



UNCOMMONLY INDEPENDENT

Lockton (MENA) Limited

Statement of Business Principles for Reinsurance Clients

Office 201 & 211, Gate Precinct Building 2, Level 2,
Dubai International Financial Centre,
Regulated by the DFSA
PO Box: 506794, Dubai, UAE
www.locktoninternational.com

This document contains important information. Please read it carefully. It sets out a statement of the terms of business on which we agree to act for you as a reinsurance client and contains details of our regulatory and statutory responsibilities under supervision of the Dubai Financial Services Authority.

We specifically draw your attention to the following sections:

- Your Duty of Disclosure (Section 4)
- Insurance monies (Section 12)

This document supersedes any terms of business agreement previously in force. This Agreement will not override the terms of any agreement separately agreed between the parties relating to any reinsurance business or the terms of any slip or reinsurance contract. Please contact us immediately if there is anything in these or any other sections of the terms of business that you do not understand or with which you disagree.

1. ABOUT OUR COMPANY

Lockton (MENA) Limited ("Lockton") is located at Gate Precinct Building 2, Second Floor, Office 201 & 211, Dubai International Financial Centre, Post Box 506794, Dubai, United Arab Emirates. We are authorized by the DFSA (Dubai Financial Services Authority) (Ref: F001336) to conduct Insurance Intermediation and Insurance Management. You can check our details on the DFSA Public register. (<http://www.dfsa.ae/Public-Register/Firm>)

We are committed to providing a high standard of professional service and to acting in accordance with DFSA rules and the following principles. We will:

- Conduct business with integrity and with due skill, care and diligence;
- Pay due regard to your interests as client service and fair treatment of customers is central to our corporate culture;
- Pay due regard to your information needs and communicate information to you in a way that is clear, fair and not misleading;
- Avoid conflicts of interest or ensure we can manage them fairly;
- Arrange adequate protection for your assets when we are responsible for them, including insurance monies;
- Take reasonable care to establish and maintain systems and controls appropriate for our business.

2. OUR RELATIONSHIP WITH YOU

As an independent reinsurance intermediary, we act for you as an agent and we are subject to the law of agency.

We may undertake arrangements with reinsurers or others in arranging cover to meet your requirements, where we will also be remunerated by insurers or others to act in the capacity of their agent and owe duties to them as other parties in addition to you. The additional remuneration we receive and as described in detail in Clause 11 may give rise to a conflict of interest between you, us and/or the insurers concerned. We will take care to ensure that such conflicts or any other conflicts that may arise in handling

your insurances are properly disclosed to you and are managed so we continue to act in your best interests.

3. YOUR INSURANCE ARRANGEMENTS

We offer access to products from and a wide range of domestic international reinsurers including the Lloyd's reinsurance market.

The selection of reinsurers is based on our knowledge and experience of the market as well as consideration of reinsurance contracts we have previously arranged in each market sector.

Once we have your written instructions, we will arrange your reinsurance and keep you informed of the progress of negotiations. We will also advise you if we are unable to obtain cover to satisfy any part of your reinsurance requirements or instructions.

4. DUTY OF DISCLOSURE (WHAT YOU MUST TELL US)

It is your responsibility to disclose to us all material information that is known to you and which might influence the judgement of reinsurers in determining the scope of cover, the price or whether or not to accept your risk.

Reinsurers are not required to make enquiries; the onus falls on you. If you fail to disclose material information this may entitle reinsurers to avoid cover from inception (the starting date of your policy) and seek repayment of claims they may have paid to you.

Some reinsurance contracts may also include a condition that requires you to disclose any material changes throughout the term of the policy.

<p>If you are unsure whether information or a change in circumstances may be material, you should disclose it.</p>

5. REINSURER SECURITY

We have access to many domestic and international reinsurers to obtain the best cover terms available for our clients. It should be noted that varying legal and regulatory regimes may apply for international reinsurers so your ability to enforce your legal rights or seek compensation may vary.

We will provide you with the name of any reinsurer we are recommending or using to reinsure your risk. While we cannot guarantee the solvency of any reinsurer or its ability to meet policyholder obligations, we do use our reasonable endeavours to protect the interests of our clients by reviewing and monitoring the suitability of all reinsurers that we use. Where we believe the financial strength of a proposed reinsurer does not meet the current criteria of our internal market security committee, we will inform you.

The final decision on the suitability of any reinsurer does rest with you. If you have any concerns about the reinsurers we are proposing to provide cover, you are requested to contact us immediately. Unless we hear from you by return to the contrary, we will proceed and bind cover on the basis proposed.

6. COVER INFORMATION AND POLICY DOCUMENTATION

We will endeavour to provide you with sufficient information to allow you to make an informed decision before concluding a contract of reinsurance. This will provide details of:

- the type of cover and its significant features and benefits,
- any significant or unusual exclusions or limitations to the policy,

Cover confirmation documentation will be issued promptly once agreed with reinsurers, to provide the full terms and conditions of cover. For some reinsurance business, reinsurers may rely on the content of the brokers placing slip where a slip policy or cover note with an agreed wording will be issued, but not a formal policy unless requested.

We will maintain records and retain documents for the reinsurances we arrange for you in line with regulatory requirements.

7. MID-TERM CHANGES TO YOUR POLICY

If you need to make any changes to your reinsurance cover during the period of your policy (mid-term changes), please contact us immediately so that we can advise your reinsurers and obtain their approval. We may also need to seek further information from you. We will confirm the revised terms for cover to you in good time following receipt of your instructions.

8. RENEWAL OF YOUR INSURANCE

We will approach you for renewal information in good time before expiry of your existing policy to be able to approach existing or alternative reinsurers. We will then provide renewal terms and advise you of any proposed changes to the terms of the policy and its price.

Please remember that the duty to disclose all material information applies for any alteration, extension or renewal of your reinsurance contract.

9. PREMIUMS

We will provide you with a statement of the price including the premium for your policy (or its method of calculation) plus any taxes that may be payable (whether through us or not).

We will issue a debit note, invoice or instructions in your cover documentation for payment of the premium due that will show how and when to pay. Unless agreed otherwise the premium will become due from the moment your reinsurance commences and so that we can settle with your reinsurers, we ask that you pay us promptly in accordance with the debit note, invoice or instructions given.

If you fail to pay your premium by the due date, the validity of your reinsurance contract may be affected including the potential for cancellation ab initio.

10. CLAIMS

We will administer your claims fairly and promptly. You must notify us as soon as possible of any claim you have or of any circumstance that might give rise to a claim from you. Some reinsurance policies include claims control or co-operation conditions requiring prompt notification of a claim or claim circumstances or occurrences as a condition of the cover and some may specify a time period or format for notification.

We will tell you when confirming cover who you should contact if you have a claim and will assist you in submitting your claim and in seeking settlement from reinsurers.

If a conflict of interest arises in relation to a particular claim, a reinsurer reserves rights, declines cover, delays settlement or becomes insolvent, we will inform you and seek instructions. We will not accept liability for any unpaid amounts due from reinsurers.

Claims payments will be remitted to you as soon as possible after they have been received from reinsurers.

In the event that our services are terminated, claims files will be transferred to your new broker according to your instructions. But if you wish us to handle run-off claims on your behalf and we may agree to do so but reserve the right to charge a reasonable fee for these services.

11. REMUNERATION

As your chosen insurance intermediary, we may earn income for our services in a number of ways. Fees whenever we charge a fee, that amount will be agreed with you in advance and will be disclosed to you separately to the reinsurance premium. The general nature of the services provided for such fee or brokerage are set out in this document. Commissions – Instead of a fee, we can earn by receiving a commission payment from the insurance company with which the reinsurance is placed. This amount will usually be calculated as a percentage of the reinsurance premium and the percentage will have been contractually agreed between us and the insurance company. We earn different percentages for different classes of business and from different insurance companies.

In addition to the above, we may charge certain insurers an additional percentage of the premium payable by you. Such charges are made pursuant to services agreements between ourselves and such insurers whereby we agree to act as insurers' agents and provide them with services that an insurer would usually be expected to perform. Details of such income are available upon request from your usual contact.

Please note that we may on occasion advise you of the need to use other insurance brokers to assist us in arranging and placing your insurance. These insurance brokers may earn and retain brokerage in addition to the fee we have agreed with you. Should this involve use of other companies within Lockton, we will advise you of the amount of any additional brokerage earned where it is retained in addition to an agreed fee.

Apart from earning a fee or commission, we may also benefit from other remuneration that we generate from the management of cash balances in accordance with section 12 or the arrangement of reinsurance (retrocession) on behalf of Reinsurers.

The remuneration described above may give rise to a conflict of interest between you, us and/or the

insurers concerned. We will take care to ensure that such conflicts are properly managed so we continue to act in your best interests. You are entitled at any time to request information regarding any conflicts we disclose or regarding any commissions which we receive as a result of placing your insurance business.

12. INSURANCE MONIES

12.1 Insurance monies

Insurance monies are any monies that we receive and hold in the course of arranging or administering reinsurance on your behalf, or which we treat as insurer monies in accordance with DFSA insurance monies rules (Conduct of Business rule 7.12)

We will provide protection for all insurance monies by holding them in bank accounts segregated. This is completely segregated from our own money and there are strict regulatory controls on us to maintain solvency of the segregated accounts and to conduct a regular reconciliation of the account. Importantly, insurance monies will be ring-fenced in the insurance money account(s) so that it will be returned to clients or insurers in the event of our company's insolvency and cannot be used to reimburse other creditors.

12.2 Reinsurer money

A number of reinsurers we deal with require that we act as their agent in handling the collection and payment of premiums, return premiums and claims. This is subject to Reinsurers granting "Risk Transfer" where they assume the credit risk so that payment by you of premium to us will be deemed payment to reinsurers and claims and return premium paid by reinsurers through us will not be deemed paid until received by you.

12.3 Use of Third Parties

We will inform you if we intend to arrange a reinsurance contract on your behalf, or transfer your money to reinsurers, using another person, such as another broker or settlement agent

Where this involves a broker or settlement agent outside Dubai, a different legal and regulatory regime may apply and money may be treated in a different manner.

<p>You must notify us if you do not wish your reinsurance arranged with a particular firm or money passed to a person in a particular jurisdiction.</p>
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12.4 Bank Accounts

The segregated insurance monies bank accounts that are used will be with an Eligible Bank in the U.A.E. in accordance with DFSA rules.

12.5 Interest on Insurance Monies

Any interest earned on insurance monies held by us will be retained by us.

12.6 Funding

There may be occasions when we either voluntarily or involuntarily fund certain payments on your behalf or to you, whether in respect of premiums, return premiums, claims or otherwise. We will inform you in such an event, and you accept and acknowledge that such payments were made for your benefit and with your implied authority and that unless otherwise paid to us by reinsurers, you will repay the full amount of such payments to us and that, until you do so, the outstanding amount is a debt due from you to us.

12.7 Tax

Dependent on the transaction, we may administer the payment of applicable taxes whether due from you or reinsurers to the appropriate tax authorities. In doing so we only undertake this role as Insurance Broker and cannot advise on the validity of any tax payment.

Accordingly, whilst we exercise reasonable care in relation to such payments, we do not accept responsibility for administration without specific instructions from yourselves or reinsurers. We therefore request that if you have specific instructions relating to the payment or administration of any applicable taxes, you confirm those instructions in writing.

13. LIMITATION OF LIABILITY & FORCE MAJEURE

LIMITATION OF LIABILITY

(a) The following provisions of this section set out our entire financial liability (including any liability for the acts or omissions of its 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.

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

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

(d) Nothing in this Agreement excludes or restricts our duty or liability to you under the applicable regulatory system.

(e) Subject to clauses b), c) and d) above, our total liability to you, shall in aggregate be limited to AED 5 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, insurer failure, depletion of goodwill, additional operational and administrative costs and expenses, the cost of procuring replacement goods or service, or any indirect or consequential loss or damage.

FORCE MAJEURE

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from the events, circumstances or causes beyond its reasonable control, which shall be deemed to include, but not be limited to the following: act of God; civil commotion; failure of third party suppliers; sabotage; labour dispute and industrial action; delay of (Re)Insurer(s); explosion; or fire; and in such circumstances the time for performance shall be extended for a period equivalent to the period during which performance of the obligation has been delayed or failed to have performed, provided that if the period of delay or non performance continues for 12 weeks, either party may terminate this Agreement by giving 14 days written notice to the other party

14. COMPLAINTS

Lockton MENA Limited are dedicated to providing a high-quality service and aim to maintain this at all times. We take complaints made against us very seriously and maintain a procedure to ensure that complaints are dealt with promptly and fairly.

If you wish to register a complaint, please notify your usual contact either in writing or by telephone. Alternatively, you may write to: complaints@mena.lockton.com

If we cannot resolve your complaint straight away, we will acknowledge its receipt promptly and arrange for a senior manager to investigate the matter and provide you with a response.

15. MONEY LAUNDERING

We are obliged to take reasonable steps to safeguard our company and our clients against the risk of financial crime.

To help us achieve this we may need to ask you to provide us with additional information relating to any reinsurance transactions you ask us to undertake on your behalf.

16. CONFIDENTIALITY AND DATA PROTECTION

We will treat any personal data or other information we receive from you as confidential. We are registered under the Data Protection Law (No.1 of 2007) and undertake to comply with the Act in all our dealings with any personal data you provide us, in arranging and administering reinsurance contracts with reinsurers and others on your behalf or in providing related services.

From time to time we may appoint a third party to assist us with processing of your personal data and any agreement we have with a third party will cover data processing to ensure your data is properly protected.

We may share your information with other divisions or companies within our group to assist us with your reinsurance arrangements. We, or they, may wish to inform you of other services or products which could be of interest to you. If you prefer not to receive information on our other products or services, please write to the Marketing Department at Lockton (MENA) Limited, Gate Precinct Building 2, Level 2, Office 201 & 211, Dubai International Financial Centre, and PO Box: 506794, Dubai, UAE.

Under the Data Protection Law you are entitled to request confirmation of personal data being processed

by us and rectification where processing does not comply with the Law.

For more information on how we treat personal data, please refer to our Privacy Policy on our website: <https://www.locktoninternational.com/mena/homepage/>.

17. TERMINATION, CANCELLATION AND TRANSFER

This agreement may be terminated by either one of us giving 30 days' notice in writing to the other.

If our services are terminated or involvement with a particular policy placement ceases because it is cancelled or is transferred mid-term or at renewal to a new broker, we reserve the right to negotiate with you retention of any fees or brokerage received or to claim any that are still payable as due for placing and arranging the policy. Relevant files and claims files for the run-off will be transferred to the new broker appointed by you according to your instructions. But, if you wish us to handle run-off claims on your behalf and we agree to do so, we reserve the right to charge a reasonable fee for these services.

18. LANGUAGE

All documentation, correspondence and communication we provide to you will be in English unless we separately reach agreement with you to use of another language.

19. GOVERNING LAW AND JURISDICTION

Lockton undertakes its activities as an insurance and reinsurance intermediary in the Dubai International Financial Centre' as a Financial Free Zone established in the Emirate of Dubai. Any disputes will be governed by and construed in accordance with the laws of the DIFC.

Please contact us immediately if there is anything in this statement of business principles that you do not understand or with which you disagree, or if you have any questions, please contact your usual contact in the first instance who will be pleased to assist you.

If we do not hear from you within 30 days of receiving this statement of business principles or if we receive an instruction or confirmation of an order to arrange cover on your behalf, whether or not within the 30-day period, this will constitute acceptance of the terms and condition