

Terms of Business Agreement

This agreement numbered UA is dated 23 October 2009 and is made between

(1) Pound Gates & Company Limited hereinafter referred to as "PGC"

and

(2) Broker name hereinafter referred to as "the Broker"

This Agreement specifies the Terms under which the Broker will introduce to PGC insurance business on behalf of its clients which it wishes to be placed by PGC and the terms under which PGC will handle such insurance business for the Broker.

This Agreement does not bind or obligate PGC to accept any or all proposals for New Business or Renewals put to them by the Broker, nor does it bind or obligate the Broker to accept on behalf of its client the terms put to it by PGC on any proposal.

It is our intention to provide you with a high level of service at all times but if you should wish to make a complaint about our service we have a formal complaints procedure. In the first instance you should write, phone, fax or send an email addressed to Del Sharman at St Vincent House, 1 Cutler Street, Ipswich IP1 1UQ, telephone number 01473 216406, fax 01473 231591 or email del.sharman@poundgates.com

Regulatory Status and Conduct

Pound Gates & Company Limited is authorised and regulated by the Financial Services Authority (Firm Reference Number 304300). The Broker's regulatory status is confirmed in the Confirmation section below.

Both parties to this Agreement undertake to maintain their respective regulatory status. Any change in regulatory status of one party shall be informed to the other party in writing within 5 business days.

The Broker will ensure that each transaction with a client is undertaken in accordance with the rules as applicable and enforced by the Financial Services Authority, current at the time of the transaction.

Scope

The Broker is entitled to transact general insurance business with PGC and does so in the understanding that this Agreement applies to all business transacted between the two parties.

Commission

PGC will allow the Broker commission as quoted at the time, subject to any individual case being negotiated separately at the time of the placement. The Broker's entitlement to commission is conditional on the following points being satisfied:-

i) that the Broker's appointment as an Broker of PGC is still in force

- ii) that the business has been introduced and completed by the Broker
- iii) that the premium for the business had been paid to and received by PGC
- iv) that the Broker continues to act for the Policyholder

The commission is payable on net premiums i.e. less rebates, discounts or any deduction due to the Policyholder. Should PGC make a refund of premium (whether under the terms of the policy or for any other reason), the Broker will be debited with the commission upon the amount so refunded.

Authority

Nothing in this Agreement authorises the Broker to confirm to his client the existence of insurance cover placed through PGC without having received written confirmation of the existence of such cover from PGC.

The Broker is not empowered to issue cover, confirm cover save as aforementioned or hold itself out as the insurers original representative. The Broker must not present itself as a Lloyd's Broker or the Agent of a Lloyd's Broker unless it is approved by the Council of Lloyd's as such.

Presentation

The Broker will present information to PGC using the form and the proposal specified by PGC, or in such other manner as may be agreed, in writing between the Broker and PGC. All proposals are to be sent to PGC on the same day or as quickly as possible, as received so that they may be dealt with immediately and cover and terms can be confirmed by PGC.

The Broker will present all material information to PGC. Should PGC consider the proposal inadequate, or unsuitable, they reserve the right to decline to act on behalf of the Broker and his client. PGC will not be bound to incept the insurance on behalf of the Broker, or its client, until a written instruction is received to commence cover.

Maintenance & Renewal

The Broker undertakes to inform PGC of any changes during the currency of the insurance which would affect the insurer's attitude to cover, levels of premium or any other material fact.

Renewal is the responsibility of the Broker who must liaise with PGC prior to renewal with a view to providing renewal terms to the client in a timely fashion sufficient to enable the Broker and his client to review and agree the terms prior to renewal. Subject to the above, PGC will despatch renewal invitation(s) without undue delay, where no further information is required by the insurer prior to renewal date and subject otherwise to the Broker acting in accordance with the terms of this agreement, and where it is normal practice for renewal invitation to be prepared by insurers.

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Claims

Any notification of claims received by the Broker must be advised to PGC immediately in writing unless otherwise specifically agreed by insurers. The Broker should only acknowledge receipt of the claim from his client. Except as may be authorised by the insurer, no negotiation should be entered into by the client or the Broker. The Broker is expected to assist with any enquiries if so required.

Accounting and Responsibility for Premiums

PGC will submit a Debit Note to the Broker. The Broker will pay to PGC all premiums debited to it on behalf of its clients within 30 days of the date of issue of said Debit Note by PGC.

PGC generally regards itself as providing cover within the terms of the Confirmation of Cover document issued until expressly notified in writing by the Broker that the relevant policy had not been taken up or renewed. The Broker will be responsible for any Time on Risk charge if the case does not proceed or the annual policy is not issued.

The Broker is not authorised to endorse cheques made payable to the order of PGC.

Once PGC has received confirmation of the inception, renewal or amendment of the Broker's client's insurance, the Broker becomes responsible to PGC for the payment of all and any premium which may be or may become due or outstanding at any time relating to the insurance.

PGC reserve the right to vary the terms stated above by giving 14 days notice of its intention to vary such terms.

Errors & Omissions Insurance

The Broker undertakes to maintain cover against Errors & Omission/Professional Indemnity risks in accordance with the rules as enforced by the Financial Services Authority.

The Broker shall immediately notify PGC in writing:-

- i) of any change of address
- ii) if he or any partner or director compounds with creditors, enters into any deed or arrangement with creditors, or becomes bankrupt, or has a receiving order made against him or (in the case of a company) goes into liquidation or (in the case of a partnership) is finally dissolved
- iii) in the event of any changes which are material and have relevance to this Agreement.

Termination

This Agreement will be automatically terminated:-

- i) if the Broker fails to keep PGC informed of any matters referred to above
- ii) on the death of the Broker if a sole trader
- iii) on receipt of notice of change of regulatory status by either party
- iv) in the event that the ownership of the Broker changes

PGC reserve the right to terminate this Agreement at any time without prior notice and without assigning any reason thereof, by written communication, addressed to the Broker's last known address. This Agreement shall thereupon cease with effect from the date and/or time mentioned in such communication whether the Broker shall receive or shall have received the same or not.

PGC will not be liable to the Broker for any compensation consequential or otherwise, arising as a result of the termination of the Agreement in the terms above.

The Broker may terminate this Agreement at any time upon 30 days written notice to PGC stating when thereafter such termination shall be effective.

In the event of termination nothing in this Agreement affects PGC rights to recover premium from the Broker or its clients, or to apply any return premiums received from insurance against any monies which may be owed to it by the Broker or its client. Any sums owed to PGC by the Broker must be remitted within 15 days of issue of any said statement issued by PGC.

In the event of this Agreement being terminated, any advertising material, prospectuses and other property of PGC are to be returned to PGC immediately.

The Broker shall, both during the term of this Authority and thereafter, safeguard and maintain in confidence all trade secrets and other information relating to PGC and shall not in any manner make use of the same except in the best interests of PGC.

Variation

Any variation to the terms of this Agreement must be confirmed in writing by PGC.

Indemnity from the Broker to PGC

The Broker hereby agrees to fully indemnify PGC for any loss, whether financial or otherwise, suffered by PGC due to:-

- i) any breach of this agreement by the Broker
- ii) negligence, error or omission of the Broker, their directors, partners or employees.

Furthermore the Broker is solely responsible for any advice that the Broker may offer and/or give to an assured and agrees to fully indemnify PGC for any loss suffered as a consequence of that advice.

In the event that an insurance policy for a client of the Broker is cancelled or avoided due to non-disclosure on the part of the client, PGC reserve the right to charge a reasonable fee to cover the cost of making the insurance arrangements.

Applicable Law

This Agreement shall be governed and construed in accordance with the Laws of England & Wales.

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Confirmation

The Broker (Broker name) hereby confirms that its regulatory status is (please mark as appropriate and provide relevant reference number):

Directly Authorised by the Financial Services Authority

FSA Firm No

Appointed Representative of another Directly Authorised Firm

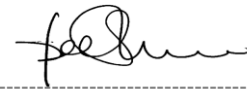
Principal's FSA Firm No

Please state name of Authorised Firm if different from the above

The parties agreed to be bound by the terms of this agreement

Signed by

Signed by



for and on behalf of the Broker

for and on behalf of PGC

Print Name

DEL SHARMAN

Position

UNDERWRITING, DEVELOPMENT MANAGER

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Please complete the section below and return this to:
Pound Gates, St Vincent House, 1 Cutler Street, Ipswich IP1 1UQ

Main Contact Details	
Contact Name	
Address	
Postcode	
Telephone (inc. area code)	
Fax (inc. area code)	
E-mail	
Website	
Broker Accounts Department Information	
Contact Name	
Address (if different from above)	
Postcode	
Telephone (inc. area code)	
Fax (inc. area code)	
E-mail	
Bank Account Details	
Bank Name	
Account Name	
Account Number	
Sort code	

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