

TERMS OF BUSINESS

1. Introduction

This Agreement is between you and Hencilla Canworth GI Limited ("we", "us", "our"), which is a part of the Howden, whose registered office is at One Creechurch Place, London, EC3A 5AF. Hencilla Canworth GI Limited incorporates First Act Insurance.

Tel: 020 8686 5050
Fax: 020 8686 5559

E-mail: mail@hencilla.co.uk
Internet: www.hencilla.co.uk

About us

We are an independent insurance intermediary, authorised and regulated by the Financial Conduct Authority ("FCA"). Our FCA Firm Reference Number is 948880. We offer a comprehensive range of insurance services to both corporate and private customers. Our permitted business includes introducing, advising, arranging, dealing as agent and assisting in the administration and performance of general insurance contracts and credit broking in relation to insurance instalments facilities. You can check this on the FCA's Register by visiting the FCA's website www.fca.org.uk or by contacting the FCA on 0800 111 6768 (freephone).

Basis of agreement

The intention of this Agreement is to clearly and concisely establish the basis of our relationship with you and the services that we will provide in respect of each insurance contract that we arrange or have arranged on your behalf, unless there is a more specific written agreement between us.

If after receiving this Agreement you instruct us to act on your behalf, we will take this as being your informed consent to you being bound to the terms set out in this Agreement in relation to any services provided to you, by us, on and after that date, and supersedes any previous Agreement that may have been sent to you by us or on our behalf.

We do not offer advice on tax, legal, accounting, regulatory or sanctions matters, and you should seek separate advice where you consider it necessary in relation to such matters.

We draw your attention specifically to the following sections:

- Confidentiality and Data Protection – sets out how we process your personal data;
 - Client Money – sets out how we hold client money;
 - Remuneration – sets out details of our earnings; and
 - Limitation of Liability – sets out how we limit our liability.
- From time to time, it may be necessary for us to amend or supersede these terms by new terms which will be communicated to you in writing.

Please contact us immediately if there is anything in this Agreement that you do not understand or with which you disagree.

Communication

If you communicate with us via electronic means, including e-mail, we shall take this as your consent to receiving all information from us using the same communication method. However, upon your request, we will be happy to provide you with any information we have provided to you, in paper format.

2. Our Services

Treating you fairly

We always aim to treat you fairly. This means that we will always endeavour to:

- conduct our business with due skill, care and integrity;
- not to put ourselves in a position where our duty to you is compromised;
- deal with any complaint sympathetically and independently;
- be transparent in the matter of our remuneration; and
- respect your confidentiality.

Products and Services

We source and arrange products and provide information but do not offer advice or make personal recommendations when arranging your insurance. However, we may ask some questions to narrow down the selection of products on which we will provide details; you will then need to make your own choice about how to proceed.

The capacity in which we act

We act as an insurance intermediary not an Insurer. In providing our service, we will usually act on your behalf in sourcing a suitable policy, placing the policy and in the event of a claim. We will confirm the capacity in which we will act for you before undertaking any relevant transactions on your behalf.

Our products and the range of insurers

For this type of insurance, we will only provide terms from a single insurer. We will confirm the identity of the insurer prior to undertaking any transactions on your behalf.

We will not in any circumstance guarantee the solvency of any insurer.

Provision of documentation

We will provide you with written confirmation once we have completed your insurance(s). This will be the evidence of insurance we have arranged and which may take the form of an insurer Policy document, a schedule or certificate of insurance. It is your responsibility to review these documents and to ensure that the policy meets your requirements.

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If you are in doubt over any of the policy terms and conditions, please seek our advice promptly.

It is important that you keep your insurance documents safe.

3. Your Responsibilities

If you are a consumer, you have a duty to take reasonable care to answer all of the insurers' questions fully and accurately and to ensure that any information that you provide is not misleading. If you fail to do this, your insurers may be able to impose different terms on your policy cover, may charge you a higher premium or, in some circumstances, may be able to avoid your policy from its inception date and any claims made would not be paid.

This duty exists whilst arranging your policy, when it is renewed and any time that it is varied, and your policy documentation may provide that your duty continues for the duration of the policy.

Please contact us immediately for assistance if you do not fully understand what you need to advise insurers, if you are unsure whether any information provided may be misleading or if it comes to your attention that full and accurate information may not have been provided.

If you are a commercial customer, you owe a legal duty to make a fair presentation of the risk to the insurer. You have a duty to disclose to the insurer every material circumstance which you know or ought to know after a reasonable search or which is sufficient to put the insurer on notice that it needs to make further enquiries for the purpose of revealing those material circumstances. In addition, you have a duty to disclose information in a clear and accessible manner.

A circumstance is material if it would influence a prudent insurer's judgment in determining whether to underwrite the risk and, if so, on what terms.

Examples of material facts are:

- Special or unusual circumstances relating to the risk;
- Any particular concerns which led you to seek insurance cover for the risk; and
- Anything which those concerned with the class of insurance and field of activity in question would generally understand as being something that would be dealt with in a fair presentation of risks for this type of insurance.

Failure to disclose a material circumstance may entitle an insurer to:

- in some circumstances, avoid the policy from inception and in this event any claims under the policy would not be paid;
- impose different terms on your cover; and/or
- proportionately reduce the amount of any claim payable.

This duty applies:

- before your cover is placed;
- when it is renewed; and
- at any time that it is varied.

Your policy wording may also provide that this duty continues for the duration of the policy.

You should therefore always provide complete and accurate information to us when we ask you about the insurance risks your business faces before taking out a policy, at renewal and throughout the life of the policy. This also applies to your responses in relation to any assumptions you may agree to in the process of applying for insurance cover.

You should contact us immediately for assistance if you are unsure whether information may be material, or if it comes to your attention that you may have not disclosed full and accurate information.

4. Remuneration

We act as an agent of the insurer when collecting premiums. Full payment of the premium is required on or before commencement of the insurance or renewal date unless otherwise agreed in writing. We normally receive commission from Insurers, product providers and where applicable finance providers. Any commission we receive will be paid by the insurer, product provider or premium finance provider from the insurance premium or finance repayment respectively.

For arranging premium instalment facilities, we earn a variable amount of commission from our premium finance provider(s) which is usually a percentage of the interest that you pay.

This means that the amount you pay for credit and the overall cost of arranging your insurance will vary according to the interest charged by the lender and the amount of commission we earn. There may be occasions where there is a choice of instalment payment options which may charge different interest rates. Typically, we will not receive any commissions from insurers if policies are placed on direct debit instalment arrangements with the insurer, but we will receive commission from the premium finance providers.

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Using premium finance or paying on an insurer direct debit arrangement (rather than paying the premium in one amount) makes the overall cost of the insurance more expensive.

A full breakdown of the cost of your insurance, which identifies any fees, taxes and charges separately from the premium and the cost of credit will be provided as part of your new business or renewal quotation before you decide whether to proceed. You are entitled, at any time, to request information regarding any commission which we may have received because of placing your insurance business or arranging premium finance. Please be assured that the way in which we are remunerated will not at any time conflict with our responsibilities to meet your needs and treat you fairly.

We also draw your attention to the sections "Cancellation of Insurances" and "Ending your relationship with us".

5. Client money

Client money is any money that we receive and hold in the course of arranging or administering insurance on your behalf, or which we treat as client money, in accordance with the FCA Client Assets sourcebook ("CASS"). Such monies shall include:

- premiums paid by you to us for onward payment to insurers; and
- premium refunds and claims paid to us by insurers, for onward payment to you.

We collect and hold client money in a Non-Statutory Trust account with one or more FCA approved bank(s), pending payment. The establishment of the Non-Statutory Trust account follows FCA CASS rules introduced to protect money held by authorised intermediaries. However, you should be aware that, under the Non-Statutory Trust account rules, we are permitted to use such monies temporarily held to advance credit to clients generally. A copy of the Deed of Trust is available on request or may be inspected at our offices during normal office hours.

If you object to your money being held in a Non-Statutory Trust account, you should advise us immediately. Otherwise, your agreement to pay the premium together with your acceptance of these Terms of Business will constitute your informed consent to our holding your money in a Non-Statutory Trust account. Interest earned on monies held in such a Non-Statutory Trust account will be retained by us.

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. We do however remain responsible to you in respect of your money.

This may include brokers and settlement agents outside of 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. In the event of a 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.

Charges

Unless agreed otherwise prior to the commencement of cover, we will apply the following charges in addition to the premiums payable to cover administration expenses.

Travel Insurance	£ 25.00
Household Insurance	£ 25.00
MU Musical Instrument Insurance	£ 10.00
Commercial Insurances	£ 35.00
Motor	£ 25.00
Fire performer's PLI	£ 5.00
Mid-term adjustments	£ 20.00
Replacement/duplicate certificates or cover notes	£ 15.00
Bounced cheques	£ 25.00

These charges will always be shown separately.

6. Termination

Subject to your immediate settlement of any outstanding premiums and fees, you may instruct us to stop acting for you and we will not impose a penalty. Your instructions must be given in writing and will take effect from the date of receipt. Any relevant certificate of insurance must be returned to us or to the insurer concerned.

In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of seven days' notice. Valid reasons may include but are not limited to:

- non-payment of premium or fees;
- commission clawback by insurers where instructions are given to another party to handle the customer's insurance(s);
- failure to provide requested documentation or information;
- deliberate failure to comply with terms set out within the Terms of Business or insurer's documentation;
- deliberate misrepresentation or nondisclosure or attempted fraud;
- use of threatening or abusive behaviour or language, or intimidation or bullying of our staff or suppliers.

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Unless otherwise agreed in writing, if our relationship ends, any transactions previously initiated will be completed according to these Terms of Business. You will be liable to pay for any transactions concluded prior to the end of our relationship and we will be entitled to retain commission received for conducting these transactions, together with all fees charged by us for services provided.

Refunds of premium allowed by Underwriters following cancellation of a policy or for any other reason, will be paid after deduction of commission earned by us. Refunds will only be paid by BACS or to the credit/debit card used to purchase the policy. Due to processing costs, refunds under £5 will not be made.

7. Conflicts of Interest

Occasions can arise where we, clients or product providers, may have a potential conflict of interest with business being transacted for you. If this happens, and we become aware that a potential conflict exists, we will write to you and obtain your consent before we carry out your instructions and we will detail the steps we will take to ensure fair treatment.

8. Claims

It is essential that you notify us immediately of all incidents which may result in a claim under your insurance policy whether you believe you are liable or not. Any letter or claim received by you must be passed to us immediately.

When we receive notification of an incident that might give rise to a claim under your policy, we will inform the insurers without delay and, in any event, within three working days. We will advise you promptly of insurers' requirements concerning claims, including the provision, as soon as possible, of information required to establish the nature and extent of loss. You should not admit liability or agree to any course of action, other than emergency measures to minimise your loss, until you have agreement from your insurer.

We will forward any payments received from insurers, in respect of any claim, to you without delay. We will notify you of any request for information we receive from your insurers.

Claims and Underwriting Exchange Register and Motor Insurance Anti-Fraud Register

Insurers pass information to the Claims and Underwriting Exchange Register operated by Database Services Ltd and the Motor Insurance Anti-Fraud Register compiled by the Association of British Insurers. The objective is to check information provided and to prevent fraudulent claims. Motor insurance details are also added to the Motor

Insurance Database operated by the Motor Insurers' Information Centre (MIIIC) which has been formed to help identify uninsured drivers and may be accessed by the Police to help confirm who is insured to drive. In the event of an accident, this database may be used by Insurers, MIIIC and the Motor Insurance Bureau to identify relevant policy information. Other insurance related databases may also be added in the future.

9. Complaints

If you wish to register a complaint, please contact us in writing to:

Chief Executive
Hencilla Canworth GI Limited
One Creechurch Place
London
EC3A 5AF
United Kingdom

by telephone 020 8686 5050

When dealing with your complaint, we will follow our complaint handling procedures; a summary of these procedures is available on request. If you are still not satisfied, you may be entitled to refer the matter to the Financial Ombudsman Service (FOS). For further information you can visit FOS website www.financialombudsman.org.uk.

Access to the FOS is available for complainants coming within one of the following categories at the time we receive their complaint:

- Consumers (private individuals acting for purposes which are wholly or mainly outside that individual's trade, business, craft, or profession).
- Micro-enterprises (businesses employing fewer than 10 persons and with a turnover or annual balance sheet total not exceeding €2 million).
- Other small businesses (with an annual turnover of below £6.5m, and less than 50 employees or with an annual balance sheet total of below £5 million).
- Charities with an annual income of under £6.5 million.
- Trustees of a trust with a net asset value of under £5 million.
- Certain types of Guarantor.

Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS) for our insurance mediation activities. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. If you are eligible to claim from the FSCS, compensation is available in relation to insurance advising and arranging as follows:

- 90% of the claim, without any upper limit;

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- 100% of the claim without any upper limit for:
 - compulsory classes of insurance (such as Third Party Motor or Employers Liability); and
 - 'pure protection' contracts, professional indemnity insurance, and general insurance claims arising from the death or incapacity of the policyholder owing to injury, sickness or infirmity, all where there an insurance intermediary has failed to pay money to an insurer, pay away money it has received from an insurer, or has failed to take steps to allow the insurer to effect the contract of insurance.

Further information about compensation scheme arrangements is available from the FSCS on 0800 678 1100 (freephone) or 020 7741 4100 or www.fscs.org.uk.

10. Limitation of Liability

The following provisions of this section set out our entire financial liability (including any liability for the acts or omissions of our employees, agents and sub-contractors) to you in respect of all losses, claims or liabilities arising under or in connection with this Agreement (including in respect of any indemnities), whether in contract, tort (including negligence), breach of statutory duty, or otherwise.

All warranties, conditions and other terms implied by law are, to the fullest extent permitted by law, excluded from this Agreement.

Nothing in this Agreement excludes or limits our liability for death or personal injury caused by our negligence or for fraudulent misrepresentation.

Nothing in this Agreement excludes or restricts our duty or liability to you under the applicable regulatory regime.

Subject to the clauses above, our total liability to you, shall in the aggregate be limited to £3 million and we shall not be liable to you for loss of or corruption of data, loss of profit, loss of anticipated savings, loss of business, loss of opportunity, depletion of goodwill, any punitive or exemplary damages or any indirect or consequential loss or damage.

11. Confidentiality and Data Protection

Summary

This is a summary of how we use your information, including where this information contains personal data and/or special categories of personal data such as information related to the physical or mental health of an individual. To the extent that we process personal data in connection with this Agreement, we shall generally do so as a controller in our own right. For certain ad-hoc services, and where you are an

organisation, we may act as your processor, in which case we will enter into a separate agreement with you to enable us to comply with Data Protection Law. Further information about how and why we collect and use personal data can be found in our Privacy Notice, which can be accessed through our website at http://www.hencilla.co.uk/Documents/HC_Privacy_Notice.pdf or we can provide this to you on request.

Our Privacy Notice also explains what rights are available to individuals and how those rights can be enforced.

Your Obligations

Where you provide us with the personal data of individuals, for example your employees, officers, clients, dependents or other third party individuals, you shall be responsible for ensuring that you have a lawful basis for sharing this information with us, and that you provide these individuals with a copy of our Privacy Notice.

Our Obligations

We shall comply with applicable Data Protection Law whenever we are processing information that contains personal data, and we have policies and procedures in place to protect and manage that information. We shall treat all such information as confidential, and we shall ensure that personal data is processed lawfully, fairly, transparently and in compliance with Data Protection Law.

Data Sharing

In order to deliver the services described in this Agreement, we may need to disclose your information to a range of third parties for the purposes of obtaining (re)insurance or employee benefit quotations as applicable, arranging, placing or administering cover for you, or providing any other related services. These third parties may include, where applicable, (re)insurers, other intermediaries, risk management assessors, uninsured loss recovery agencies, service providers, industry regulators, anti-fraud organisations, credit reference agencies, premium finance providers, auditors and other third parties involved directly or indirectly in our provision of services to you.

Many of these third parties receive and process personal data as controllers in their own right and are therefore independently responsible for the processing they undertake, but where a third party receives personal data as our processor, we shall ensure that we satisfy the applicable requirements under Data Protection Law. Where we agree to make a third party platform or portal available to you, we retain responsibility for any personal data collected through that channel.

We may also make your information available to other Howden Group companies who support us in providing our services to you. They may use this information for statistical analysis, business reporting or for external business development purposes for which they may receive remuneration, such as providing market insight to (re)insurers on a confidential basis.

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We and they will only disclose personal data to third parties outside of the Howden Group in accordance with Data Protection Law, or in an anonymised and/or aggregated format where necessary to support the purposes stated above.

International Transfers

Where such disclosures necessitate transfers of personal data to third party recipients outside of the UK, we will ensure that personal data is protected as required by Data Protection law. This may include adopting the UK's International Data Transfer Agreement ("IDTA"), or other permitted transfer mechanism, in the event that the third party recipient is based in a country or jurisdiction that has not received an adequacy decision under Data Protection Law.

Definitions

"Data Protection Law" means the UK GDPR (which merges the Data Protection Act 2018 and the UK's retained sections of the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"); and any amended or successor legislation to the UK GDPR

References to "Controller", "Processor", "Personal Data", "Processing" and "Special Category Data" shall have the meanings given to them under Data Protection Law

Credit Checks.

We may pass information about you to Credit Reference Agencies for the purposes of arranging premium payments by instalments and may also pass to them details of your payment record.

Applicable Law

This Terms of Business document is subject to English Law.