

Island Insurance Brokers Limited

Terms of Business Agreement with Clients

Purpose of this Agreement

The purpose of this Agreement is to determine the professional relationship and the services that Island Insurance Brokers Limited, also referred to as 'Island', 'We', 'Us' and 'Our', will provide to you as the Client, unless such relationship or services are already covered by a separate arrangement and/or agreement, in which case such arrangement and/or agreement shall prevail. However, this agreement shall prevail concerning any circumstances, which are not covered by such other arrangement and/or agreement. Your instructions to seek quotations, bind coverage and/or your payment whichever occurs first, related to your insurance placement will be deemed to be your agreement to be bound by the provisions of this Agreement. You are advised to read this Agreement carefully and to discuss with Us should anything requires clarification.

This Agreement also sets out some of Our regulatory and statutory responsibilities.

Introduction and Disclosures

Island Insurance Brokers Limited is a leading insurance broker with registered offices at Insurance House, 239, Psaila Street, Birkirkara, Malta, BKR 9078. It is enrolled in the Brokers' List and is authorised and regulated by the Malta Financial Services Authority ('MFSA') under the Insurance Distribution Act (Chapter 487). The enrolment of the Company can be verified from the website of the Malta Financial Services Authority: www.mfsa.com.mt. Island is ultimately owned by Argus Group of Bermuda through Argus Group Holdings Limited, a company incorporated in Bermuda, which Group also owns an insurance branch in Malta trading under the name of Argus Insurance Company (Europe) Limited, Malta Branch as well as an insurance broking firm FirstUnited Insurance Brokers Limited. Some of the directors of Island are also directors of the above mentioned Companies. We are obliged to disclose the above connections in terms of Chapter 1 of the Conduct of Business Rulebook.

We are committed to acting in your best interests at all times in providing services to you. We normally provide advice based on a fair analysis on a sufficient number of insurance products available on the market to enable Us make a recommendation in accordance with professional criteria as to its suitability for your requirements.

As an insurance broker, We normally act for you, and We recommend and arrange insurance with one or more insurers selected from a limited range or a predetermined panel of insurers, according to the nature of the product required. However, We sometimes place business under underwriting agreements with insurers in relation to the coverage proposed and this will be disclosed to you when providing you with information on the coverage proposed. In the circumstances when We use such underwriting agreements, We will be acting as agents for the Underwriters and will not be seeking alternative quotation from other insurers. Consequently, We will be providing restricted advice, and fair and comprehensive analysis of the market is not conducted, however We believe that your needs and objectives are suitably met.

In order to facilitate communication and efficiency when transacting certain classes of insurance, particularly motor, home, travel & marine insurance, We make use of computer link arrangements with insurers to secure quotations and place cover.



Services Provided

We will provide insurance broking services and/or other ancillary or related services ("the Services") with reasonable care and skill. In providing any insurance broking element of the Services, We will:

- i. Explain the main features of products and the Services We are offering to you;
- ii. Discuss with you your insurance requirements and the scope and limits of cover to be sought;
- iii. Provide you with information about any risk quoted to enable you decide whether the cover proposed meets your requirements, before it is bound;
- iv. Place your insurance only when you instruct Us to, and We will advise you if We are unable to complete the placement; and
- v. Provide you with assistance in the event of any claims. We do not offer or provide advice in relation to tax, accounting, regulatory, legal or other specialist matters (including in relation to sanctions) and you should take separate advice as you consider necessary regarding such matters. During the course of the placement of your insurance, We will endeavour to keep you informed of the progress of Our negotiations and identify any inability to obtain the coverage sought by you. We will use reasonable endeavours to implement your insurance programme, subject to available insurers, before the intended date of inception, renewal or extension of cover (whichever is appropriate). Although We will check the contract documents We send you, you are solely responsible for reviewing your contract to ensure that it accurately reflects the cover, conditions, limits and other terms that you require and that it is in accordance with your instructions.

We are committed to acting in your best interests at all times in providing services to you.

Particular attention should be paid to any contract conditions, warranties and the claims notification provisions as failure to comply may invalidate your coverage. If there are any discrepancies you should consult Us immediately. Further, you should review the insurance premium payment terms We advise you. All premium payment terms must be met on time or your insurers may have the right to effect a notice of cancellation for non-payment of premium. It is imperative that you meet all payment dates, particularly where payment is a condition or warranty of a contract. We are under no obligation to pay premium to insurers on your behalf. We will forward any contract documents and any amendments or endorsements to your contract as soon as reasonably practicable.

Insurers

We do not assess the financial soundness of the proposed insurers We recommend for your requirements, although We use insurers which in Our opinion are appropriate for your requirements. However, We will not in any circumstances act as an insurer nor will We guarantee or otherwise warrant the solvency of any insurer. If you have any concerns with any insurers chosen for your insurance requirements, you must advise Us as soon as possible. In the event that the insurer

becomes insolvent and unable to meet our obligations under this contract, limited compensation may be available to you under the Protection and Compensation Fund Regulations, 2003.

Claims

We will provide claims handling services during the period of Our appointment. These services can be continued beyond that point by mutual agreement but will be subject to additional remuneration. Our claims handling services include, upon receiving the required information from you, the notification of the claim or circumstances to insurers, the communication of reports and correspondence in connection with the claim between appropriate parties, and arranging the collection and/or settlement of the claim in accordance with market practice and the terms and conditions of your contract. Our claim handling services will not be provided in the event that claims are to be dealt with by you with insurers directly. Where We collect claims payments these will be remitted to you as quickly as possible. However, We will not remit claims monies to you before We have received them from insurers.

Our Remuneration

Our remuneration for the services We provide you will be either brokerage, which is a percentage of the insurance premium paid by you and allowed to Us by the insurer with whom your insurance contract is placed, or a fee as agreed with you. If appropriate, and with your consent, We may receive a fee and brokerage.

Brokerage and fees are ordinarily earned for the period of the contract at inception, and unless otherwise agreed with you, We will retain all fees and brokerage in respect of the full period of the contract in relation to contracts placed by Us including in circumstances where your insurance contract has been terminated and your insurers have returned net premium. Consistent with long-established market practice, We will deduct Our brokerage and other commissions from the premium once received. It may, at times, be appropriate (and for your benefit) for Us to use other parties such as wholesale brokers. These parties may also earn and retain commissions for their role in providing products and services for you.

Contingent Compensation

Island have a number of agreements with insurers under which contingent compensation is paid to Island in the form of additional commissions dependent on the size, growth or profitability of the portfolio. This is not considered as part of the remuneration from the service We provide to you, is wholly due to Island.

Limit of Liability

Island's aggregate liability for breach of contract, negligence, breach of statutory duty or other claim arising out of or in connection with this Agreement or the services provided hereunder shall be limited to €10 million.

Furthermore, Island will have no liability in any circumstance in respect of loss of revenue, loss of opportunity, loss of reputation, loss of profits, loss of anticipated savings, increased costs of doing business, or any other indirect or consequential loss.

You shall hold harmless, indemnify and keep indemnified Island (including its directors, officers and employees) against any and all liability that may arise and against all claims, demands, actions, proceedings, damages losses, costs and expenses arising out of or in relation to or a consequence of any act, omission or breach for which you are directly or indirectly responsible, and which are made and/or filed against Island.

Your Responsibilities

Proposal Forms

For certain classes of insurance you may be required to complete a proposal form or similar document. We will provide guidance but We are not able to complete the document for you.

Disclosure of Information

Our objective is to obtain the best product We can identify in order to meet your insurance needs. In order to make Our business relationship work, you must provide complete and accurate information and instructions in a timely manner, so that We can assist you fully.

Please bear in mind that you are under a duty to make full, true and correct disclosure of all material facts and fully respond to any requests for information made by insurers. A factor or circumstance is material if it would influence the judgment of a prudent insurer in determining premium and whether or not they would underwrite the risk. Therefore, all information which is material to your coverage requirements or which might influence insurers in deciding to provide cover, finalising the terms to apply and/or the cost of cover must be disclosed. Failure to make full disclosure of material facts may allow insurers to avoid liability for a particular claim or to void the contract. This duty of disclosure applies equally during the period of your insurance contracts, at renewal of your contracts and on taking out new insurance contracts. You are also legally obliged to take reasonable care not to make any misrepresentation to the insurer. We will not be responsible for any consequences which may arise from any delayed, inaccurate or incomplete information, or any misrepresentation made by you.

We are under no obligation to investigate or verify the accuracy or completeness of any information or data provided by you and no liability shall arise for any errors or deficiencies in the Services arising out of or based on any such inaccurate or incomplete information or data.

Change in Circumstances

You must advise Us as soon as reasonably practicable of any changes in your circumstances that may affect the services to be provided by Us or the cover provided under your insurance contract.

Claims

Failure to report a claim in a proper and timely manner may jeopardise coverage of the claim. In addition, you should retain copies of all insurance contracts and coverage documents as well as claims reporting instructions, as you may need to report claims after the termination of a contract, perhaps long after its expiry date. It is important, therefore, that you keep your contract documents in a safe place.

Data Protection and Confidentiality

Where this section uses a term which is defined in the General Data Protection Regulation (Regulation (EU) 2016/679) ("Regulation"), then the definition set out in the Regulation shall apply. We will at all times treat all personal information, or "Personal Data", we hold about you as private and confidential and protect it in the same way we would protect our own Personal Data and use that information in ways contemplated in this Agreement in order to perform our obligations under this Agreement. For the avoidance of doubt, where you have not appointed us as your insurance broker, but in contemplation of such a possible appointment you pass to us information which is proprietary and/or confidential to you, the provisions of this section shall apply as regards such information. We will not disclose any Personal Data we hold about you to others without your prior consent except:

- i. to the extent we are required to do so by law or where requested or required to do so by a regulator;

- ii. to insurers, suppliers, surveyors, loss adjusters, IT service providers, administrative support service providers, and other like persons to the extent necessary to provide our services to you in a timely manner;
- iii. to loss assessors, lawyers, employee benefits management systems providers, and other like persons to the extent necessary to enable such third party to provide information or services you have requested;
- iv. to premium finance companies to the extent necessary to enable them to provide you with greater choice in making premium payments;
- v. to other companies that are members of the Argus Group to the extent necessary to facilitate the effective management, administration and/ or operation of our services.

By way of exception to the foregoing, you agree that we may:

- i. use any Personal Data you provide to us to create anonymised industry or sector- wide statistics which may be shared with third parties, on the condition that unless we have obtained your consent, Personal Data specific to you will not be revealed other than on an anonymised basis;
- ii. share information concerning your insurance or ancillary benefit arrangement with insurers or suppliers where this is necessary to enable insurers or suppliers to decide whether to participate in any arrangement made by us whereby participating insurers or suppliers agree to automatically insure (wholly or partly) a portfolio of risks without making underwriting decisions on a case by case basis for individual risks within such portfolio;
- iii. collect and use your risk, loss, reserve and claims data in the creation, marketing and commercial exploitation of loss databases, analytical or statistical reports, models and tools, (re)insurance and capital market products (any of which may or may not be used in the services provided to you or in services provided to third parties);
- iv. use any Personal Data you provide, without further notice to you, for the purpose of: (1) prospecting facultative reinsurance business from prospective insurer clients; (2) placing facultative reinsurance on behalf of insurer clients; (3) marketing facultative reinsurance with prospective reinsurers on behalf of our insurer clients. Because we provide these services on behalf of insurer clients we will receive remuneration from our insurer clients in the ordinary course of placing and servicing such insurance.

If you provide us with any Personal Data (including any 'sensitive personal data'), we will treat such information at all times in the manner described in our privacy notice (which is available upon request submitted to DPO@islandins.com or may be accessed online at www.islandins.com, and you agree that we and other companies that are members of the Argus Group may hold and process such information:

- i. in order to provide our services to you;
- ii. to facilitate the effective management, development or operation of the Argus Group;
- iii. to comply with applicable laws, prevent and detect fraud, and cooperate with regulators where appropriate, as outlined in our privacy notice.

You will ensure that all Personal Data (and sensitive personal data) has been collected and provided to us in compliance with the Regulation and all other applicable laws and, where required by law, you will obtain data subjects' consent prior to providing such data to us. You will notify data subjects of the fact that their Personal Data (including sensitive personal data) will be provided to us and the purposes for which we will use such Personal Data.

You will ensure that all Personal Data (including sensitive personal data) provided to us is accurate and, where appropriate, kept up to date, and will notify us if you become aware that such data is inaccurate.

You will provide us with reasonable assistance, upon request, in dealing with any requests, inquiries or complaints that we receive from data subjects and/or supervisory authorities in relation to any Personal Data (including sensitive personal data) processed under this Agreement.

Ethical Business Practice

We do not tolerate unethical behaviour either in Our own activities or in those with whom We seek to do business. We will endeavour to comply with all applicable laws, rules, regulations and accounting standards.

Conflicts of Interest

Circumstances may arise where We may find We have a conflict of interest or otherwise have a material interest in or related to a matter in respect of which We are acting. For example, We may be asked to act on behalf of an insurer in the appointment of a loss adjuster, or, We may find that the interests of two of the clients for whom We act conflict.

We have conflict management procedures and We seek to avoid conflicts of interest but where a conflict is unavoidable We will explain the position fully and manage the situation in such a way as to avoid prejudice to any party.

The insurance market is complex and there could be other relationships not described here which might create conflicts of interest. Whatever the circumstances, We will act in your best interests; and, if a conflict arises for which there is no practicable solution, We will withdraw unless you wish Us to continue to act for you and provide Us with your written consent to that effect.

Complaints

Island Insurance Brokers Limited is committed to provide you with the highest possible level of professional service. If however, you are not satisfied with the level of service provided, we have devised a procedure as to how such complaints can be managed. Should you have any cause for complaint about Our services please raise the matter in the first instance with the person who handles your account. Alternatively, you may contact Our Compliance Officer and/or General Manager. We will advise you of the person dealing with your complaint and We will send you a copy of Our complaints procedure. If you are not happy with the response to your complaint and are an eligible complainant you have the right to refer your complaint to the Office of the Arbitrator for Financial Services, First Floor, St Calcedonius Square, Floriana FRN1530, Malta.

Telephone: 8007 2366 or 21249245 or
E-mail: complaint.info@financialarbiter.org.mt.
You may refer to Our Complaints Procedure on
<http://www.islandins.com>.

Should your complaint be made directly against the insurance company, you are to contact their Complaints Officer, General Manager and/or Compliance Officer and if you remain unsatisfied with the way they handle your complaint you will still have the right to contact the Office of the Arbitrator of Financial Services as mentioned above.

Termination

Our services may be terminated either by Us or you upon the giving of one month's notice in writing to the other or as otherwise agreed. Nevertheless, We reserve the right to terminate with immediate effect if you are in breach of any material obligation under this Agreement. In the event Our services are terminated by you, We will be entitled to receive any and all fees or brokerage payable (whether or not the same have been received by Us) in relation to contracts placed by Us.

Amendments

You agree that We have a right to amend this document by sending you either a notice of amendment in writing or a revised Terms of Business Agreement. Any amendment will apply in respect of any service transaction entered into by Us after notice of the amendment is given, and may take effect either immediately or at such later date as the notice may specify. We will however give you at least ten business days' notice of any change.

Entire Agreement

This document and any amendment constitute the entire terms on which We will provide the Services to you and no alternative will have effect unless issued or agreed by Us in writing.

Force Majeure

We shall not be liable to you if We are unable to perform Our Service or a part thereof as a result of any cause beyond Our reasonable control. In the event of any such occurrence affecting Us, We shall notify you as soon as reasonably practicable.

No partnership

This Agreement shall not constitute or imply any partnership, joint venture, agency, fiduciary or other relationship between the parties other than the contractual relationship expressly provided for in this Agreement.

Anti-Money Laundering & Combating Funding of Terrorism ('AML/CFT')

To comply with AML/CFT regulations, We are obliged to request clients to confirm (or reconfirm) their identity and obtain documentation to verify such identity. We may need to do this at the time you become a client or have been one for some time or for example, when checking details on proposal forms and remitting claims payments. This information may be shared where We are requested to do so or where We deem necessary to ensure compliance with regulatory or law enforcement bodies. Please note that We are prohibited from disclosing to you any report We may make based on knowledge or suspicion of AML/CFT, including the fact that such a report has been made.

Governing Law

This Agreement, which sets out the terms of Our relationship with you, unless otherwise specifically agreed and/or advised in writing, will be governed by and construed in accordance with Maltese Law and any dispute arising under it shall be subject to the exclusive jurisdiction of the Maltese courts.

