



EXTRACT OF TERMS

1. DEFINITIONS

- a) The Company / Sabre / our / we / us / Data Controller- Refers to Sabre Insurance Company Ltd.
- b) The agent / you / your - Refers to the limited company, partnership or individual appointed to be an agent of the Company.
- c) The Terms of Business agreement/Toba/agreement - This agreement.
- d) The agency - The authority granted to the agent subject to the provisions of the terms of business agreement.
- e) Your staff - Any of your owners, shareholders, directors, partners, managers, members or employees.
- f) Documents/documentation - All material relating to the agency and business placed through the agency including (without limitation) policies, endorsements, renewal papers, accident report forms, questionnaires, in either paper or electronic form including any software, guides, instruction manuals or bulletins and / or data related thereto.
- g) EDI – Electronic Data Interchange
- h) PRA – Prudential Regulation Authority
- i) FCA – Financial Conduct Authority.

2. GENERAL TERMS AND CONDITIONS

- a) The terms of business agreement authorises you to sell insurance products on behalf of the Company and may be reviewed and amended from time to time as notified in writing.
- b) The terms of business agreement is the only agreement between you and Sabre and is effective from the date of signing. This agreement supersedes all previous agreement and confirms your acceptance of our terms
- c) The terms of business agreement and our agency facilities may not be transferred or assigned to any other party.
- d) This agreement shall be governed by and construed in accordance with the Law of England, Northern Ireland and Wales unless the agent is located in Scotland in which case the Law of Scotland will apply.
- e) We will not be liable to you for any economic loss (which terms shall include loss of profits, loss of use of profits, business revenue, goodwill or anticipated savings) or special indirect or consequential loss, punitive or exemplary damages, or fees, expenses or postages.

3. YOUR DUTIES AND OBLIGATIONS

You agree that you and where applicable your staff will notify us immediately in writing of any changes that take place that may affect your agreement with us. These include:

- a) Any changes to your status, registered or trading title from that recorded under this terms of business agreement.
- b) Any changes to your ownership, partners, directors or controllers or in your capital structure including the nature of your business.
- c) If you or any of your directors, partners or controllers become bankrupt, insolvent, go into liquidation or receivership, have an administrator appointed or enter into composition with any creditor or if you cease to carry on business for any other reason.
- d) If you or any of your staff are or become subject to disciplinary proceedings instituted by a professional or other body or are convicted of any criminal offence other than a motoring offence.
- e) If any agency or terms of business agreement with any other insurer is terminated by either party.

4. EXTENT OF YOUR AUTHORITY UNDER THIS TERMS OF BUSINESS AGREEMENT

Unless authorised by Sabre in writing you agree that you and your staff will not:

- a) Give any consent, waiver or instruction in connection with any claim under any of our policies.
- b) Use the Sabre logo on materials, documents or websites, including aggregators without prior agreement, thus enabling Sabre to carry out essential system testing. All websites and aggregators will need Sabre sign-off prior to transaction of any business on Sabre's behalf.
- c) Vary, in any way, the terms and conditions of any of our policies or other documentation.
- d) Use sub-agents. All contracts must be administered strictly between the client, your company and Sabre and all business placed with us must emanate only from the organisation to which the agency is granted.

You shall, for all purposes (except when expressly provided in the agreement) be the agent of the proposer.

5. EXTENT OF OUR AUTHORITY UNDER THIS TERMS OF BUSINESS AGREEMENT

We are entitled to:

- a) Vary the terms and conditions of this agreement by providing you with 1 month's notice in writing.
- b) Vary the scales of commission payable on any policies either future or existing by providing you with 1 month's notice in writing.
- c) Withhold issue of documents and / or restrict the facilities provided to you if any sum due from you to Sabre has not been paid or we are not satisfied with your conduct of the Agency or where, in our opinion, it is considered necessary.
- d) Take any action, which we consider necessary to protect the interests of and / or maintain services to our policyholders.
- e) Direct all policyholders to another agent in the event that you cease to trade through bankruptcy or liquidation or your FCA authorisation is revoked. In any other circumstance we recognise that the book of business held in your agency belongs to you and we will not solicit business either during the term of the contract or for at least 10 years after termination.

6. ADMINISTRATION OF BUSINESS

- a) You must comply with the terms and conditions of the contract between yourselves and your software provider. These include daily connections for the purpose of sending and receiving EDI. Data supplied on disk or dispatched electronically by your software house, such as rates, point of sale documentation and back office updates, must be downloaded immediately they are received.
- b) You and your staff are responsible for ensuring that information put onto the system is accurate, that all dates and times match the information on the proposal form and cover note or statement of fact if this has been approved for use by us.
- c) A fully completed proposal form must be obtained from the proposer unless we accept statement of fact in its place. This must be checked, signed and dated to ensure that all risk data is correct and no relevant information has been withheld.
- d) Where business is obtained via the web a proposal form or statement of fact, if agreed, must be produced and sent to the proposer at the earliest possible date.
- e) All business transactions must be processed via EDI and should be submitted on the effective date to enable us to comply with the requirements of the Motor Insurers' Information Centre (MIIC) in respect of the Motor Insurance Database (MID).
- f) The inception documents must be issued to the proposer to sign and date and should the proposer amend any of the details, you must alter this on your software house system and issue a revised version that should be signed and dated by the proposer and attached to the original. Any amendment to the risk due to this change must also be processed onto your software house system and sent to us via EDI. Amendments may produce additional or return premiums and you must ensure that you collect or refund the relevant amount.
- g) You must retain all new business documentation for a minimum of 2 years after cancellation/lapse of a policy.
- h) Proof of NCD must be produced by the proposer within 30 days of inception otherwise the additional premium becomes due.
- i) All documentation and information must be delivered to the policyholder within a reasonable timescale.
- j) You will act promptly and strictly in accordance with the instructions contained in our documentation or other such instructions either written or verbal, which we issue from time to time.
- k) The guidance notes supplied for your relevant software house form part of this agreement.

7. COLLECTION OF PREMIUMS

- a) We grant you risk transfer for the collection of all premiums or for premium refunds.
- b) Premiums must be held in a designated trust account, such as an IBA account, for insurer monies and may be co-mingled with other insurer monies. If monies are transferred to other accounts during the month, these accounts must also be covered by a trust deed to ensure that monies are protected.
- c) If you opt to hold client monies under FCA regulations then the account can be either a statutory or non-statutory trust account and must be set up and maintained in line with FCA CASS rules.
- d) We agree that you can keep any interested earned on premiums held on our behalf.
- e) We confirm that we will subordinate our rights to those of your clients in respect of monies held in the account.
- f) We agree that you can take commission at the point at which premiums have been received into the account and cleared.

8. PAYMENT OF ACCOUNTS

- a) We will prepare and render a Statement of Account to you each month either via post or email. This must be reconciled and returned to us, with your cheque to clear or BACS instruction, no later than the 25th day of each month or by any other date which may be advised by us.
- b) All entries on the account statement, which are identifiable as having been generated by you, including those generated by trading electronically shall be paid by you as rendered and without query unless the Credit Controller responsible for your account at Sabre has agreed that an item may be deleted.
- c) Any premium shall be deemed to have been collected by you unless you return with the account statement in question (or have returned previously) all documents relating to the risk in question.
- d) We will not be party to any arrangements made by you to collect premium payable by instalments. Any such arrangement shall be made entirely at your own risk and you will be responsible for payment of the full premium to us.
- e) Refund of credit accounts will be made to you via BACS only or the credit can be carried forward to the following month. Credit accounts must be returned to us no later than the 20th of the month to qualify for BACS refund prior to month end.

9. COMPLIANCE

- a) You must be regulated and authorised by the FCA and must comply fully with the rules and codes of conduct laid out in their Handbook. You will advise us immediately if you cease to be regulated by the FCA for any reason.
- b) You will act on behalf of the Data Controller for the purposes of the Data Protection Act 1998 (DPA) and you warrant to us that you will comply with all obligations on behalf of the Data Controller under the DPA, including but not limited to, making all appropriate notifications required under the same. In the conduct of business as our agent, you warrant that all necessary consent for processing of any current, prospective or past policyholders' or claimants' data by or on behalf of Sabre in connection with business transacted under the agency, are obtained, and you warrant that you will take all necessary technical and organisational security measures to prevent unauthorised and unlawful processing of personal data and against accidental loss or destruction of or damage to personal data.
- c) Where necessary, you must comply with the provisions of and be licensed under the Consumer Credit Act 2006 and any subsequent amendment to or replacement of this legislation.
- d) You must comply with the Consumer Protection Act 1987 and any subsequent amendment to or replacement of this legislation as it applies to insurance.
- e) You will indemnify us on demand against any loss or damage incurred by us as a result of your failure to comply with any condition of this agreement, which we would not otherwise have incurred.
- f) You must have adequate disaster recovery plans in place to deal with emergency situations, such as loss of data and business disruptions, to ensure you can maintain customer service.
- g) You must maintain in force at all times Professional Indemnity Insurance on such terms and conditions and for such amounts as required by the rules and codes of the FCA or any other regulatory body.
- h) Without prejudice to any other obligations or either party under this agreement, both parties shall not be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any law against bribery (including the Bribery Act

2010) and shall maintain, on an ongoing basis, their own anti-corruption/bribery policies and procedures, including adequate procedures under the Bribery Act 2010, to prevent corruption/bribery offences and will enforce them where appropriate.

10. AUDIT AND RISK ASSESSMENT

- a) You will, if required, allow us to audit all documentation relating to our policyholders.
- b) You agree to provide us with a copy of your audited trading accounts each year together with any other financial information we may request about your business.
- c) We will use the information held on your agency and account files to monitor the overall financial status and credit rating of your company, directors, partners and other individuals with credit referencing companies and other third parties and this may be recorded.
- d) As long as the agreement is in force or monies are outstanding to Sabre Insurance Company Ltd regular monitoring of your account will take place for fraud prevention, debt collection and agency management purposes. You also give us permission to exchange information on the conduct of your agency at various industry meetings and forums that we may attend from time to time.

11. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

The parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 2001 by any person not a party to it.

12. INVALIDITY AND SEVERABILITY

If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or part:

- a) this shall not affect or impair the legality, validity or enforceability of any other provision of this Agreement;
- b) the parties shall in good faith amend and, if necessary, novate this Agreement to reflect as nearly as possible the spirit and intention behind that illegal, invalid or unenforceable provision, to the extent that such spirit and intention is consistent with the laws of England, and so that the amended clause complies with the laws of England; and
- c) if the parties cannot agree upon the terms of any amendment or novation within six (6) months of the date upon which a clause was determined to be wholly or partly illegal, invalid or unenforceable by any court, tribunal or administrative body then the parties agree to refer the terms of the amendment or novation back to the court, tribunal or administrative body that originally found the provision to be illegal, invalid or unenforceable, for determination. The parties agree that the court, tribunal or administrative body's decision in this respect shall be final and binding.

13. NO PARTNERSHIP OR JOINT VENTURE

Nothing in this Agreement shall create, or be deemed to create, a partnership or joint venture between the parties.

14. WAIVER

No exercise or failure to exercise or delay in exercising any right, power or remedy by either party will constitute a waiver by that party of any other right, power or remedy.

15. FORCE MAJEURE

- a) None of the parties shall be deemed to be in breach of this agreement or otherwise liable to the others in any manner whatsoever for any failure or delay in performing their obligations under this agreement due to Force Majeure.
- b) If any party is affected by Force Majeure it shall, as soon as practicable, notify the other parties of the nature and extent of the circumstances in question.
- c) If the Force Majeure in question prevails for a continuous period in excess of one month after the date on which the Force Majeure begins, either party is then entitled to give notice in writing to the other to terminate this agreement. This notice to terminate must specify the termination date, which must not be less than 7 days after the date on which the notice to terminate is given. Once a notice to terminate has been validly given, this agreement will terminate on the termination date set out in the notice.

16. CONFIDENTIALITY

- a) The parties undertake to:
 - i. keep confidential all information (written or oral) concerning the business and affairs of the other parties that it shall have obtained or received as a result of the discussions leading up to or the entering into or performance of this Agreement (together the "Information");
 - ii. not, without the relevant party's consent disclose the Information in whole or in part to any other person, save those of its employees, agents and sub-contractors involved in the provision of the Services and who have a need to know the same; and
 - iii. use the Information solely in connection with the conduct of business of this agreement and not otherwise for the benefit of any third party.
- b) The provisions of Clause 16a) above shall not apply to the whole or any part of the Information to the extent that it is:
 - i. already in the receiving party's possession on the date of its disclosure without breach of any obligation of confidentiality; or
 - ii. in the public domain other than as a result of a breach of this clause; or
 - iii. independently developed by the receiving party without reference to or use of the Information; or
 - iv. lawfully obtained after the date of this Agreement free of any duty of confidentiality.
- c) Each party undertakes to make all its relevant employees, agents and sub-contractors aware of the confidentiality of the Information and the provisions of this Clause 16, and, without limitation to the foregoing, to take all such steps as shall from time to time be necessary to ensure compliance by its employees, agents and sub-contractors and their respective employees, agents and sub-contractors as appropriate, with the provisions of this Clause 16.

17. SUSPENSION OF AGENCY

The agency may be suspended immediately by us giving written confirmation in the event that any of our terms and conditions are breached by you. In these circumstances, the following procedures will apply:

- a) You will not be able quote for any new business or renewals which have an effective date after the date of suspension.
- b) You may be able to process MTA's for existing clients in order to maintain a continual service to our policyholders.
- c) We will honour quoted new business risks and renewals with effective dates after the date of suspension if they are unable to be replaced elsewhere. These cases would need to be reported to our agency department so that we have a clear picture of pipeline business.
- d) Whilst your agency is suspended we may request any new business, MTA or renewal premiums be paid directly to us by the client.
- e) Upon suspension we will contact you to switch off your EDI facilities to prevent you placing or handling any further business. If you fail to disable your system we may take appropriate action to enforce this and will look to you for reimbursement of any costs incurred.
- f) At suspension all terms of credit will cease and all outstanding accounts will be due immediately and must be paid to us.
- g) The suspension of facilities will continue until we give you written confirmation that your agency has either been reinstated or terminated.

18. TERMINATION OF AGENCY

- a) The agency may be terminated by either party subject to 1 month's written notice being given and without the need to provide a reason.
- b) The agency may be terminated without notice by either party if:
 - i. the status (regulatory or otherwise) of either party has changed.
 - ii. the agency has been suspended and we have decided not to reinstate facilities.

- iii. the administration of the account is being operated in an unsatisfactory manner that is causing or is likely to cause prejudice to the policyholders.
 - iv. either party has failed to remedy a breach of the terms and conditions of the terms of business agreement (other than payment of monies due) within an agreed timescale.
 - v. there has been an irredeemable breach of the terms of business agreement.
 - vi. a Receiver has been appointed, or a voluntary arrangement has been entered into with creditors, there has been a bankruptcy order, there are insolvency issues, or there has been a dissolution of partnership.
- c) The terms of business agreement may be terminated without notice by us:
- i. if the Company has reasonable grounds for suspecting fraud or dishonesty by the other party, or by the other party's employees, agents or independent contractors.
 - ii. if you fail to pay monies due within the agreed timescales set out in Section 8. In these circumstances, all outstanding premiums will be paid immediately, including all known premiums not included in the statement of account. If payment is not forthcoming we will arrange for the servicing of policyholders to satisfy applicable regulatory responsibilities.
 - iii. in the event of death of a Sole Trader or Director or Partner where there is no other Director or Partner to run the business.