

ST GILES INSURANCE & FINANCE SERVICES LIMITED (“STG”)

Terms of Business Agreement

Please read this document carefully. It sets out the terms on which we agree to act for our clients and contains details of our regulatory and statutory responsibilities.

Please sign and return one copy of these terms to us in order to confirm your acceptance of them.

Please contact us immediately if there is anything in these terms of business which you do not understand or with which you disagree. We will be happy to answer any questions and will be willing to explain these terms, and the reasons for them, to you.

The following Terms of Business set out the basis on which St Giles Insurance & Finance Services Limited (“STG”) will provide business services to you as a private or corporate client of the firm.

It is important to remember that we must be able to identify customer type and be able to distinguish between:

Retail Customers - individuals acting outside their trade, business or profession, and
Commercial Customers - customers who are not retail customers.

Regulations differ between these two customer types: If we are in any doubt about whether you are a retail or commercial customer, we will treat you as a retail customer.

These terms will remain in force and shall apply to any business product provided to you now or at a future date. Should the firm change any of its business terms at a future date, these terms will be reflected on our website www.stgilesgroup.co.uk and existing clients will also be advised in writing.

Information about our regulatory status

STG is an independent general insurance brokerage. We are authorised and regulated by the Financial Services Authority. Our permitted business is advising on, arranging, dealing in, and assisting in the administration and performance of non-investment insurance contracts. Our FSA Register number is 311167. These details can be checked on the FSA's Register by visiting the FSA's website <http://www.fsa.gov.uk/register> or by contacting the FSA on 0845 606 1234.

We are required to comply with the FSA Regulations relevant to an insurance intermediary. These include the following:

A firm must conduct its business with integrity, and pay due regard to the interests of its customers and treat them fairly.

A firm must conduct its business with due skill, care and diligence.

A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.

A firm must manage conflicts of interests fairly, both between itself and its customers and between a customer and another client.

A firm, which holds client money, has to meet certain specified conditions.

A firm must take reasonable care to establish and maintain such systems and controls as are appropriate to its business.

A firm must maintain and keep up to date a list of the insurance undertakings it selects from and be able to provide a copy of this list in a durable medium to a customer on request.

Relationships

As independent insurance intermediaries we act as the agent of our client. We are subject to the law of agency, which imposes various duties on us. However, in certain circumstances we may act for and owe duties of care to other parties. We will advise you when these circumstances occur so you will be aware of any possible conflict of interest.

STG places business with a number of Insurers which are chosen by us as being of a reputable standing, providing a quality level of service and policy cover, and not on pricing issues alone. A list of these insurers is available on request or at our web site: www.stgilesgroup.co.uk

We will advise and make a recommendation for you after we have assessed your needs. This will include the type of cover you seek together with the costs.

Upon receipt of your instructions we will place insurance with insurers, and keep you informed of the progress of our negotiations.

We will advise you of any inability to place your insurance.

Security

Whilst we regularly review their financial status we do not guarantee the solvency of any insurer we place business with.

A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent.

Policy documentation

Our policy is that policy documentation will be issued in a timely manner, possibly in an electronic format. This will normally be within five business days of receipt from insurers.

Your policy documentation will confirm the basis of the cover, give details of the insurers, and be accompanied by a policy summary and an invoice if applicable. The dates that the premium is due, together with any penalties, will be clearly shown.

Prior to the conclusion of the contract we will provide you with a statement of demands and needs. You should read this carefully. It will set out our understanding of your demands and needs and confirm whether the contract has been personally recommended and, if so, the reasons for making that recommendation.

You will be provided with renewal terms in a durable medium no less than 21 days before expiry of the policy (if we have received from you any relevant information that is required to generate renewal terms), or notified that renewal is not being invited. Attached to the renewal terms will be a statement of any changes to the terms of the policy, and changes to directive-required information (information required under the EU Directives), statement of price and information about cancellation if cancellation is relevant.

You will be given an explanation of any changes, where necessary and in good time, which may appear in your policy and you will be advised of your right to request a new policy statement.

If renewal is not being offered you will be notified no less than 21 days before the expiry of the policy if we are told by the relevant insurer within this time frame otherwise we will inform you within 1 working day of being informed.

Mid-term changes to your policy will 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 respect of insurance cover the period is up to three years and for financial matters the period is up to seven years after any cover has ceased.

For some types of insurance cover it is possible that a claim may be made under a policy long after its expiry date and it is therefore important that you keep such documents safely.

Claims

You must notify us as soon as possible of a claim or circumstances that may give rise to a claim.

In the event of a claim you should contact our claims department. You should have available your policy number and as much information as possible about the event that you wish to claim for.

Where relevant we will remit claims payments to you as soon as possible after they have been received on your behalf. We will provide you with as much assistance as we can in submitting a claim to your insurer and seeking reimbursement for you if

relevant. However in the event that an insurer becomes insolvent, or delays making a settlement, we do not accept liability for any unpaid amounts.

Duty of disclosure to insurers

You must disclose to insurers, before the contract is concluded, any fact or circumstance 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. A fact or circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether he would take the risk.

Should you, not act with the utmost good faith, or fail to disclose any material fact or circumstance to insurers, your insurer may avoid the contract or claim reimbursement and leave you without insurance cover and personally liable.

Premium

You must provide the premium due in cleared funds in accordance with the amounts and payment dates specified in our invoice. Failure to meet the payment date may lead to insurers cancelling your policy thus leaving you without insurance cover.

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

Remuneration

If applicable a full statement of our fees is included in the Initial Disclosure Document that we have provided to you. However, in respect of cancellation please see the relevant section of this document.

Anything that is not a premium, or premium tax, is considered to be a fee. Any commission that is due to us is payable to us by the insurer out of the premium that we collect from you on their behalf. Our remuneration may be as a fee, or as brokerage, which is a percentage of the insurance premium paid by you and allowed by the insurer with whom the insurance is placed, or by a combination of both. We will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us.

In addition to client fees and/or brokerage payments we may receive remuneration by way of administrative fees or commissions for services provided to underwriters. We may also act as reinsurance brokers to underwriters with whom we have placed insurance, or reinsurance.

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 (including you) or which we treat as client money in accordance with the client money rules. A copy of these rules is available on request or at www.fsa.gov.uk

Client money will be held in a designated and segregated bank account subject to Risk Transfer arrangements that we have with specific insurers.

There are two elements to Risk Transfer:

- 1) The risk that, when you pay your premium to us, that premium may not reach the insurer, and
- 2) The transfer of that risk from you, the customer, to the insurer, so that in the event of us (STG) not being able to pass your premium on to your insurer, it is your insurer rather than you that will bear the loss.

Interest on Client Money

Any interest earned on client money held by us and any investment returns on any segregated designated investments will be retained by us for our own use, rather than paid to you.

Cancellation clause

Your insurance contract may include a cancellation clause. A cancellation clause is mandatory for all retail customers. In the event that you fail to pay your premium by the due date the insurance may be cancelled forthwith, or by insurers giving notice of the cancellation. In the event of cancellation of the insurance contract, insurers may return a pro rata premium to us.

All our remuneration is due at inception/renewal. In the event that the insurance is cancelled after inception/ renewal, our fees or brokerage will not be returnable.

Cancellation of this agreement

Our agreement may be terminated by one of us giving 21 days' notice in writing to the other. In the event that you terminate our services we will be entitled to receive any fees or brokerage payable.

Complaints procedure

Our aim is to provide a first class standard of service to all our Clients and to do everything we can to ensure that you are satisfied. However if you ever feel that we have fallen short of this standard and that you have cause for complaint, please contact our Office Manager, either:

In writing at: 104 New Bond Street, London W1S 1SU

By telephone at: 020 7629 3176 or by facsimile at
020 7493 1281

By email at: acoulson@stgilesgroup.co.uk

Upon receipt of a complaint we will:

Deal with all complaints in the manner prescribed by the FSA.
Treat all complaints seriously and investigate the matter fully.
All complaints will be advised to the appropriate Director who will allocate an employee of sufficient competence to deal with the complaint and advise you of their name and status.

The timescales for dealing with a complaint are as follows:
If the complaint cannot be dealt with by the end of the next working day we will provide a written acknowledgement within 5 working days.

If we believe that the complaint should be redirected to another organisation, we will advise you within 5 working days and endeavour to provide details to whom the complaint should be redirected.

In complicated cases we will endeavour to complete all investigations within 20 working days. If we are unable to resolve the matter at that point we will advise you of the position and give our best estimate of when we anticipate conclusion.

Within eight weeks we will either send a final response or explain why we remain unable to conclude the matter.

At that stage, eligible complainants, as defined by the FSA, may refer the matter to the Financial Ombudsman Service if unsatisfied as to progress. We will advise you if you are an eligible complainant and the address of the Ombudsman. You may also check with the FSA direct.

When a final response is sent an eligible complainant may also refer the complaint to the Financial Ombudsman Service if dissatisfied with the outcome.

Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. 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.

Money Laundering / Proceeds Of Crime Act

We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report.

Claims payment will be made in favour of you. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a brief explanation for your request.

Data Protection

We are registered under the Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with your personal data.

Your personal information will be kept secure.

Law and jurisdiction

These terms of business 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 business we both irrevocably submit to the non-exclusive jurisdiction of the English courts.

Contact addresses

A J Coulson
Director
St Giles Insurance & Finance Services Limited
104 New Bond Street
London W1S 1SU

Tel No: 020 7629 3176
Fax No: 020 7493 1281
Email: acoulson@stgilesgroup.co.uk
Web: www.stgilesgroup.co.uk

Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Tel No: 020 7066 1000
Fax No: 020 7066 1099
Email: general.insurance@fsa.gov.uk
Web: <http://www/fsa.gov.uk>

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Tel No: 0845 080 1800
Fax No 020 7904 1001
Web: www.financial-ombudsman.org.uk

Please sign and return one copy to:

St Giles Insurance & Finance Services Limited.
104 New Bond Street, London W1S1SU

I/We, the undersigned, have read, understand and agree to the above Terms of Business.

Client 1 :

Signature:..... Date:.....

Client 2 : Signature:.....

Date:.....

Broker:..... Signature:.....

Date:.....