notice. We expect your firm to be registered under the appropriate Data Protection Legislation and comply with its requirements. See our *Privacy Notice* as follows:

Privacy policy

We take the privacy of our customers very seriously and are committed to protecting your privacy. Our company policy sets out how we collect, use and transfer your personal data, and your rights in relation to the personal data stored by us, when you use our website or otherwise engage with our services.

How long is personal information retained for?

We will keep your personal data on our records for as long as we have an ongoing legitimate business need to do so.

Your Rights as a Data Subject – The principal rights under data protection law are as follows:

- I. the right to rectification;
- II. the right to erasure;
- III. the right to restrict processing;
- IV. the right to object to processing;
- V. the right to data portability;
- VI. the right to complain to a supervisory authority;
- VII. the right to withdraw consent.

We have security measures in place to attempt to protect against the loss, misuse and alteration of personal data under our control. For example, our security and technology processes are periodically reviewed and enhanced as necessary. Only authorised personnel have access to client information. Whilst we cannot ensure or guarantee that loss, misuse or alteration of data will not occur, we use our best efforts to prevent this.

Termination of our Services

Whilst our wish is to retain the business and goodwill of our clients, you may terminate our services by giving us notice of 30 days in writing. Similarly, we may also terminate the services that we provide to you by giving you 30 day notice in writing.

In the event that our services are terminated by you other than at the expiry of a relevant policy period we will be entitled to retain (or to receive if the same has not yet been paid) any and all remuneration due in respect of any insurance policies placed on your behalf. In the event that you require transfer of your business to another intermediary, brokerage arrangements will be subject to arrangement between the insurance intermediaries.

Governing Law

These terms of business and any accompanying or associated letter and our business relationship with you shall be governed by and construed solely in accordance with English Law and the High Court in London shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with them.

Complaints

LUK will handle any complaints fairly and promptly. If you have a complaint or concern or are dissatisfied with how we have serviced your account, please write to us in the first instance at our registered office. Our LUK Ltd Complaints Procedure complies with appropriate regulatory requirements and available upon request.

Please write to us at our head office: Lothbury UK Limited, 7th Floor Offices, Ibex House, 42-47 Minories, London, EC3N 1DY

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