



May 2021

HEALTHCARE RISK PARTNERS - TERMS OF ENGAGEMENT

INTRODUCTION, SCOPE AND HOW WE ARE REGULATED

Healthcare Risk Partners is a trading name of Guy Carpenter & Company Limited (“**Guy Carpenter**”) provides Reinsurance broking, financial modeling services and related advisory functions.

Guy Carpenter is an appointed representative of Marsh Limited (“**Marsh**”). Marsh is authorised and regulated by the Financial Conduct Authority (FCA) for General Insurance Distribution and Credit Broking (Reference no. 307511). You can check the authorisation on the Financial Services Register by visiting their website at www.fca.org.uk/register/ or by calling 0800 111 6768.

References to ‘we’ or ‘our’ refer to Guy Carpenter operating as an appointed representative and agent of Marsh.

Guy Carpenter’s principal place of business is 1 Tower Place West, London, EC3R 5BU, United Kingdom.

Marsh’s principal place of business is 1 Tower Place West, London, EC3R 5BU, United Kingdom.

Our intention in issuing these Terms of Engagement is to establish clearly and concisely with you the basis upon which, and extent to which, we will provide you with services in relation to each Reinsurance which we arrange on your behalf. In the event there is a more specific agreement in writing between us which conflicts with any section of this document, the more specific agreement will prevail.

These Terms of Engagement contain important information. If there is anything you do not understand or accept, please contact your Healthcare Risk Partners account executive. **By instructing us, you are accepting these Terms of Engagement.**

You have the right to ask us for a copy of any personal data that we hold about you in our records, and to correct any inaccuracies or out-of-date information. Should you wish to do so or if you have any questions about our use of the personal data you provide please contact your regular Healthcare Risk Partners contact or write to the

Data Protection Officer,
1 Tower Place West, London, EC3R 5BU, United Kingdom
Email: GC.UKPrivacy.Response@guycarp.com

COMPLAINTS AND REDRESS

If you wish to register a complaint, please contact your Healthcare Risk Partners account executive or contact:

Head of Compliance

Guy Carpenter & Company Ltd
1 Tower Place West, London, EC3R 5BU
Phone: 020 7357 1000
Email: GCLegalandCompliance@guycarp.com

Should you remain dissatisfied with the way we resolve a complaint, you may have the right to refer to the Financial Ombudsman Service (FOS) at the following address:

Financial Ombudsman Service

Exchange Tower, London E14 9SR, United Kingdom.
Telephone: 020 7964 1000 (in the UK)
or +44 20 7964 1000 (from outside the UK)
Websites: www.financial-ombudsman.org.uk
E-mail: complaint.info@financial-ombudsman.org.uk

FINANCIAL SERVICES COMPENSATION SCHEME

We are also members of the Financial Services Compensation Scheme (“**FSCS**”). Certain personal and small business policyholders may be entitled to compensation from the FSCS if we cannot meet our obligations.

Further information on the scheme is available from the FSCS as detailed below:

Financial Services Compensation Scheme (FSCS)

10th Floor Beaufort House, 15 St. Botolph Street
London EC3A 7QU.
Telephone: 0800 678 1100 (in the UK)
or +44 20 7741 4100 (from outside the UK)
Websites: www.fscs.org.uk
E-mail: enquiries@fscs.org.uk

TERMINOLOGY

In order to avoid repetition of words used in this document:

“**Affiliate(s)**” means, in relation to a company, its subsidiaries and subsidiary undertakings, its holding companies and any subsidiaries and subsidiary undertakings of any such holding companies. As it applies to you “**Affiliate**” also includes your partners, directors, officers, co-Reinsureds or other associates to whom we or any of our Affiliates may assume a responsibility by reason of providing the Services or any ancillary services.

“**Reinsurance**” includes each contract of Reinsurance, insurance, binding authority agreement, contract of surety or guarantee and other risk transfer product.

“**Reinsurer(s)**” includes any reinsurer, insurer or other category of risk bearer or retrocessionaire.

“**Claim**” includes any claim or incident which may give rise to a claim, as appropriate to the Reinsurance.

“**Reinsured(s)**” includes any reinsured or insured or retrocedant.

In this Terms of Engagement document, unless otherwise expressly provided, any reference to words importing the singular shall include the plural and vice versa, as appropriate.

CLIENT MONEY

All client funds are held in separate Non-Statutory Trust Accounts (“NST”) in the name of Marsh as the principal of Guy Carpenter, its appointed representative. Accordingly, all references to “we” or “our” in this section refer to Marsh. The NST contain cash assets separate from our own cash assets. The NST arrangements are commonly known as “**Client Money**”. For the avoidance of doubt, please note in the event we were ever unable to pay our debts, those to whom we owe money (our creditors) should not be able to make claims on the Client Money in the NST as it does not form part of our own cash assets.

We may use premiums and claims monies held in the NST to cross-fund clients’ premiums and Claims. For example, we may pay a premium on to a Reinsurer before we have received it from the client if we believe it is in the best interests of that client.

RISK TRANSFER

With some Reinsurers we have risk transfer agreements in place. Under a risk transfer agreement, the Reinsurer agrees that it is responsible to you for any premium that you have already paid to us and that the Reinsurer remains responsible for any premium refunds or Claims payments until the premium refund or Claims payment is received by you. In this case Marsh may hold client money due to or from the Reinsurer in the same NST.

NON-RISK TRANSFER

Where we do not have a risk transfer agreement in place with a Reinsurer, the Client Money Marsh holds will still be protected within the NST. This is known as “**non-risk transfer**” Client Money. A non-risk transfer client has priority over a Reinsurer to the money in the NST as a Reinsurer granting risk transfer has agreed to subordinate its interest in the NST to those of our non-risk transfer clients.

We do not use Client Money to pay ourselves commission before we receive your premium.

When Marsh holds Client Money on trust for you this gives rise to fiduciary duties upon Marsh that are not discharged until the Client Money is deemed to have reached the Reinsurer or product provider (as detailed above, this is when we receive premium in the case of risk transfer agreements).

Without affecting Marsh’s fiduciary duties to you, in some cases Marsh may:

- i. Hold Client Money in accounts which are outside

the United Kingdom and which may be subject to different legal and regulatory conditions and may treat money differently in the event of a bank failing.

- ii. Pass Client Money to another intermediary, including those outside the United Kingdom where different legal and regulatory conditions apply and where money may be treated differently in the event of an intermediary failing.
- iii. Arrange to hold certain investments with a value at least equal to the money that would otherwise have been paid into a separate client account. If Marsh does this, Marsh will be responsible for meeting any shortfall in the Client Money funds if the shortfall is due to a reduction in the market value of those investments.

OUR SERVICES

We will use the reasonable skill and care expected of a competent and professional Reinsurance intermediary and risk consultant providing similar services. Our services may include advice or recommendations (or both). However, it is for you to decide whether or not to accept our advice or recommendations.

We will be entitled to provide the services ourselves or, where appropriate, through one or more of our Affiliates or subcontractors.

After assessing your needs, we will normally recommend a Reinsurance solution for you. You will then need to decide how to proceed. When we receive your instructions, we will try to arrange Reinsurance to meet the needs you have specified. If we cannot place your Reinsurance policy, we may refer you to another insurance intermediary.

YOUR OBLIGATIONS

DOCUMENTS

You must promptly check all documentation supplied to you by us or Reinsurers to ensure there are no mistakes or misunderstandings. You will advise your Healthcare Risk Partners account executive or the Reinsurer immediately of any errors or anything you believe is not in accordance with your instructions or specifications.

You are responsible for maintaining copies of your Reinsurance policies, and any amendments to them, in a safe place for as long as it is possible for a Claim to

be made under them. New documentation may not be issued every year, and subject to any regulatory requirements, we may not retain copies of policies.

WARRANTIES & SUBJECTIVITIES RELATING TO YOUR REINSURANCE

You should familiarise yourself with all terms of any Reinsurance that you purchase. All warranties should be treated seriously as failure to strictly comply may entitle the Reinsurer, inter alia, to decline a Claim under your Reinsurance. If you discover that you are in breach of a warranty, then you should keep a record of the breach including detail of its remedy. You should endeavour to remedy a breach as quickly as possible. If it is not possible to remedy the breach, you should advise us promptly. If you have any concerns or doubts, please contact us.

Where cover is subject to fulfilment of a particular requirement (known as a subjectivity) and that subjectivity is not fulfilled, then your Reinsurance may be invalidated. It is very important that you promptly satisfy all subjectivities so that they can be removed.

ACCEPTED FORMS OF COMMUNICATION

We are unable to communicate with you or accept instructions from you by means of text messages or messages received other than via our corporate e-mail addresses and any information sent by these means will be ignored. We ask that when using email as a way of communication with us, you do so using your corporate email address. Sending emails from a personal account may pose a significant security threat to the data contained in the email as these types of accounts are not subject to backup, archiving, security or governance. In the limited circumstances where emails are sent to us from personal accounts, this will be at the sender's own risk. Healthcare Risk Partners will accept no liability for any related losses, liabilities, damages, costs, expenses or claims arising out of or in connection with the use of a personal email account.

PLACING SERVICES

ESTABLISHING YOUR NEEDS

In good time before negotiations with the Reinsurers commence, we wish to establish a proper understanding of your Reinsurance requirements. We will assist where necessary in the gathering and collation of material risk information and in its preparation for submission to the Reinsurers who we consider to be appropriate and are agreed with you.

QUOTING AND PLACING

We will seek from Reinsurers on your behalf competitive indications for Reinsurance and coverage which, in our opinion, meet your needs and are efficient in terms of both price and coverage offered. We will advise you of the terms indicated by the Reinsurers in such a manner as to enable you to make an informed decision on which Reinsurance, if any, to purchase.

Similarly, should you wish, we will approach Reinsurers to ascertain their appetite for Reinsurance for which you have provided us with both the price and the coverage sought, and will advise you of their interest.

We will take diligent and timely steps to implement your instructions and, subject to available Reinsurance markets, place all of the required Reinsurance before its intended date of inception, renewal or extension, confirming to you prior to such date the coverage that is in place. If we are unable to fulfil your instructions, we will bring this promptly to your attention.

If you are domiciled outside of the United Kingdom or the Reinsurance provides cover for non-UK risks, you should check that use of the Reinsurers is acceptable with regard to local taxation and is permitted by the relevant authorities. Please note that we are not tax advisors and are, therefore, unable to advise our clients to this effect.

LINESLIPS AND OTHER FACILITIES

In relation to certain classes of business, we have the benefit of, and operate, lineslip facilities. These are arrangements whereby risks, which meet certain pre-agreed criteria, can be bound by one or more Reinsurers usually on behalf of a wider range of Reinsurers, such mechanism offering speed and efficiencies across a portfolio of business. We generally administer these facilities on behalf of all participating Reinsurers and carry out general functions, such as accounting, on behalf of subscribing Reinsurers. We believe these arrangements help us to secure, for you, access to an expert panel of Reinsurers and cost efficiencies. We review the terms and conditions of lineslip facilities annually to ensure that the terms and conditions offered by participating Reinsurers are competitive. Where we place a risk for you under a lineslip or similar facility we will disclose this fact to you.

In certain cases we have authority delegated by Reinsurers to bind limited classes of risks under a facility known as a binding authority. Where your risk is placed pursuant to such a binding authority arrangement you will be specifically advised of it. In these circumstances, to the extent your risk is placed under a binding authority, in dealing with the

underwriting and administration of your risk, we will be acting primarily on behalf of Reinsurers.

PLACEMENT OF A RISK WITH MULTIPLE REINSURERS

Once satisfactory security has been selected the risk may be offered to a single Reinsurer or to a number of Reinsurers to co-reinsure, if we believe that would best respond to your requirements. Where we offer the risk to a number of co-Reinsurers we will follow the BIPAR high level principles (the “**BIPAR Principles**”) set forth by the European Commission, as set out below, when obtaining terms. BIPAR is the European Federation of Insurance Intermediaries. We will recommend the placement for your consideration and approval that, in our opinion, provides the best solution for your needs.

The BIPAR principles for placement of a risk with multiple Reinsurers are set out below:

1. The intermediary shall, based on information provided, specify the demands and needs of the client as well as the underlying reasons for any advice.
2. Before placing a risk, an intermediary will review and advise a client on market structures available to meet its needs and, in particular, the relative merits of a single Reinsurer or a multiple Reinsurer placement.
3. If the client, on advice of the intermediary, instructs the latter to place the risk with multiple Reinsurers, the intermediary will review, explain the relative merits and advise the client on a range of options for multiple Reinsurer placements. Intermediaries will expect Reinsurers to give careful independent consideration to the option requested.
4. In the case of a placement of a risk with a lead Reinsurer and following Reinsurers on the same terms and conditions, the previously agreed premiums of the lead Reinsurer and any following Reinsurers will not be aligned upwards should an additional follower require a higher premium to complete the risk placement. Indeed, the intermediary should not accept any condition whereby a Reinsurer seeks to reserve to itself the right to increase the premium charged in such circumstances.
5. During the placement of the risk, the intermediary will keep the client informed of progress.

There are a range of options for multiple Reinsurer placements, two examples of which are the following:

Selection of a lead Reinsurer through a competitive

process and subsequent invitation to potential following Reinsurers to cover part of the risk on the same contract conditions and premium, it being understood that nothing should prevent following Reinsurers quoting a different premium; and

Selection of a lead Reinsurer through a competitive process followed by a series of negotiations between the broker and potential following Reinsurers for the coverage of part of the client’s risk not covered by the lead Reinsurer with identical contract conditions and different premiums across all or some of the participating Reinsurers.

For all new and renewal business, your primary contact at Healthcare Risk Partners will ascertain the details required to satisfy BIPAR Principles 1, 2 and 3. Our documentation will incorporate a clause to ensure the co-Reinsurers understand the basis of their participation and that we will not accept ‘best terms’ provisions, to satisfy BIPAR Principles 3 and 4. Finally, we will adhere to BIPAR Principle 5 at all times. Should you have any further questions with regard to any placement please speak to your primary contact at Healthcare Risk Partners.

EVIDENCE OF COVER/ DOCUMENTATION

We will advise you by e-mail, letter, facsimile or other agreed means of communication, of the completion of the Reinsurance arrangement(s). We will then arrange for appropriate documentation to be forwarded to you, which will provide you with formal confirmation or evidence of the Reinsurance and the amount of premium payable. We advise you to check the following documentation when you receive it:

Evidence of cover, which may be in one of five forms:

1. A fully agreed Binding Authority
2. A Policy or Certificate
3. A full copy of the Market Reform Contract
4. A Contract
5. A Broker Insurance Document (formally a Cover Note)

A Premium Debit Note / Invoice which will indicate the gross premium charged by the Reinsurers for the Reinsurance, any deductions allowed for you and the net amount of premium payable to us. Where a Reinsurer requires premium to be paid directly to it, this will normally be indicated on the premium debit note or invoice.

A Policy or Certificate which will set out comprehensively the terms of the Reinsurance and replaces any earlier evidence of cover. We will seek to obtain and, subject to any lien which we may be legally entitled to exercise, issue to you as soon as practicable any Reinsurance policy or certificate documents which may be required in relation to the Reinsurance.

TAXES, DUTIES AND OTHER CHARGES

Any Reinsurance premium tax, duty or other charge which is payable in addition to the premium (for which the Reinsured is responsible) and which needs to be remitted to the appropriate authority by the Reinsurers, or which is allowed by the Reinsurers to be deducted from the premium payable, will be indicated on the premium debit note or invoice. If a tax, duty or other charge is allowed to be deducted by you from the premium payable, it is your responsibility to ensure that it is remitted to the appropriate authority.

AMENDMENTS

If you require a subsequent amendment and/or material change to the terms of the Reinsurance, you should advise us in writing at the earliest opportunity, specifying the required change(s) and enclosing any relevant supporting information. As noted under the section of this document entitled Duty of Disclosure, if your policy is governed by the laws of England and Wales, Scotland or Northern Ireland, the duty to disclose material circumstances 'resurrects' itself, in the event of any amendment or material change to the Reinsurance during the policy period or extension/renewal of your Reinsurance.

We will then seek the necessary agreement(s) from the Reinsurers and confirm to you in writing when the amendment or material change has been effected and supply you with the appropriate documentation, or advise you of any inability to effect the required amendment or material change.

PAYMENT TERMS

Premium should be paid within the timeframe stipulated on the debit note or, if no payment date is stipulated, within 30 days of the date of the debit note. Failure to pay on time may lead to the cancellation and/or

avoidance of the Reinsurances. We will advise you of any other special premium payment condition or warranty.

Certain accounting arrangements in the London Reinsurance market can give rise to an automatic deduction of premiums from our broker account and, if that occurs at a time when you have not paid the premium to us, you agree to reimburse us for that amount without delay.

In exceptional circumstances or as a consequence of certain accounting arrangements we have with some Reinsurers in the London Market, we may on a rare occasion temporarily fund your premium payment for you. Should we do so, we will generally have agreed in advance with Reinsurers that the funding is by way of a loan to them repayable on demand by us; if we have not reached such an agreement with Reinsurers, it is understood between us that any such funding would be by way of a loan to you repayable on demand by us. In either case, you would remain the party primarily responsible for the premium.

If we have agreed a fee with you and a fee debit note is issued, we expect to be paid within the timeframe stipulated on the fee debit note or, if no payment date is stipulated, within 30 days of the date of the fee debit note. If payment is not in accordance with these terms, we shall be entitled to charge interest on the overdue amounts at the rate of 4% per annum above the then current base rate of the Bank of England. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount. Alternatively, we may, in our absolute discretion, claim interest pursuant to the applicable law.

USE OF SUB-AGENTS

Where we consider it appropriate we may instruct a more localised or specialist Reinsurance broker or intermediary to act as our sub-agent and assist us in arranging or administering the Reinsurance. For example, many countries require the use of local intermediaries to access local Reinsurance markets. In such cases, we will provide specific instructions to our appointed sub-agents so as to meet your Reinsurance requirements.

Sub-agents may be remunerated by way of a fee agreed with us, brokerage commission allowed to them by the Reinsurers or a specific fee agreed by us with you for their use. Please note that the basis of remuneration for a sub-agent may be different to the basis of our remuneration in relation to the

Reinsurance.

HOW WE ARE PAID

We are paid for our services in one of three ways:

- i. A percentage commission / brokerage of the premium due to the Reinsurer for your Reinsurance policy (please note that this will be the basis for our earnings unless otherwise agreed); or
- ii. A fee; or
- iii. A combination of fee and commission / brokerage.

We may receive payments from Reinsurers for work undertaken by us on behalf of Reinsurers and which Reinsurers would, otherwise, be required to carry out (“**Work Transfer**”). This may, amongst other activities, include the issue and production of policy documentation, consulting and data analytics. These Work Transfer payments will be received and retained by us.

In our capacity as Reinsurance broker we may sometimes be instructed by a Reinsurer subscribing to a reinsured’s contract to place retrocession business on their behalf. This is a separate contract with that Reinsurer who is our client in such circumstances and is responsible for our remuneration in that capacity.

Where, in order to satisfy the requirements of our clients, we are required to use another broker’s specialist facilities to which that broker has sole access, brokerage will be retained by that broker.

Unless specifically agreed to the contrary, our earnings will be considered to have been earned in full at the time the policy is placed. We reserve the right to retain all earnings even where an insurance policy is amended, terminated or otherwise cancelled. This does not affect any statutory cancellation rights. Our earnings are not conditional on the placement of a Reinsurance policy, and we reserve the right to be paid for the work we have carried out.

All fees and expenses are (unless otherwise expressly stated) exclusive of VAT, which will be added as appropriate. Payment must be made in the currency invoiced. This includes, where we have been able to identify them, any taxes and/or similar charges which Reinsurers are obliged to collect or you are required to pay in respect of your Reinsurance policies.

We may earn interest or benefit from investment income or from foreign exchange fluctuations in the process of handling client money (see Client money

section below). We reserve the right to retain all such benefits.

For further details of payments that we receive, please see our “**Global Disclosure Policy**” as attached in Appendix 1, a copy of which can be found on our website at www.guycarp.com.

THE DUTY OF DISCLOSURE AND FAIR PRESENTATION

If your Reinsurance policy is governed by the laws of England and Wales, Scotland or Northern Ireland please read this guidance note carefully, as any failure to comply with the duty of fair presentation and disclose material information to your Reinsurers may adversely affect the validity of your Reinsurance policy. If you have any questions, please do not hesitate to contact your usual Healthcare Risk Partners contact in the first instance.

This guidance note does not purport to constitute legal advice but it does reflect the law. Your Reinsurance policy may contain clauses which vary the strict legal position. If appropriate you should, in addition to speaking with your usual Healthcare Risk Partners contact, consider taking your own independent legal advice.

If your Reinsurance policy is not governed by the laws of England and Wales, Scotland, or Northern Ireland, we recommend that you obtain independent advice as to your obligations under the relevant law.

Please tell us if the person in your organisation responsible for arranging Reinsurance changes so that we may explain the duty of disclosure/fair presentation to that person.

REMEMBER – YOU ARE RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF ALL THE INFORMATION YOU PROVIDE TO US AND TO YOUR REINSURERS.

YOUR OBLIGATIONS

If your Reinsurance policy is governed by English law, you must, at all times, act with utmost good faith towards your Reinsurers. Before your policy is placed, at renewal, and when varying or extending the policy, you have a duty under the Insurance Act 2015 to make a “fair presentation” of the risk and you must disclose to your Reinsurer all information, facts, and circumstances

which are, or ought to be, known to you and which are material to the risk. In addition, if your policy contains a particular clause stating that any change in circumstances must be advised to your Reinsurers, you will also have to disclose certain information during the policy period.

The Insurance Act 2015 gives some guidance as to what a “fair presentation” of the risk means. This guidance means:

1. You must disclose every material circumstance which is known by (i) your senior management (the Act defines “senior management” as “those individuals who play significant roles in the making of decisions about how the Reinsured’s activities are to be managed or organised”); and (ii) those individuals responsible for arranging your insurance (which includes risk managers and any employee who assists in the collection of data, or who negotiates the terms of the Reinsurance, such as your individual brokers).
2. You “ought to know” what should reasonably have been revealed by a “reasonable search” of information available to you. This means you must conduct a reasonable search for, and disclose, material information that is available to you. It is important to note that this includes not only information held within your organisation but also outside it, including information held by your agents, and also held by persons and entities who are to be covered by the Reinsurance.
3. You must not make any misrepresentations to your Reinsurers.
4. You must provide the information to your Reinsurers in a manner which would be “reasonably clear and accessible” to a prudent Reinsurer. This is a new, standalone, duty.

WHEN TO DISCLOSE

The duty to make a fair presentation applies throughout the negotiations preceding the placing of your policy until your Reinsurers have agreed to accept the risk and has set the terms, price, and level of participation, and the contract has been finalised.

After the policy has been placed, the duty to make a fair presentation arises again if you wish to make changes to the policy so that your Reinsurers take additional risk or when there is an extension of the policy period. A policy condition may also require you to advise your Reinsurers of a specific increase or alteration in risk which puts a duty on you to disclose certain information. The duty to make a fair presentation and disclose material facts and circumstances arises again during the renewal process.

WHAT IS “MATERIAL”?

Under English law, every circumstance is material if it would influence the judgement of a prudent Reinsurers in fixing the premium and/or the terms of the Reinsurance and/or determining whether to accept the risk. This refers to “any” prudent Reinsurers, not just the Reinsurer who has been offered the risk. A circumstance may be material even if disclosure would not necessarily lead to an increased premium or declinature of the risk. If you are unsure whether a fact or circumstance should be disclosed, or whether the duty to disclose information continues throughout the period of a particular policy, we recommend that you disclose the information anyway, as failure to do so may lead to your Reinsurers reducing its Claim payment, applying additional terms, or even avoiding the policy.

Reinsurers take additional risk or when there is an extension of the policy period. A policy condition may also require you to advise your Reinsurers of a specific increase or alteration in risk which puts a duty on you to disclose certain information. The duty to make a fair presentation and disclose material facts and circumstances arises again during the renewal process.

FAILURE TO DISCLOSE

The consequences of failing to comply with the duty of fair presentation and failing to disclose a material fact or circumstance will depend on the precise terms of your Reinsurance policy.

The Insurance Act 2015 sets out the remedies that your Reinsurers will have if you fail to comply with the duty of fair presentation. Your Reinsurer’s remedy will depend on whether or not your failure was deliberate or reckless:

1. If you deliberately or recklessly fail to comply with your duties, your Reinsurers will be able to avoid the policy, that is, to treat it as if it had never existed, and may retain the premium.
2. If your failure to comply with your duties was not deliberate or reckless, your Reinsurer’s remedy will depend on what the Reinsurers can show it would have done had a fair presentation of the risk been made.
3. If your Reinsurers would not have entered into the contract on any terms, your Reinsurers can still avoid the contract but must return the premium.
4. If your Reinsurers would have entered into the contract but on different terms (not relating to premium), the contract may be treated as if it

- included those terms from the outset.
5. If your Reinsurers would have entered into the contract but would have charged a higher premium, the amount paid on a Claim may be reduced proportionately.

Similar proportionate remedies are available to your Reinsurer in the event of a breach of the duty of fair presentation in relation to a variation of your policy, and will depend on whether the breach was deliberate or reckless and what the Reinsurers can show they would have done had the duty not been breached. This may result in the Reinsurers treating the policy as if the variation was never made, reducing your Claim payment, applying additional terms, or even avoiding the entire policy.

PAYING PREMIUM AND ANY OTHER CHARGES

You must promptly pay the premium and any other charges that we invoice you for. Payment must be made in the currency invoiced. This includes, where we have been able to identify them, any taxes and/or other similar charges which Reinsurers are obliged to collect or you are required to pay in respect of the contract of Reinsurance. Responsibility for accounting for taxes and/or other similar charges is a matter for you and your Reinsurers. We do not accept such responsibility unless there is a legal requirement for us to do so in a specific jurisdiction or where there is specific agreement in advance with a particular client or their Reinsurers as appropriate.

Where the policy includes a premium payment warranty or condition, failure to pay premium to the Reinsurer or us in sufficient time may result in your Reinsurance being cancelled.

MAKING A CLAIM ON YOUR REINSURANCE CONTRACT

Many Reinsurance contracts have strict requirements about what you should do if you have a Claim or if you know about something that might lead to a Claim in the future. When we handle Claims for you, you must:

1. Tell us as soon as possible of anything that has happened that enables you to make, or might lead to you making, a Claim on your contract.
2. Provide us with sufficient information in order for the matter to be notified under the contract.

3. Provide a written statement of the details of the Claim and submit it to us, or your Reinsurers, promptly.

MARKET SECURITY

We only seek Reinsurance from Reinsurers that meet our minimum financial guidelines for usage, unless we receive instructions from our clients to the contrary. We will supply you with a copy of our guidelines upon request. We do not guarantee the solvency or continuing solvency of any Reinsurer and you should note that the financial position of a Reinsurer can change after cover has inception. If a Reinsurer ceases trading we will do our best to assist clients who are adversely affected in order to protect their interests but you should note that in those cases of Reinsurer insolvency where such a Reinsurer has granted risk transfer, premiums held by Marsh due for payment to the insolvent Reinsurer will be deemed to have been paid to that Reinsurer and therefore not returnable to clients; similarly, Claims monies held by Marsh will be returnable to the insolvent Reinsurers or their liquidators.

FINANCIAL CRIME

BRIBERY AND CORRUPTION

As an organisation we have in place strict anti-bribery and corruption policies and procedures in accordance with applicable regulatory requirements, rules, laws and regulations (from time to time in force) including, in the United Kingdom, the Bribery Act 2010. We will only trade with other persons who similarly adhere to all applicable regulatory requirements, rules, laws and regulations ("**Bribery Laws**"). It is imperative and integral to our relationship with you, that each party to the relationship (you and us) should not (and should ensure that neither your Affiliates or agents) engage in any acts of bribery or corruption contrary to Bribery Laws.

We require any commercial organisation with whom we deal to have appropriate policies and procedures in place to ensure that no such acts of bribery or corruption take place.

Any breach of Bribery Laws by any party with whom we transact business will entitle us to serve immediate notice of termination of our appointment as your agent and any agreement that we have in place with you (including these Terms of Engagement).

SANCTIONS AND EMBARGOES

In today's trading climate, we are increasingly seeing governments imposing sanctions and/or embargoes and/or banks electing not to handle insurance transaction monies ("**Measures**") in respect of various countries or persons in such countries in relation to the provision of goods and services, including insurance and Reinsurance. These Measures may restrict the provision of insurance or Reinsurance cover or movement of monies and services under such cover. Such Measures may require us to:

- i. Investigate not only the insured or Reinsured or the goods, property and/or interests which they insure or reinsure but also any direct and indirect beneficial ownership of relevant parties or property;
- ii. Suspend any movement of funds until a relevant governmental body confirms that no Measures are being breached and/or a licence can be issued; and/or
- iii. Advise you that our bank(s) have elected not to handle monies relating to your transaction which will prevent the provision of cover and related services.

In addition, some Reinsurers may seek to cancel cover if they believe that it has become illegal because of the imposition of a particular Measure. We will of course use reasonable endeavours to warn you should we become aware that any Measures may impact upon any Reinsurance we place on your behalf or restrict the payment of any premiums or Claims.

When we are acting for you in our position as wholesale or placing broker, it is imperative and integral to our relationship with you that prior to instructing us to bind cover, you have undertaken (and required your agents to have undertaken) appropriate sanctions due diligence in respect of any entity to be Reinsured.

When instructing us to carry out placing services for you (including where you are acting as agent), we require you to disclose any potential that you and/or any other person or entity with a direct or indirect interest in the proposed Reinsurance contract (for example, any named or /additional Reinsured or loss payee) and/or any moveable goods/property falling under the proposed Reinsurance contract may be impacted by Measures. This is to assist us in determining whether we are able to arrange the Reinsurance under applicable law and to assist in identifying the extent to which there may be barriers to the transfer of funds through the banking system. If any Measures or other export control regime applies to any contract of Reinsurance arranged by us, it may not be possible for us to continue to handle your Reinsurance affairs and/or for such Reinsurance policy to respond to

any Claims.

We reserve the right to form commercial decisions not to service business in, or in connection with, certain territories. If this impacts your business with us we will advise accordingly.

CONFLICTS OF INTEREST

We aim at all times to treat you fairly. We never deliberately put ourselves in a position where our interests, or our duty to another party for whom we act, 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 all our clients are protected.

Where potential conflicts are particularly complex or difficult to manage, we will agree with you the best way to protect your interests and may ask you to confirm that you are happy for us to continue acting for you.

RELATIONSHIPS WITH OTHERS

We occasionally ask other organisations to help us meet our clients' requirements where we believe it is to our client's benefit. We may also access data from the internet and business information providers about the business of our Reinsurance clients when preparing information for submission to Reinsurers.

DATA PROTECTION AND ACCESS RIGHTS

Both you and Guy Carpenter agrees to comply with data protection and data privacy laws applicable to the services provided in relation to the Engagement, (including but not limited to the European General Data Protection Regulation and the UK Data Protection Act 2018.

To provide our services, Guy Carpenter may collect and use information about individuals, such as their name and contact details, which may also include special categories of data (e.g. about their health). The purpose for which Guy Carpenter uses personal data may include arranging (re)insurance cover, handling claims and for crime prevention. More information about our use of personal data is set out our Privacy Notice available at <http://www.guycarp.com/privacy-policy.html>

Using our services may involve the disclosure of personal data to third parties such as insurers, reinsurers, loss adjusters, sub-contractors, affiliates and group companies of Guy Carpenter and to certain regulatory bodies who may require your personal data for the purpose described in our Privacy Notice.

Depending on the circumstances, the use of personal data described in this notice may involve a transfer of data to countries outside the European Economic Area or UK that have less robust data protection laws. Any such transfer will be done with appropriate safeguards in place. GC has adopted binding corporate rules in the form of the controller standard, details of which are available at www.mmc.com/privacy for the transfer of Personal Data to MMC Group Affiliates in order to provide adequate safeguards

By accepting the Engagement you consent to the personal data you provide to us, and confirm that you have obtained the consent of any data subjects whose personal data you provide to us, being used in accordance with this Engagement. Guy Carpenter shall be entitled to assume that any person disclosing personal data to Guy Carpenter is doing so in compliance with all applicable data protection laws. You agree that we both act as independent data controllers in connection with processing Personal Data and that we both shall each comply with our respective obligations as Controllers under the data protection laws.

We may use information we collect in relation to our services for modelling and analytical services, where we do this the output will be anonymised to not identify any particular party.

Both parties agree that they will maintain appropriate data security procedures designed to protect against loss or compromise of personal data. If either party become aware of a breach of security leading to a data incident they shall inform the other without undue delay.

USE OF DEDICATED WEBSITE/E-MAIL FOR RISK PRESENTATION

Frequently Reinsurers are provided with e-mails or access to a dedicated website in order to facilitate the presentation of risk information, especially for the purposes of risk modelling. This causes some specific issues, of which you should be aware.

We would always seek to obtain some form of written acknowledgment from Reinsurers of the information which has been made available to them in compliance

with the duty of fair presentation of the risk. However, unlike information presented in paper form or by way of optical storage media (e.g. CD-ROM), it may be considerably more difficult (if required at some future point in time) to produce irrefutable evidence of what information was made available for review and was accessible via designated websites at the particular time it was visited by each Reinsurer. Unless there is a way of keeping a check on who has visited a website and of what information they saw, there is an inherent risk of dispute over what was reviewed by Reinsurers.

An associated issue is the dynamic nature of websites. In addition to the difficulty in ascertaining when each Reinsurer visits a website, we believe any change to the information, subsequent to when each Reinsurer has already visited the designated website and completed their review, but prior to the contract being formed, would need to be brought to their specific attention.

In the circumstances, you agree that we shall be taken to have discharged our obligations to you as regards facilitating your disclosure to your Reinsurer where such disclosure is not provided by way of hard copy documents if we have used our reasonable endeavours to: (1) provide electronic disclosure by CD-ROM or other storage media of which copies can be retained or (2) should it be necessary to provide disclosure of information stored on websites, to use websites that track the data seen by each visitor or (3) have the Reinsurer confirm in writing what data it has seen. We shall inform you if none of these options are achievable, so that you can decide whether you wish to reinsure with that Reinsurer.

E-COMMERCE

We will seek to place and service Reinsurance business in the most efficient manner, which increasingly is by means of electronic trading. Indeed some Reinsurers now require information to be submitted to them in this manner.

Therefore, where we consider it appropriate, we will exchange data and text with you, the Reinsurer(s) and other parties connected with the Reinsurance using e-mail, through private insurance market networks and through web-enabled systems accessed via the Internet. The exchange of data between intermediaries and Reinsurers by electronic means has long been a feature of the London Market, principally in relation to accounting and Reinsurance claim processes.

CONFIDENTIALITY

We will keep your information confidential. However, in the normal course of business and in acting on your behalf we may disclose your information to our employees, agents, outsourcers, premium finance providers, Affiliates or sub-contractors or to Reinsurers and their agents. We may also have to disclose your information pursuant to legal or regulatory requirements including, but not limited to, requests meeting the requirements under the Third Parties (Rights Against Insurers) Act 2010. Any disclosure to any other third party will only be made with your prior written consent.

We will be entitled to use information in relation to your Reinsurance, on a de-identified and/or aggregate basis, when dealing with Reinsurers on other risks on behalf of policyholders other than yourself.

We may:

1. Provide databases to Reinsurers which may include confidential information relating to your Reinsurance; and
2. Include, on a de-identified and/or aggregate basis, information relating to your Reinsurance programme and risk management in benchmarking, modelling, and other analytics offerings.

This confidentiality commitment to you does not apply to information lawfully in our possession or in the public domain.

Any reports, letters, information or advice we provide you during our engagement are not to be disclosed to any third party, without our prior written consent. If we provide our consent, we may stipulate terms regarding such provision or require the third party to enter into a direct relationship with us. We disclaim all responsibility whatsoever should such a third party rely upon such report, letter, information or advice without our first having given our written consent that the third party may do so.

A person who is not a party to our engagement, other than our Affiliates and any specific client on whose behalf you have engaged our services, has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of our engagement.

ASSIGNMENT AND SUB-CONTRACTING

We may on 21 days' written notice transfer our rights

and obligations under the agreement between us for the provision of the services as set out in this document to another company in the Marsh & McLennan Group which is able to perform the services in accordance with these Terms of Engagement.

We may also subcontract to another company within the Marsh & McLennan Group but this will be on the basis that we remain responsible for the services we and our subcontractors provide.

LIMITATION OF LIABILITY

The client and its Affiliates agree Guy Carpenter and its Affiliates have a legitimate interest in limiting their liability.

- i. Guy Carpenter and its Affiliates shall only be liable to the client and its Affiliates for reasonably foreseeable losses, damages, costs or expenses arising directly from breach of contract, breach of duty or fault, negligence or otherwise, under these Terms of Engagement. Guy Carpenter shall not be liable to the client nor its Affiliates in any circumstances for any loss of profit or any special, indirect or consequential losses; and
- ii. The maximum aggregate amount of Guy Carpenter and its Affiliates' liability of any nature, whether in contract, tort, equity or otherwise (including in respect of all losses, damages, interest, costs and expenses suffered) to the client and its Affiliates for any claim or claims relating to or in connection with these Terms of Engagement shall be limited in total to either the amount set out in any Service Level Agreement, Broker Services Agreement or Statement of Work which has previously been agreed by us or, in the absence of any such agreement, the greater of (A) five times the remuneration paid to Guy Carpenter for the reinsurance broking services by client in the twelve (12) months immediately preceding the date such liability arose or (B) £5,000,000.

It is agreed that Guy Carpenter has no responsibility for, and shall in no event be liable for, any acts or omissions arising out of:

- a. the adequacy or completeness of the client's existing (re)insurance programme (if any) prior to the instruction of Guy Carpenter relating to these Terms of Engagement;
- b. any (re)insurance policies placed by the client directly or by another (re)insurance broker; or
- c. any acts or omissions of whatsoever nature that may have taken place or take place prior to the

instruction of Guy Carpenter relating to these Terms of Engagement.

In no event shall Guy Carpenter be liable for any loss, damage or expense to the extent that it arises from fraudulent acts or omissions, fraudulent misrepresentation, willful default or negligence on the part of the client or their directors, agents or employees, or from the provision to Guy Carpenter of false, misleading, inaccurate or incomplete information or documentation.

The client and its Affiliates accept that Guy Carpenter has an interest in limiting the exposure of its directors, employees, consultants and Affiliates to litigation. The client and its Affiliates agree that they will not bring any claim against any Affiliate of Guy Carpenter, or personally against any individual director, employee or consultant of either Guy Carpenter or any of its Affiliates, in connection with these Terms of Engagement. The provisions of this clause are intended to be for the benefit of such directors, employees, consultants and Affiliates who shall have the right to rely on and enforce these terms.

Nothing in this clause shall exclude or limit Guy Carpenter's liability for fraud or dishonesty or any other liability which cannot lawfully be excluded or limited.

It is agreed that each sub-clause in this clause constitutes an entirely separate and independent provision and/or limitation of liability and that the extent and application of each such provision and/or limitation of liability is acknowledged to be reasonable for the client's protection in the circumstances of these Terms of Engagement and consistent with Guy Carpenter's obligation to act with reasonable skill and care, but if any such clauses are deemed by a court of competent jurisdiction to be void or unenforceable, the remaining clauses shall continue in full force and effect.

The provisions of this clause shall survive any termination of these Terms of Engagement and remain in full force and effect.

PERIOD AND TERMINATION

1. The Engagement starts when you receive these Terms of Engagement and will remain in force until completion of the Services or until the Engagement is terminated in accordance with this clause.
2. Either party may terminate the Engagement by giving the other not less than 90 days' notice in

writing. As our brokerage commission or fee for bringing about or arranging the Reinsurance is considered fully earned when the Reinsurance incepts, any unpaid brokerage commission or fee will become immediately due and payable upon termination of our appointment. We may also be entitled to some or all of our fee, as agreed with you, if our appointment is terminated before the Reinsurance incepts.

3. Either party may terminate the Engagement immediately in writing if the other party:
 - A. Commits a material breach and, in the case of a breach capable of remedy, fails to do so within 30 days of receipt of a notice setting out particulars of the breach; or
 - B. Becomes insolvent or bankrupt, goes into liquidation, enters into a voluntary arrangement with their creditors, becomes subject to an administration order or has a receiver appointed over their assets, or becomes subject to any equivalent foreign process.
4. When the Engagement terminates we will co-operate in the transfer of your business where necessary, in consideration of all amounts owed to us being paid.

GOVERNING LAW AND JURISDICTION

These Terms of Engagement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law and any disputes related thereto shall be subject to the exclusive jurisdiction of the English courts.

GLOBAL DISCLOSURE POLICY

Guy Carpenter is committed to providing our clients with the most professional service in the reinsurance industry. We believe transparency enables our clients to make more informed decisions regarding their reinsurance programs. We have, therefore, formulated specific policies and procedures to support full disclosure for clients with regard to treaty and facultative reinsurance transactions on a worldwide basis. This Global Disclosure Policy addresses all reinsurance placed by Guy Carpenter and accounts for differences in business practices and customs that exist in various regions of the world.

At Guy Carpenter, our brokers seek to make reinsurance placements that are in the best interests of our clients, based on our discussions with each client and our decades of experience in the reinsurance market. The factors we believe are relevant to consider with regard to placement include not only price and coverage terms but also the financial strength of the reinsurer(s), their commitment to providing this type of reinsurance for more than the immediate term, their responsiveness in paying reinsurance claims, their other services provided and other factors that the client may consider important in the particular circumstances.

REINSURANCE DISCLOSURE POLICY

In order to ensure transparency with regard to reinsurance transactions, Guy Carpenter has implemented the following procedures:

- When Guy Carpenter is appointed broker of record, we will disclose to our clients the compensation that we anticipate receiving for the services to be provided on the client's behalf by providing a copy of this Global Disclosure Policy.
- Prior to subsequent renewals of reinsurance contracts, Guy Carpenter will review with our clients any expected material changes to standard brokerage rates.



- While consistency in the terms of placements and total premiums charged to our client often is considered by our clients and us to be preferable, that is not always achievable. In such instances, we will discuss with our clients how we should proceed with any market proposals.
- On treaty placements, a summary of all formal and final quotes and declinations received from markets will be sent to clients before binding. Brokerage for each reinsurance transaction will be listed on the Cover Note (or equivalent).
- Due to the fast-paced, transactional nature of facultative placements, brokerage rates for a given transaction may not be determined until after the placement is finalized.
- Should Guy Carpenter earn less than the rates below on a particular placement, we will not report it to clients. However, if Guy Carpenter earns more than the rates below on a given placement, or if an individual market offers more in a quote or at binding, we will disclose it to the client as soon as practical.

RATES OF BROKERAGE

Guy Carpenter's longstanding practice is to charge rates of brokerage consistent with industry custom and practice. Below are the rates of brokerage that apply to the majority of business placed by Guy Carpenter. These rates are guidelines and are generally the norm in the marketplace, but they can vary depending on the details of a particular placement.

- On treaty pro rata placements, Guy Carpenter generally earns brokerage of 2.5 percent of gross premium.
- On treaty excess of loss placements, Guy Carpenter generally earns brokerage of 10 percent of gross ceded premium. When excess of loss placements are made with the help of another broker to access particular markets or geographies, Guy Carpenter and the other broker generally earn total brokerage of 15 percent of gross ceded premium. A Guy Carpenter-affiliated broker is often used on these placements.
- In some markets, Guy Carpenter receives brokerage of up to 5 percent on reinstatement premiums.
- On some treaty placements, a stated margin is part of the premium. In such cases, Guy Carpenter generally earns 20 percent.
- For facultative placements (except United States Casualty and Property Facultative business), the standard maximum rate that Guy Carpenter will earn is 15 percent of ceded reinsurance premium.
- For United States Casualty and Property Facultative business, the standard rate Guy Carpenter will earn is 10 percent of ceded reinsurance premium.
- On some facultative placements, a local or wholesale broker may be used to access a particular market. In such instances, Guy Carpenter and the other broker generally earn total brokerage of 20 percent of ceded premium. A Guy Carpenter-affiliated broker is often used on these placements.

ADDITIONAL DISCLOSURES

As is well known and commonplace among intermediaries in our industry, markets for our clients' placements are often themselves clients of Guy Carpenter. On those occasions where Guy Carpenter is placing an account-specific retrocessional placement behind a reinsurance placement, we will disclose this to our original client.

A listing of those insurance or reinsurance companies in which our parent company, Marsh & McLennan Companies, Inc. (MMC), has an equity interest is available [here](#).

Guy Carpenter will provide additional information regarding its compensation, upon client request.

FEE-BASED SERVICES

In addition to traditional reinsurance intermediary services, Guy Carpenter also provides other "non-traditional" services for which we receive fees. Revenue from these activities represents a small percentage of Guy Carpenter's annual revenue. Additional information on these activities is available upon request.

INTEREST INCOME

In accordance with common practice and general custom within the reinsurance business, Guy Carpenter retains interest earned on fiduciary funds passing through our systems. Providing Guy Carpenter with an order to place reinsurance is considered consent to retain this interest income. When requested by our clients, however, we will obtain written agreement to retain such interest income.

TRADE SANCTIONS

Across the globe, a growing number of trade sanctions laws (adopted by the EU, US, UN, and other countries) can affect the placement of reinsurance and the payment of premiums and claims. These laws are complex and, often, can change during and after the policy period. For certain classes of business, it is becoming increasingly common for reinsurers to impose a sanctions exclusion clause, which states that the reinsurance cannot respond where coverage or payment of a claim would expose reinsurers to sanctions penalties.

As an intermediary, we also have to safeguard our position to ensure we comply with the laws and regulations that apply to us. Accordingly, Guy Carpenter cannot provide any services or provide any benefit to any party to the extent that the provision of such service or benefit would expose Guy Carpenter to any sanction, prohibition or restriction under United Nations resolutions or the sanctions laws or regulations of the European Union, United Kingdom or United States of America. In the event that any risk fails to comply with the sanctions laws applicable to Guy Carpenter, we will not be able to undertake any role relating to that risk (including placement, processing, administration, or any communications relating to such risk). In that event, we will of course inform you of the position as soon as possible.

DATA PROTECTION

Guy Carpenter complies with all data protection laws applicable to its business. Guy Carpenter will only collect and handle personal information relevant to its provision of services. More information about Guy Carpenter's use of personal data is set out in the Privacy Notice available at <http://www.guycarp.com/privacy-policy.html>.

COMPENSATION DISCLOSURE AND FINANCIAL CONDITION

This Global Disclosure Policy is provided by Guy Carpenter for general information only. The information contained herein consists of guidelines which do not affect the contractual terms and conditions governing a particular reinsurance transaction.

Guy Carpenter strives for transparency in all areas for its clients. Upon request, Guy Carpenter will provide a report showing the annual compensation it earned in the previous year on a client's business.

In order to provide further financial information and comply with certain regulatory requirements, Guy Carpenter's annual financial results are available in our consolidated corporate group Annual Statement, which is available at www.mmc.com, under the "Investors" link. Guy Carpenter makes these reports available in this manner in lieu of physical mailings.

If you have any questions or concerns, or would like additional information, please contact Guy Carpenter Compliance at compliance@guycarp.com.