

TERMS OF BUSINESS – RETAIL CLIENTS

Please read this document carefully, particularly Clause 6 Your Duty of Disclosure and Clause 17 Client Money. This document presents the terms on which we provide services to our clients and details your and our responsibilities. We welcome the opportunity to clarify our service, so if any point is unclear or unacceptable to you, please raise this with your usual NTEGRITY contact.

1 WHO WE ARE

NTEGRITY Insurance Solutions Ltd is an independent insurance intermediary and is authorised and regulated by the Financial Services Authority ("FSA") 467019. You can check that we are included in the FSA register by visiting www.fsa.gov.uk/register or by telephoning the FSA on 0845 606 1234.

NTEGRITY Insurance Solutions Ltd is registered in England & Wales, registration number 06040578. We are 100% privately owned, with the majority ownership held by the Directors of the Company.

2 OUR RELATIONSHIP WITH YOU, OUR CLIENT

We operate as an independent insurance intermediary and in doing so we act for you as an agent.

Where circumstances make it beneficial to you, we may have arrangements with other parties (e.g. insurers) that we use to provide our service to you and we will therefore act for, and owe duties to, other parties. We will ensure that any conflicts of interest arising from such arrangements are properly managed so that we continue to act in your best interest.

3 CONDUCT OF OUR BUSINESS

NTEGRITY will conduct its business in accordance with the FSA Rules and principles that apply to regulated firms. Specifically we will:-

- Conduct business with integrity,
- Conduct business with due skill, care and diligence,
- Pay due regard to your interests and always treat you fairly,
- Carefully assess your information needs and communicate to you in a way that is clear, fair and not misleading,
- Avoid conflicts of interest or ensure we can manage them fairly, both between ourselves and our clients and between two or more clients,
- Arrange adequate protection for your assets when we are responsible for them,
- Take all reasonable care to establish and maintain systems and controls appropriate for our business,
- Maintain and keep up to date a list of the insurers we select from and a copy of this will be provided to you on request,
- Take all reasonable care to ensure the suitability of our advice where you are entitled to rely upon our judgment.

4 COMMENCEMENT AND TERM

This agreement shall apply with effect from receipt of your instructions to arrange insurance and will continue until terminated by either party (Please see Clause 19 Termination). Any termination of this agreement shall not affect any rights, obligations or continuing duties that existed prior to the termination.

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5 YOUR INSURANCE ARRANGEMENTS

We offer insurance from a range of insurance companies. Our selection of insurers for your consideration is based on our experience and knowledge of the market and represent those that we feel are appropriate to meet your particular insurance requirements.

We will carry out an assessment of your insurance needs based on the information that you make available to us and we will then advise and make a recommendation for an appropriate solution based on an evaluation of a sufficient number of insurers, details of which will be provided to you.

Where our advice is not based on an analysis of the market we will inform you of this and the basis on which we are advising you.

We may recommend a policy for you based on a particular arrangement where we act as agent of the insurer concerned if we feel this is most suitable for your needs. Under the terms of these relationships we may act as agent of the insurer in underwriting, processing or claims settlement capacities to deliver greater efficiency for your benefit.

We will either require the completion of a suitable proposal form or a signed "Statement of Fact" which we will supply for you. Please note that we are unable to complete the proposal form on your behalf but we will be happy to provide you with detailed guidance should you require assistance.

Prior to concluding an insurance contract, we will in the first instance provide you with, for your approval, a written statement which will detail our understanding of your needs and requirements. At this stage, we would ask you to carefully assess the content of this statement and advise us immediately if it contains any incorrect or misleading information. In situations where we make a recommendation in respect of a particular insurance contract, we will explain why we consider our proposal to be suitable of satisfying all of your requirements.

If a particular product is not arranged on the basis of a recommendation from us and is based on your personal selection of a product or from your answers to a series of questions, such as may be included in a proposal form, we will also bring this to your attention.

In order to avoid misunderstanding, we request that you provide written confirmation of your instructions by letter, fax or email. We will, of course, accept verbal instructions where urgency is required but would ask that these are followed up by written confirmation. Once we have your instructions we will arrange your insurance and keep you informed of the progress of negotiations.

6 YOUR DUTY OF DISCLOSURE – WHAT YOU SHOULD TELL INSURERS

It is extremely important that you understand your responsibility to disclose all material information that is known to you. Material information is that which might influence insurers judgment in determining whether to accept the risk or not, the scope of cover, and the premium to charge. Completing a proposal form may not, in itself, satisfy full disclosure, and any additional material information will need to be disclosed to insurers.

Insurers are not required to make enquiries themselves and the disclosure onus falls upon you to ensure that you have advised them of anything that might be relevant to your application for Insurance. If you fail to disclose material information, insurers may be entitled to avoid cover under the policy from inception (the starting date) and furthermore insurers may seek to recover any amounts that may have been paid in respect of any claims made under the policy.

If insurers avoid cover, you will no longer have an insurance policy and will be left exposed to any claims that may arise in the future. The avoidance of a policy will also be a material fact that will need to be disclosed to

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other future insurers and this may result in difficulty in obtaining alternative Insurance. Therefore if you are in any doubt about whether information or a change in circumstances may be considered to be a material fact, we recommend that this is disclosed.

Your duty to disclose any material facts also applies to any alteration, extension or renewal of your Insurance contract and any such matters should be brought to our attention before renewing or amending your policy.

7 INSURER SECURITY

Insurance intermediaries cannot guarantee the solvency of any insurer or its ability to meet policyholder obligations. However, we take reasonable steps to protect the interests of our clients by monitoring and regularly reviewing the suitability of all insurers that we use.

The final decision on suitability of an insurer does rest with you and if you have any concerns about any of the insurers that we are proposing to use to provide you with cover, please do not hesitate to immediately bring this to the attention of your usual NTEGRITY contact.

8 STATEMENT OF INSURANCE COVER AND POLICY DOCUMENTATION

We will supply you with sufficient information upon which to base an informed decision before you instruct us to conclude a contract of insurance. Pre-contract documentation will include full details on the type of cover being proposed, its significant features and benefits and any significant exclusions or limitations.

Once we have your instructions and have finally agreed cover with your insurers, we will promptly provide you with the full policy documentation detailing all terms and conditions. Records of the insurance we arrange for you will be maintained and documents retained in accordance with FSA requirements.

9 POLICY RENEWAL

Prior to expiry of your existing policy, we will contact you for updated information on which to obtain terms for the renewal. We will also advise you promptly, if for any reason, the renewal is not being invited and advise you of the range of options available.

10 MID TERM CHANGES REQUIRED TO YOUR POLICY

Any mid term changes required during the period of the policy should be advised to us immediately so that we may discuss with your Insurers for their consideration prior to confirmed acceptance.

11 PREMIUMS

Our invoice stating the amount of the premium due for your policy will be provided to you once cover has been confirmed with insurers. This invoice will also detail any taxes that may be payable.

Your premium will become due for payment from the commencement of your Insurance policy and we would therefore ask for payment promptly with any instructions given in order that we may settle the account to insurers. If you wish to pay your premium by instalments through a premium finance agreement arranged by us, we will inform you clearly of the interest payable.

We must draw your attention to the possibility that insurers may cancel your policy from the inception date (the date upon which the policy commenced) if you fail to pay your premium by its due date.

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12 YOUR STATUTORY RIGHTS TO CANCELLATION

If your insurance contract is for more than one month, it may include a 14-day cancellation clause. This cooling-off period is provided by UK insurers to allow you to reconsider your selection and to cancel your cover if you wish. To cancel you must give written notice of cancellation within 14 days of the day we confirm that your insurance policy is in place or the day when you receive information about your cover, whichever is later.

If you cancel your policy within the 14-day period, your premium will be repaid to you by the insurers. If, however, you have received the benefit of cover during this period, insurers may only return a share of the premium you originally paid. Equally, if a claim has been paid to you during this time, you may have to repay this to insurers. We reserve the right to retain our fees and brokerage if you cancel your insurance.

13 CLAIMS

In accordance with the principles set down by the FSA, we will administer your claims promptly and fairly.

Insurance policies often require prompt notification of claims or claims “circumstances” (being any matter which may, depending on the terms of the individual policy, give rise to a claim under the policy) as a condition of the cover and some may specify a time period or format for notification. The failure to notify a potential claim or circumstance promptly may lead to cover for the matter being withdrawn.

When presenting you with your quotation, we will provide details of your claims contact if you have a claim or problem that you would like to discuss. We will then assist you in submitting your claim and in seeking settlement from your insurers.

We will inform you within 48 hours (2 working days) of us becoming aware and, if in relation to a particular claim, an insurer declines cover, delays settlement or becomes insolvent and we will seek your instruction. We will not accept liability for any unpaid amounts due from insurers.

We reserve the right to agree a reasonable additional fee with you if we believe there is exceptional or significant claims activity or there are major losses on a particular account.

In the event that our services are terminated by you, claims files should either be transferred to your new broker or alternatively, if you wish us to handle the run-off claims on your behalf and we agree to do so, we reserve the right to charge a reasonable fee for these services.

14 REMUNERATION FOR OUR SERVICES

Remuneration in respect of the services that we provide to you will be charged in the form of either brokerage/commission or fee unless we agree otherwise with you. Brokerage and fees are earned for the policy period.

In cases where brokerage/commission applies, the amount of this will be agreed between us and the Insurer or service provider as a percentage of the premium chargeable.

In the case of a fee, we will agree this directly with you to reflect the scope of services that we will provide. If we agree a fee basis for our remuneration, a statement will be supplied to you providing details of the charge.

Additional fees may be charged to cover administration, documentation, visits or other costs, including higher than anticipated claims handling costs for exceptional or significant claims activity or major losses, but we will always explain and disclose any such charges to you separately before you become liable to make any such payments.

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Where we consider it to be beneficial to you, we may use other insurance agents to assist us in arranging and placing your insurance e.g. to access special schemes or facilities. These insurance agents may earn and retain brokerage in addition to the fee we have agreed with you. In instances such as this, we will advise you of the amount of any additional brokerage earned where it is retained by insurance agents in addition to our agreed fee.

In addition to earning brokerage, commission or fees, NTEGRITY may also receive other remuneration generated from;

- Insurers, in recognition of administration support or other services we provide to them where we act as their agent,
- Relationships with other companies that are not linked to any specific client such as:-
 - I. Premium finance companies
 - II. The arrangement of reinsurance
 - III. The management of cash balances

All such remuneration is only earned on the basis that it does not in any way interfere, detract from or cause conflicts with us acting in your best interests, which remains our priority at all times.

We do not accept additional commissions from insurers which are based on the profitability of their account with us.

Details of any remuneration that we receive are available to you from your usual NTEGRITY contact upon request.

In the event of cancellation by you of any policies before their natural expiry date, we reserve the right to retain the commission paid or agreed fee in full to reflect the extent of the services we have and will continue to deliver. On cancellation, any return premiums available from insurers will be finalised and passed to you within a reasonable timescale and such refunds will consist of the net premium including any applicable taxes only where we exercise our right to retain the commission paid or agreed fee.

15 COMPLAINTS

Fair treatment of our clients is paramount to us and in the event that you wish to complain about any aspect of our service, all matters will be thoroughly investigated and handled through to a solution. We operate a procedure to ensure that all complaints are dealt with promptly and fairly and will provide you with full details of these procedures when your complaint is registered, unless we are unable to resolve the problem immediately.

If you wish to make a complaint, please contact your regular NTEGRITY point of contact, or our Managing Director;

In writing - Vallon House, Vantage Court Office Park, Old Gloucester Road, Bristol BS16 1GW

By telephone - 0845 638 3273

If we are unable to resolve your complaint immediately, we will acknowledge its receipt promptly and arrange for a Director to investigate the matter and provide you with a response. If your complaint is not resolved to your satisfaction, or if you are unhappy with the way in which we have handled it, you may be eligible to refer the matter to The Financial Ombudsman Service.

Details of The Financial Ombudsman Service can be found at www.financial-ombudsman.org.uk

If you are eligible, we will provide you with details of how to refer to The Financial Ombudsman Service when we send you your final written response or at 8 weeks after receipt of your complaint (whichever occurs first).

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16 FINANCIAL SERVICES COMPENSATION SCHEME “FSCS”

We are covered by the FSCS. 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. Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. Compulsory insurance (e.g. third party motor) is protected in full. Further information about the compensation scheme arrangements is available from the FSCS which can be found at www.fscs.org.uk

17 CLIENT MONEY

In most instances, it will be necessary for us to hold money on account during the course of arranging and administering your insurance. This will be treated as client money in accordance with the FSA client money rules.

17.1 STATUTORY TRUST ACCOUNT

We will provide protection for client money by holding all client money in a Statutory Trust account. This is completely segregated from our own money and there are strict regulatory controls on us to maintain solvency of the Statutory Trust account and to conduct a regular reconciliation of the account. Importantly, client money will be ring fenced in the Statutory Trust account so that it will be returned to clients in the event of the insolvency of NTEGRITY and cannot be used to reimburse other creditors.

Under the rules, money held in the Statutory Trust account cannot be used for payment of premium or claims for another client before their monies are received. We are not entitled to use client money to take payment of fees or brokerage before we receive the relevant premium from a client.

17.2 RISK TRANSFER

Under FSA client money rules, the majority of insurers we deal with now require that we act as their agent in handling payment of all premiums, return premiums and claims. This is subject to insurers granting 'Risk Transfer' where they assume the credit risk so that payment by you of premium to us will be deemed payment to insurers and claims and return premium paid by insurers through us will not be deemed paid until received by you.

17.3 USE OF THIRD PARTIES

We will inform you if we intend to arrange an insurance contract on your behalf or transfer your money to insurers using another person, such as another insurance broker.

17.4 BANK ACCOUNTS

We will deposit client money that we receive into a bank account with HSBC Bank plc. We will advise you if it becomes necessary to hold client money in another UK approved bank.

17.5 SEGREGATION OF DESIGNATED INVESTMENTS

As we will pay client money into a Statutory Trust bank account, we will not invest client money in separate designated investments as permitted under FSA rules. Separate designated investments as permitted by the FSA include life policies, shares, debentures, government and public securities, warrants, units, stakeholder pension schemes, options, futures, rolling spot forex contracts, contracts for differences, spread bets, rights to interests in investments in long term care insurance contracts.

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17.6 INTEREST ON CLIENT MONEY

Interest earned on client money balances held by us will be retained by us rather than paid to you.

17.7 FUNDING

We are unable to fund premium payments to insurers on your behalf or payments from insurers whether in respect of premiums, return premiums, claims or otherwise.

17.8 TAX

Dependent on the transaction, we may administer the payment of applicable taxes whether due from you or insurers to the appropriate tax authorities. In doing so we undertake this role as an insurance broker and cannot advise on the validity of any tax payment. We exercise reasonable care in relation to such payments, but we do not accept responsibility for administration without specific instructions from yourselves or insurers. If you have

specific instructions relating to the payment or administration of any applicable taxes, we ask that you confirm those instructions in writing.

18 MONEY LAUNDERING

We may ask for evidence of your identity at the start of our business relationship.

We are obliged to take reasonable steps to safeguard NTEGRITY and our clients against the risk of financial crime. In order for us to comply with these requirements, we may need to request that you supply us with additional information relating to any insurance transactions that you ask us to undertake on your behalf.

19 CONFIDENTIALITY AND DATA PROTECTION

We make every endeavour to ensure that any personal data that we receive from you is treated as confidential in order to comply with the Data Protection Act 1998. We undertake to comply with this act in all of our dealings with you.

If in our opinion, we feel that you may benefit from services provided by other divisions of NTEGRITY, we may pass on your details. All details will again be treated as being confidential within this organisation.

Unless you advise us otherwise, we shall assume that we have your permission to disclose data about you, and the permission of any individual whose personal data you disclose to us, to relay that data:-

- I. Where necessary for the purposes of handling your insurances,
- II. Where necessary for the purposes of transferring or delegating our responsibilities for the handling of your insurances to any other intermediary regulated by the FSA,

20 TERMINATION

Either you or we may terminate this agreement for the provision of our services by giving notice in writing. In the event that our services are terminated for any reason we reserve the right to retain any fees or brokerage received, or to claim any that are still payable. We will respond to all reasonable requests to supply information to a newly appointed intermediary within 30 days of written authority being received.

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21 MEDIATION

Any dispute or difference between us that cannot be settled to the satisfaction of both parties, arising out of or in connection with this agreement or the services provided by NTEGRITY Insurance Solutions Ltd, shall first be referred to mediation.

The mediator or mediators shall be selected by the agreement of both parties. Failing such agreement, within 15 days of either party requesting the appointment of a mediator, the mediator shall be appointed by the chosen mediation service provider. Costs of the mediation process shall be shared equally.

22 GOVERNING LAW AND JURISDICTION

The relationship between us as your broker and you as our client is governed in accordance with the laws of England and Wales. Any disputes which cannot be resolved by our complaints procedure will be subject to the exclusive jurisdiction of the courts of England and Wales.

23 YOUR ACCEPTANCE OF THESE TERMS

To enable us to act on your instructions, please sign and return a copy of this Terms of Business Agreement. Your instructions to arrange insurance will be treated as acceptance of these terms in the absence of the return of a signed Terms of Business Agreement.

Signed :	Signed :
For an on behalf of :	For and on behalf of : NTEGRITY Insurance Solutions Ltd
Date :	Date :