

Terms of Business Agreement for Commercial Policyholders

The purpose of this document is to set out the basis of the agreement under which we conduct our business and offer our services to you. Please keep this document with your other important papers. For your own benefit and protection, you should read these terms carefully. If you are unsure about any aspect of our terms of business or have any questions regarding our relationship with you, please contact us at the address shown below. Please note that telephone calls may be recorded for training and monitoring purposes.

Who We Are

Youngson Insurance Consultants is a company registered in Scotland (registration number SC80834) and our registered address is 3 Main Street, Turriff, AB53 4AA. We are insurance brokers, a subsidiary of Bruce Stevenson Ltd and are authorised and regulated by the Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London, E14 5HS. Our FCA Register number is 126630. Our permitted business is introducing, advising, arranging, dealing as agent and assisting in the administration and performance of insurance products and credit broking in relation to insurance instalment facilities. You can check this on the FCA's Register by visiting the website www.fca.org.uk or by calling the FCA on 0800 111 6768.

Our Duty

We are able to act on your behalf in advising you on insurance products. We select insurances from a range of insurers but for certain products we only offer products from a single insurer. We will give you further information about this before we finalise your insurance arrangements; where we select products from a limited number of insurers you may ask for a list of insurers we deal with for these products. We will advise if insurances have been placed through another intermediary.

We will assist you in identifying your insurance needs and arranging insurance cover with Insurers to meet those needs and help you with any changes you have to make. We will not in any circumstances guarantee the solvency of any insurer.

Circumstances can arise where we will act on behalf of the insurer to assist them with claims and/or the underwriting of the risks of the product being transacted. We will ensure that should there be any conflict of interest with you and the insurer or another client we will notify you of this and only proceed with your transaction with your consent and detail the steps we will take to ensure fair treatment.

Our Responsibility

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| Negotiation | We will discuss with you your insurance requirements, the markets to be approached, the scope of cover and potential prices. On receipt of your instructions, whether written or oral, we will conduct negotiations on your behalf with Insurers concerning, cover, policy and premium. |
| Demands and Needs | We will confirm your Demands and Needs, setting out your insurance requirements based on the information you have provided and will summarise the relevant terms and conditions of the insurance cover being considered. A policy summary will be provided to you before you conclude the insurance. Where we have given you advice, we will provide a note of the suitability, setting out the reasons for any advice we have given. If we have not given you advice, we will say so. |
| Communication | We will issue any documentation or any other communication to you in English (unless agreed otherwise). |
| Confirmation | We will confirm details of all cover effected in writing including the identity of the Insurer and will provide you with a policy summary. |
| Payment | We will provide an invoice detailing the premiums due, plus any taxes the Insurers may be obliged to collect. |
| Terms | Where available we may offer payment terms provided by the Insurer or a third party. Conditions for credit terms vary and we will provide full details at the time of purchase. |
| Documents | We will issue documentation as soon as possible and / or when payment terms have been agreed or met by you. |

Claims Should you wish to make a claim under your insurance policy, you should contact our dedicated Claims Team who will advise and assist you with any claim you need to make, including where appropriate the recovery of any uninsured loss incurred. You may write to them at our office address or telephone 0131 553 2293. You should not agree to any course of action, other than emergency measures carried out to minimise the loss, until you have agreement from your Insurer.

Credit Checks To make sure you obtain the best deal, to ascertain the most appropriate payment options and to help prevent fraud, some insurers use public and personal data from a variety of sources, including credit reference agencies and other organisations. Any credit reference agency search will appear on your credit report whether or not your application proceeds

Confidentiality

Information provided to us by you will remain confidential and be used solely for the purpose of providing insurance broking services to you, or to others where we are required to fulfil a regulatory or legal obligation and as set out in our Privacy Notice (which can be viewed on our website or we can issue a hard copy upon request). This means that your personal information will be used to process your policy, understand your needs and improve our services. It may be shared with third parties where required to do so for us to provide our services to you, or where we have appointed third parties to manage our business.

Nothing in this agreement overrides our duty to place your interests before all other considerations nor shall this agreement override any statutory legislative or regulatory requirements (whether obligatory or advisory) which may apply to us.

Information provided to you by us by way of reports and publications constitutes confidential and proprietary information belonging to us and may only be disclosed and/or used in accordance with permission granted by us.

Any other disclosure and/or use is strictly prohibited and we reserve our rights amongst others, to take such action as is necessary to protect our confidential and proprietary information.

Please note that English Law recognises the existence of an implied contract of insurance permitting insurers to inspect certain documents which we hold as your broker. Some insurers have slightly wider access than others.

Where possible we will advise you of any demand made by your insurers, but you should be aware that the right to inspect does not depend on your prior consent having been given.

Your Responsibility

- **It is your duty to ensure a fair presentation of your risk to the insurers. A fair presentation is one that discloses, in a manner that is clear and accessible, every material circumstance which is known or ought to be known by you and your senior management, including those responsible for arranging the insurance, following a reasonable search. A material circumstance is one which would influence the judgement of a prudent insurer in determining whether to accept the risk and if so, on what terms. If you have any doubt as to whether or not a circumstance would be considered material, then you should disclose it. If a fair presentation is not made your policy may be cancelled or your claim rejected or not fully paid. If in doubt please ask and we will discuss any points with you.**
- You should carefully examine your policy and other insurance documentation to ensure that the cover arranged on your behalf meets with your requirements. Should it not do so you should advise us immediately.
- You should hold your own copy of any correspondence you make in relation to your insurances.
- You will pay all sums due to us by the due dates specified in the invoices or insurance documentation or our correspondence requesting such payment.
- You should notify us as soon as possible of any occurrence, which gives rise or may give rise to a claim under your insurance policy.
- All activities undertaken by us are provided for your exclusive use and all data, recommendations, proposals, reports and other information provided by us in connection with our services are for your sole use only. You agree not to permit access by any third party to this information without our express written permission.

Client Money and Premium Payments

We are permitted to handle client money in regards to the premiums received from clients and refund payments received from the Insurers prior to these being sent to the client. All monies are held in one or more designated bank account(s) under the terms of a statutory trust. Any interest payments made from the designated bank accounts will be retained by us.

Where possible we will hold client money under the basis of a risk transfer agreement with insurers, whereby we act as an agent of the insurer. This relates to all items of client money including premiums, premium refunds and claims monies. There may be occasions where we will pass on your premiums to another broker in order to effect a transaction. We will ensure the funds are placed in a suitable Client Money Account with that broker.

We adhere to strict terms of credit on insurance premiums. Any renewal invitation or other request received must be paid by the settlement date stated on our invoice, statement or covering documentation. Failure to do so may invalidate cover and entitle Insurers to cancel the policy. In the event of failure to make payment by the date specified we reserve the right to make a 12% administration charge should the debt be passed to a debt collection agency.

If we have not received the premium from yourselves, we are under no obligation to pay the premium by the Payment Date to Insurers on your behalf. For the avoidance of doubt, we have no obligation to fund any premiums, duties, taxes or fees on your behalf. We have no responsibility for any loss that you may suffer as a result of insurers cancelling the insurance or taking other such prejudicial steps as a result of the late payment of such sums.

In certain circumstances insurers may impose a specific premium term whereby they require payment by a certain date. We must stress that breach of that term may enable insurers to void the insurance from inception. You agree that settlement of premiums in good time is your responsibility.

Remuneration including Administration Fees

We are remunerated for our service by receiving a percentage of the insurance premium by way of commission or brokerage. Alternatively, an agreed administration fee may be charged or in some circumstances a combination of a fee and/or brokerage. In addition to client fees and/or brokerage payments, we may receive remuneration by way of administrative fees or commissions for services provided to Insurers. We may also act as reinsurance brokers to Insurers with whom we have placed your insurance or reinsurance. Any such placement is a separate contract subject to its own terms and conditions, including those relating to remuneration.

Brokerage and fees are earned for the policy period and we reserve the right to retain all or part of commission earned on any premiums subsequently returned. In addition we may also benefit from income derived from the size and/or profitability of our account placed within certain Insurers and its underwriting performance, or premium financiers, which are not identifiable to any specific account; and/or interest which we are able to generate through management of cash balances held on behalf of Insurers and clients, which are not identifiable to any specific account. You may, at any time, request information regarding any commission, which we may have received as a result of placing your insurance business.

To assist in covering our costs we typically charge an administration fee. Our typical fee ranges from £30 to £90 and is applied to new business and renewal of existing policies. We will advise you prior to undertaking the work on your behalf of the exact amount we intend to charge.

Your Protection

In the event that our service does not meet your expectations we ask you to contact us in writing or by telephone. We will acknowledge your complaint within 5 working days, explain how we will handle it and keep you informed of the progress of your complaint. Please address your complaint to The Compliance Officer, Bruce Stevenson Insurance Brokers, 76 Coburg St, Edinburgh, EH6 6HJ. Should you remain dissatisfied, we subscribe to the Financial Ombudsman Service, to whom you may make contact at the following address: Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR. The telephone number is 0207 964 1000 and the website is www.financial-ombudsman.org.uk The Financial Ombudsman Service is available to personal clients, micro enterprises (those employing fewer than 10 persons and with a turnover not exceeding 2 million Euros), charities with income less than £1 million or a trustee of a trust with a net asset value of less than £1million.

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 90% of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from the FSCS on 0207 741 4100 or www.fscs.org.uk

Cancellation Rights

In many cases you can exercise a right to cancel, by withdrawing from the contract recommended to you. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant policy summary and product disclosure information which will be issued to you.

Ending Your Relationship with Us

Subject to your immediate settlement of any outstanding premiums and fees, you may instruct us to stop acting for you and we will not impose a penalty. Your instructions must be given in writing and will take effect from the date of receipt. In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of 21 days' notice. Unless otherwise agreed in writing, if our relationship ends, any transactions previously initiated will be completed according to these Terms of Business. You will be liable to pay for any transactions concluded prior to the end of our relationship and we will be entitled to retain commission received for conducting these transactions, together with all fees charged by us for services provided.

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