

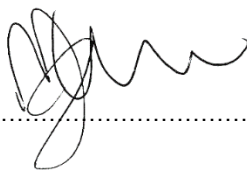
## Terms of Engagement for our Commercial Clients

Thank you for appointing Innovation Broking as your insurance brokers. We are delighted to act for you and assist with your insurance requirements.

This document sets out the terms of engagement between us and the basis upon which we agree to act for you. The document also sets out details of our regulatory and statutory responsibilities. Additionally, we detail your obligations as a commercial business seeking insurance broking services. We do ask that you read the contents carefully and contact us should you require clarification on any point. In particular, we draw your attention to the section relating to your duty to make a “fair presentation of risk”, after enquiry of senior management, in relation to material disclosure of relevant facts concerning your insurance requirements, as this is a central principle in relation to the arrangement of effective insurance contracts.

### Paul Dickson FCII, Chief Executive Officer

Signed for and on behalf of “Innovation Broking”, a trading division of Dickson Financial Services Limited

Signature:  ..... Dated: 17<sup>th</sup> February 2020

### Definitions and Interpretations used in this document

**Innovation/We/Us/Our**

Innovation Broking is a division of and trading name of Dickson Financial Services Limited.

**You/Your/Client**

Commercial Clients for whom we carry out the service described below and to whom this document has been provided.

### Our Service

Innovation Broking, a division of Dickson Financial Services Limited, is an independent insurance broker registered in England and Wales. We operate various trading divisions including Innovation Broking and Dickson Financial Services.

We are authorised and regulated by the Financial Conduct Authority (“FCA”), reference number 489359. This can be checked on the FCA website at [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0845 606 1234.

We provide advice and recommendations on insurance and related risk management services including the negotiation and arrangement of insurance policies.

The greater part of our business can be described as specialist insurance sector advisors where we select one or more insurers to work with on your behalf as opposed to providing generalist broking across the entire market. A report, or summary letter or email, encapsulating the reasons for cover being arranged, issued by us, will provide you with full details of the insurance cover arranged on your behalf. Upon receipt of your instructions we will effect the agreed insurance cover and provide confirmation that the insurance cover has been arranged without delay, or advise you of any inability to place your insurance cover in whole or part.

### Our Service (Continued)

In order to provide you with the cover you require we may, from time to time, use the services of specialist insurance brokers.

This is most likely to occur:

- when we are placing insurance into the London Insurance Market and/or Lloyd's of London market
- when we use a specialist scheme or facility operated by another insurance broker
- When we arrange local insurance in another country

On such occasions the specialist unit or broker may retain commission or fees in addition to the commission or fees we receive.

These Terms of Engagement shall be governed by and construed in accordance with English law. In relation to any legal action or proceedings arising out of or in connection with these terms of engagement we both irrevocably submit to the non-exclusive jurisdiction of the English courts.

If any provision of these Terms of Engagement is found to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Terms of Engagement and the remainder of the provision in question will not be affected.

### Conflicts of Interest

Innovation aims at all times to treat you fairly. We will not deliberately create a situation where our interests, or our duties to another party, prevent us from discharging our duty to you. We maintain internal procedures and controls to identify and manage any potential conflicts so that at all times the interests of our clients are appropriately protected.

Where potential conflicts are particularly complex or difficult to manage, we will seek to agree with you the best way to protect your interests and may ask you to confirm that you are happy to proceed on that basis.

In administering some insurance claims, we may provide, and be separately remunerated for, services to insurers. We have procedures in place to manage such situations and to protect the interest of you as a client. Where applicable we will draw any conflict of interest to your attention when advised of a claim.

### Limit of Liability

We will exercise reasonable skill and care in the performance of all our services for you, however we cannot be held responsible for advice, recommendations or actions that are based upon incorrect or inadequate disclosure of material information by our clients or their agents. The liability of Innovation under these terms of engagement, howsoever arising, shall not exceed in the aggregate the sum of GBP 2,000,000. This limitation of liability shall not apply to liability for personal injury or death arising from our negligence.

### Force Majeure

We shall not be liable to you if we are unable to perform our service 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.

### Your Agreement to These Terms of Engagement

In engaging with us as an insurance broker, you agree to the terms set out in this Terms of Engagement Agreement. This does not affect your normal statutory rights.

### Your Duty to Make Fair Presentation and Take Reasonable Care

You have a duty to make a fair presentation of risk to underwriters after reasonable search of information, and to present this in a clear and accessible manner. You should take care not to make a misrepresentation in respect of the facts and information to be provided to us or other parties such as insurers, regarding your insurance requirements. You are required to answer all requests for information honestly and to the best of your knowledge after reasonable search or enquiry. If you do not adhere to all the requirements in the Act, your policy may be cancelled, or treated as if it never existed, or a claim may be rejected or not fully paid or indemnified.

In addition, neither we, nor your insurers, can be expected to be fully aware of all relevant risks within your business. Under The Insurance Act 2015 it is your duty to volunteer all and any material facts which may affect an underwriter's assessment of your risks and the cover they will give or premiums they will charge.

## Your Duty to Make Fair Presentation and Take Reasonable Care (Continued)

A material fact is defined as:

“Every circumstance, which would influence the judgment of a prudent insurer in fixing the premium or determining whether he will take the risk.”

Any change in facts previously notified could be material and must, therefore, be notified. The duty of disclosure is on-going and applies from the moment discussions commence with insurers, as well as prior to the issue of any policy document, and continue throughout the life of the policy.

Material facts will differ from business to business. These can include the following matters (this is for guidance only and is not an exhaustive list):

- Claims and loss history
- Construction
- Security and hazard protection
- Operational risk
- Natural hazard exposure
- Political and social hazard exposure
- Previous trading history of the company or its Principals
- Criminal records of any of the Principals in the business
- Customer and supply chain exposures
- Health impairment of any individuals being insured
- Location of risk away from leased and rented premises
- Contracts entered into that extend your legal liability at common law
- New trading patterns
- Acquisitions and disposals
- Regulatory or safety audits or tribunals
- Activities performed in all locations

You must advise us of your full business description, as this will appear on your insurance policies. You will only be insured for the business and activities as described in any policy we arrange for you in so far as the trade or business itself is concerned. Any insurance policy is also governed by the terms, conditions and exceptions of the wording.

## Premium Payment

Unless otherwise stated premiums are payable at renewal or inception and must be paid in accordance with the terms stated on the invoice. Failure to meet the payment dates may lead to insurers cancelling, or not incepting, your policy or not paying a claim.

Where you elect to pay your premiums through a finance arrangement you should be aware that your application for credit will be passed to one of our staff, or insurers, or credit providers. In assessing your application, they will search the public information that a credit reference agency holds about you. The credit reference agency will add details of the search and your application to their record about you whether or not your application proceeds. This and other information about you may be used to make credit decisions about you and undertake checks for the prevention and detection of money laundering.

## Conditions, Warranties and Subjectivities contained in Insurance Policies

It is important that you are aware that failure to comply with conditions, warranties and subjectivities may result in a claim not being paid or in cover being deemed never to have incepted.

## Conditions, Warranties and Subjectivities contained in Insurance Policies (Continued)

You must comply with any condition or warranty (whether express or implied) contained within the insurance we have arranged on your behalf. Failure to comply may enable insurers to avoid paying a claim.

Further, where insurance cover has been placed with a subjectivity (this includes any phrase starting with the words “subject to...” or any similar phrase), such cover may be invalidated or prejudiced whilst the subjectivity remains outstanding, and it is incumbent on you to satisfy the subjectivity as soon as possible and within any stipulated timescales. Failure to comply with subjectivity may result in the policy being deemed as never having been in force, even if a policy has been subsequently renewed.

## Claims

You must notify us or your insurers as soon as possible of a claim or circumstances which may give rise to a claim. Your policy documentation will include details of what you need to do to pursue a claim including 24 hour claims lines where available.

## Documentation

It is important that you read all documentation carefully and inform us immediately if you have any concerns with the cover we have arranged for you or if it no longer meets your needs.

We will:

- Issue documentation confirming details of recommended policies, including the identity of insurers
- Advise you of the date(s) on which any premiums are due
- Summarise in a report or email or letter your demands and needs as understood by us from the information you have provided and explain why the contact meets your requirements
- Confirm whether the contract has been personally recommended and, if so, the reasons for making that recommendation
- Provide you with policy confirmation
- Provide you with renewal terms in good time before the expiry of your policy, or notify you that renewal is not being invited

We expect you to check all of your policy documents and advise us of any errors or seek clarification from us on any aspects that you do not understand or that are not clear.

## Communication between Us

It is preferable at all times for communication between us to be in writing and for telephone instructions to be confirmed to us in writing.

## Prevention of Financial Crime

Innovation is committed to operating in a manner consistent with the laws of the jurisdictions in which its businesses operate, including those relating to anti-bribery and corruption. Honesty, integrity and fairness are considered integral to the way we operate, and conduct associated with bribery and corruption is inconsistent with these values.

You hereby undertake, represent and warrant to Innovation as follows:

- you have not engaged or will engage at any time in any activity, practice or conduct which would constitute an offence under any applicable laws or regulations designed to combat bribery, fraud or corruption such as the UK Bribery Act 2010 (the "Relevant Bribery Laws")
- you shall ensure that all persons associated with you who are involved in the performance of this agreement including without limitation, your Directors, employees, representatives, agents or subsidiaries ("Your Associates") shall comply with this clause.
- you shall at all times have in place adequate policies and procedures designed to ensure compliance with the relevant Bribery Laws by both yourself and your Associates
- neither you nor any of your Associates have been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body or any client regarding any offence or alleged offence under the relevant Bribery Laws and no such investigation, inquiry or proceedings have been threatened or are pending and there are no circumstances likely to give rise to any such investigation, inquiry or proceedings.
- neither you nor any of Your Associates are ineligible by reason of being prohibited for previous breaches of the relevant Bribery Laws by a government, public body, international association, organization or regulatory body from being awarded any contract or business.
- no foreign public official is an officer, employee or shareholder of yours.

You must contact us immediately if you are, or have been, or become in breach of any of the above terms.

## Confidentiality

The information you provide to us (including “sensitive data” as defined in the Data Protection Act 1998 and also the GDPR regulation) may be used by us, our agents and your insurer(s) to help us service you and advise you of products and services that may be of interest to you. If you do not want your information to be used in this way, please write to us accordingly. The information you have provided to us may be held on a database and may be disclosed to agents, insurers and other service providers (such as loss adjusters) in the normal course of administering your insurance requirements. This may include the obtaining of alternative insurance quotations or the processing and settlement of claims. You should be aware that insurers provide details of motor insurance policies to a database to which the Police and other insurers have access. This helps insurers to pursue claims following accidents and to protect against fraudulent claims and uninsured driving. “Innovation” reserves the right to monitor and record telephone calls for quality assurance and training purposes. Subject to the above, we will hold all information you provide to us in the strictest confidence and we shall not disclose any such information to any third party (except as may be required by law).

## Cancellation

In the event of cancellation of the insurance contract after inception, insurers may choose not to return a portion of the premium. Once your insurance has been placed our brokerage or fees will not usually be refunded to you. We therefore reserve the right to retain our brokerage or fees in full in such circumstances, before passing the balance of premium to you.

## Safeguarding Your Money

Client money is money of any currency that passes between us and we hold as a result of arranging your insurance requirements. We treat all client money in accordance with the Financial Conduct Authority (FCA’s) client money rules.

We keep client money separately from our own money and in either a Statutory or Non-Statutory Trust bank account as prescribed by the FCA.

We only take our remuneration from client money when we receive the relevant premium from you. We also hold insurer money in the same trust account. However, it is a condition that insurers subordinate their rights to those of our clients in respect of monies held in the trust account. Where we hold premium in a Non-Statutory Trust we are allowed to use client monies held in trust to fund other client’s insurance premiums and this trust is operated in accordance with the FCA rules. Any interest earned on Client Money held by Innovation (including funding arrangements) and any investment returns on any designated investments will be retained by Innovation for its own use.

By accepting these terms of engagement, you are giving your consent for us to hold your money in a trust account and for us to retain any interest earned on that money. Some insurers have elected for risk transfer whereby we hold premium and claims monies as agent of the insurer. In these circumstances premium paid to us is deemed to be paid to the insurer. It is therefore possible that on any risk placed by us there could be a combination of some insurers who have accepted risk transfer and some who have not. If you would like to know the exact position on any particular placement, please let us know.

We may transfer client money to another entity, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf. This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying outside the UK may be different to that of the UK and, 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 particular entity in a particular jurisdiction.

## Insurers and Claims Paying Ability

We will advise you of the insurers with whom it is proposed to place any insurance on your behalf. However, we do not, and cannot, guarantee the solvency or continuing solvency of any insurer. You should note that the financial position of an insurer can change after cover has inception. You may still be liable to pay the premium, whether in full or in part, where a participating insurer becomes insolvent.

## Our Remuneration, Commissions/Fees Payments

Our remuneration for our services is normally in the form of commission or brokerage which is a percentage of the insurance premium paid by you and allowed by the insurer(s) with whom the insurance is placed, and/or a fee previously agreed with you. Brokerage and fees are earned for the policy period and we will be entitled to retain fees and brokerage in respect of the full policy period in relation to policies placed by us, even if the policies are cancelled or reduced mid-year.

In addition to client fees and/or brokerage payments we may also receive remuneration by way of:

- Interest earned on insurance monies passing through our bank accounts
- Commission earned from arranging premium instalment payment facilities or interest from premium funding

### Our Remuneration (Continued)

- Payments from insurers for services provided to them such as promoting, managing and administering certain covers, delegated authorities and other facilities including profit commissions or profit shares
- Administrative service fees which may be paid for limited specific services We provide to insurer(s) as part of the placing or claims process

We will deal with you openly. Upon request, we will disclose the amount of all commission income (or where that is not feasible the basic amount plus a reasonable estimate of the additional income or its basis of calculation) and any other sources which we may receive in relation to insurance which we arrange on your behalf.

### Financial Services Compensation Scheme

Depending on the type of business and the circumstances, you may be entitled to compensation from the Financial Services Compensation Scheme ("FSCS") if we cannot meet our obligations to you. This depends on the type of business and the circumstances of the claim. Full details and further information on the Scheme are available from the FSCS at Lloyd's Chambers, Portsoken Street, London E1 8BN; telephone 0207 892 7300; Email: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

### Complaints

At Innovation, we are committed to providing you with excellent service. Should you wish to register a complaint, please contact your regular Innovation contact or write to:

Paul Dickson CEO  
Innovation Broking  
Avenue House  
31 The Avenue  
Watford  
Herts  
WD17 4AJ  
Telephone: +44 (0) 1923 222211  
Email: [paul.dickson@innovationbroking.com](mailto:paul.dickson@innovationbroking.com)

If we consider that your complaint does not relate to our services (for instance, if the matter concerns the performance of your insurer), we will put you in contact with an appropriate person to whom your complaint may be addressed. We will also assist you where possible in progressing your complaint.

A copy of our complaints procedures is available on request. If we are unable to settle your complaint, you may be entitled to refer it to the Financial Ombudsman Service at Exchange Tower, London, E14 9SR; telephone 0800 023 4567; or for mobile phones call: 0300 123 9123 (calls to this number are charged at the same rate as 01 or 02 numbers on mobile tariffs); website [www.fos.org.uk](http://www.fos.org.uk)

Our registered address is: Avenue House, 31 The Avenue, Watford, WD17 4AJ