Willis Towers Watson Limited

General Terms of Business Agreement for our Reinsurance Clients

June 2016
Scope and Application

The purpose of this document is to describe our professional relationship and the services we will provide to you (except for services, if any, which we are providing under the terms of a separate written agreement executed by you and Willis Limited).

Your direction to bind coverage and/or your payment related to your insurance placement will be deemed your signed, written agreement to be bound by the provisions of this document.

In this document “Willis Towers Watson”, “we”, “us” and “our” means Willis Limited. Also, insurance includes reinsurance and insurers includes reinsurers.

You should read this document carefully for as well as setting out the terms of our relationship it contains details of our regulatory and statutory responsibilities.

We particularly draw your attention to the following sections:

- Your Responsibilities;
- Our Remuneration;
- Client Money Disclosures;
- Conflicts of Interest; and
- Complaints.

This document takes effect from 1 June 2016 or whenever it is received (whichever is the later) and supersedes any terms of business agreement that may have been previously sent to you by us.

You should contact us if there is anything in this document which you do not understand or with which you disagree.

Introduction and Status Disclosure

We are a leading insurance and reinsurance intermediary and risk management consultancy. We are also a Lloyd’s broker and are authorised and regulated by the Financial Conduct Authority (“FCA”). Our permitted business is arranging general insurance contracts, which includes reinsurance contracts. Our authorisation (registration number 310186) can be verified by visiting the Financial Services Register which can be found on the website http://www.fca.org.uk/register or by contacting the FCA on 0800 111 6768 (or +44 20 7066 1000 if you are calling from abroad).

Our ultimate parent is Willis Towers Watson PLC, a company incorporated in the Republic of Ireland and listed on NASDAQ. In this document, Willis Towers Watson PLC, its subsidiaries and joint venture companies are each referred to as a “Willis Towers Watson Company” and collectively as “Willis Towers Watson Companies”.

We offer transactional and/or advisory services for your reinsurance requirements over a wide range of reinsurance products.

We are committed to acting in your best interests at all times in providing services to you. As a reinsurance intermediary, we normally act for you and we recommend and arrange reinsurance with one or more reinsurers, selected from a limited range or reinsurers, according to the nature of the product required. However, we sometimes act as agent of reinsurers in relation to the coverage proposed, or reinsurers may have outsourced to us certain work related to the administration of your contract. We will disclose to you where we act as agent of reinsurers or provide services to reinsurers when providing you with information on the coverage proposed.
Generally we act as agent of reinsurers when reinsurers have granted us a binding authority or similar arrangement, which enables us to accept business on their behalf and immediately provide coverage for a risk. Further, we may arrange lineslips, which enable a reinsurer to bind business for itself and other reinsurers and we may manage these lineslips for such reinsurers. We may place your reinsurance business under a binding authority, lineslip or similar facility where we reasonably consider these match your reinsurance requirements / instructions. We shall inform you whenever we bind your reinsurance risk under a facility.

We do not offer advice in relation to tax, accounting, regulatory or legal matters (including sanctions) and you should take separate advice as you consider necessary regarding such matters.

Core Services Provided

Negotiation and Placing

We will discuss with you or your representatives your reinsurance requirements, including the scope of cover sought, limits to be sought and cost. Upon receipt of your instructions, whether written or oral, we will endeavour to satisfy your reinsurance requirements.

We will provide you with information about the reinsurance cover we recommend to you to enable you to decide whether to accept the reinsurance cover available. We will advise on market structures available to meet your demands and needs and, where appropriate, the relative merits of a single reinsurer or a multiple reinsurer placement. As your reinsurance intermediary, we will answer any questions you may have on the proposed cover, its benefits, placement structure, restrictions, exclusions and conditions. You will be responsible for reviewing information on the reinsurance coverage and terms do not accord with your instructions you should advise us immediately. We shall automatically provide you with details of all the reinsurer quotations we recommend.

During the course of the placement of your reinsurance we will endeavour to keep you informed of the progress of our negotiations and identify any inability to obtain the coverage sought by you. We will use reasonable endeavours to implement your reinsurance programme, subject to available reinsurers, before the intended date of inception, renewal or extension of cover (whichever is appropriate).

You are responsible for reviewing the documentation we send you confirming that you have coverage with reinsurers to ensure that it is in accordance with your instructions. If you have any questions about the coverage, limits or other terms and conditions, or concerns that we have not implemented your instructions correctly, please contact us immediately.

Further, you should review the reinsurance premium payment terms we advise you. All premium payment terms must be met on time or your reinsurers may have the right to effect a notice of cancellation for non-payment of premium. We shall also advise of any charges additional to the reinsurance premium.

We will forward any contract documents, if applicable, and any amendments or endorsements to your contract as soon as reasonably practicable.

Electronic Trading Facilities

For some markets and some types of risk, electronic trading facilities are available for both the placing and administration (including claims handling) of cover placed on your behalf. Generally speaking, for us to use such facilities, we are obliged to agree
the terms and conditions required by the electronic facility provider, as are all users of the system. Agreement by us of such terms will also bind any client on whose behalf we are acting when using such a facility. It is sometimes the case that such terms and conditions alter the usual legal position as to ownership and permitted usage of information and documents submitted to or generated by the facility. Please speak to your Willis Towers Watson Account Executive for further information as to whether any such electronic facilities are used on your behalf in placing or administering your business.

Reinsurers

We assess the financial soundness of the proposed reinsurers we recommend for your requirements using public information including that produced by recognised rating agencies. However, we will not in any circumstances act as a reinsurer nor will we guarantee or otherwise warrant the solvency of any reinsurer. As a consequence the suitability of any reinsurer rests with you and we will discuss with you any concerns you may have.

If requested, we will make available to you factual analysis prepared by the Willis Towers Watson Market Security Department in respect of reinsurers proposed to be used for your requirements. Further, we can consider market security enquiries on an ad hoc basis which may be subject to the agreement of additional remuneration.

Claims

We will provide our claims handling services for the period of our appointment. These services can be continued beyond that point by mutual agreement, but will be subject to additional remuneration. Our claims handling services include, upon receiving the required information from you, the notification of the claim or circumstances to reinsurers, the communication of reports and correspondence in connection with the claim between appropriate parties and arranging the collection and/or settlement of the claim in accordance with market practice and the terms and conditions of your contract. Our claim handling services will not be provided in the event that claims are to be dealt with by you with reinsurers directly; however, we will provide you with advice and support as necessary. We may use third party claims handling services, however, where we intend to do so we shall inform you prior to the inception of the reinsurance contract.

Where we collect claims payments these will be remitted to you as quickly as possible. However, we will not remit claims monies to you before we have received them from reinsurers. We advise that we may be granted authority by reinsurers, for example under a binding authority, managing general agency or a lineslip agreement, to settle claims on your reinsurance. We settle such claims made within the terms and conditions of the authority granted and your contract. It is our policy to refer claims to reinsurers for settlement decision where we are not able to settle the claim on a 100% basis. Further, if there is a conflict of interest we shall manage it in accordance with our conflicts policy – see Conflicts of Interest below.

Additional Services

If requested, available and appropriate we may agree to provide you with a number of additional services which fall outside our core service provision. Such services, whether or not they are listed in any Client Service Plan, may be subject to the agreement of additional remuneration.

Electronic Communications

We may communicate with each other, and with other parties with whom we need to
communicate in order to provide services to you, by electronic mail, sometimes attaching further electronic data. By engaging in this method of communication we and you accept the inherent risks (including the security risks of interception of or unauthorised access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). Notwithstanding that we have reasonable virus checking procedures on our system, you will be responsible for virus checking all electronic communications sent to you. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidential standing of an electronic document and the Willis Towers Watson's system shall be deemed the definitive record of electronic communications and documentation.

We will, where practicable, encrypt outgoing electronic mail through the use of opportunistic Transport Layer Security (TLS) and we are able to receive messages sent using TLS. However, if both our and your systems are not configured to support TLS then electronic mail will be sent unencrypted or may not be delivered.

You should also be aware that Willis Towers Watson’s systems security devices block certain file extensions, including but not limited to: .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, and .mpg. Emails attaching such files will not get through to us and no message will be sent to tell you they have been blocked.

**Our Remuneration**

Our remuneration for the services we provide you will be either brokerage, which is a percentage of the reinsurance premium paid by you and allowed to us by the reinsurer with whom your reinsurance contract is placed, or a fee as agreed with you. If appropriate, and with your consent, we may receive a fee and brokerage.

Brokerage and fees are ordinarily earned for the period of the contract at inception, and unless otherwise agreed with you in writing, we will retain all fees and brokerage in respect of the full period of the contract in relation to contracts placed by us including in circumstances where your reinsurance contract has been terminated and your reinsurers have returned prorated net premium. Consistent with long-established market practice, we will deduct our brokerage and other commissions from the premium once received.

We shall disclose the form of compensation we will earn before reinsurance is purchased.

It may, at times, be appropriate (and for your benefit) for us to use other parties such as wholesale brokers, excess and surplus lines brokers, underwriting managers, managing general agents or reinsurance intermediaries. These parties may also earn and retain commissions for their role in providing products and services for you. If any such parties are Willis Towers Watson Companies, we will disclose the form of compensation they will earn before (re)insurance is purchased.

You may also choose to use a premium finance company or other service provider in connection with the reinsurance we place for you or the services we provide. If we receive any remuneration from any such service provider by reason of your use of their service, we will disclose to you the amount of that remuneration before you make a final decision to use that service provider.

In the ordinary course of business we may also receive interest on client and reinsurer monies from the date we receive the funds until we settle to those due to receive them.
We confirm that we shall retain that interest rather than pay it to you or the reinsurer (as the case may be).

**Placement-Specific Market-Derived Income**

We or other subsidiaries of Willis Towers Watson PLC have contracts with various insurers under which we provide certain services, such as those under binding authorities, managing general agency and lineslip arrangements (for example, providing statements of the business accepted and the issuance of certificates of insurance cover).

We may also provide reinsurance broking services for insurers. We may also enter into service agreements with certain insurers in order to assist the development of insurance products for our clients.

Under these arrangements we may be paid by the insurers for the services we provide to them in addition to any fees or commissions we may receive from you for placing your insurance cover. These arrangements are detailed further in the attached “Market-Derived Income” addendum.

**Contingent Compensation**

Willis Towers Watson may accept certain forms of contingent compensation in relation to insurance, but not treaty reinsurance, placements in locations where they are legally permissible, and meet standards and controls to address conflicts of interest. The terms of placement of your reinsurance should not be affected.

**FATCA**

The Foreign Account Tax Compliance Act (FATCA) is a U.S. law aimed at foreign financial institutions and other financial intermediaries (including reinsurance companies and intermediaries such as brokers) to prevent tax evasion by U.S. citizens and residents through offshore accounts. FATCA only applies if you are a U.S. company or individual or a non-U.S. company paying premium through a U.S. reinsurance broker to a non-U.S. reinsurer.

In order to comply with FATCA, reinsurance companies and intermediaries must meet certain legal requirements. Reinsurance placed with a reinsurance company that is not FATCA compliant may result in a 30% withholding tax on your premium. Where FATCA is applicable to you, in order to avoid this withholding tax, Willis Towers Watson will only place your reinsurance with FATCA-compliant reinsurers and intermediaries for which no withholding is required unless you instruct us to do otherwise and provide your advance written authorization to do so. If you do instruct Willis Towers Watson to place your reinsurance with a non-FATCA compliant reinsurer or intermediary, you may have to pay an additional amount equivalent to 30% of the premium covering U.S.-sourced risks to cover the withholding tax. If you instruct us to place your reinsurance with a non-FATCA compliant reinsurer but you do not agree to pay the additional 30% withholding if required, we will not place your reinsurance with such reinsurer. Please consult your tax adviser for full details of FATCA.

**Your Responsibilities**

**Proposal Forms**

For certain classes of insurance you may be required to complete a proposal form or similar document. We will provide guidance but we are not able to complete the document for you.

**Disclosure of Information**

Our objective is to obtain the best product we can identify in order to meet your insurance needs. In order to make our business relationship work, you must provide complete
and accurate information and instructions in a timely manner, so that we can assist you fully. Where you ask us to arrange insurance wholly or mainly for your own business (i.e. any insurance other than ‘consumer insurance’), you are under a duty to make disclosure of all material circumstances and to make that disclosure in a manner that would be reasonably clear and accessible to a prudent insurer. This duty applies equally at placement, renewal, alterations and where the insurance contract conditions so stipulate. A factor or circumstance is “material” if it would influence the judgment of a prudent insurer in deciding whether or not to underwrite the risk and if so, at what premium and on what terms. Failure to discharge this duty may allow insurers to avoid the policy (i.e. treat it as if it had never existed) or amend the terms that apply which may lead to a claim being refused or a reduction in the amount paid in the event of a claim. Even where you purchase (or propose to purchase) ‘consumer insurance’ where this duty does not apply, you are still legally obliged to take reasonable care not to make any misrepresentation to the insurer. We will not be responsible for any consequences which may arise from any delayed, inaccurate or incomplete information, or any misrepresentation made by you.

Please discuss with us if you have any doubts about what is material or have any concerns that we may not have material information, or have any doubt about what the applicable duty of disclosure is.

Choice of reinsurers

If you have any concerns with any insurers chosen for your reinsurance requirements you must advise us as soon as possible.

Your reinsurance Contract

Although we will check the contract documents we send you, you are responsible for reviewing your contract to ensure that it accurately reflects the cover, conditions, limits and other terms that you require. Particular attention should be paid to any contract conditions, warranties and the claims notification provisions as failure to comply may invalidate your coverage. If there are any discrepancies you should consult us immediately.

Claims

It is generally the case that claims may become unenforceable by way of legal proceedings (or in some jurisdictions, completely extinguished) if they are not pursued by legal proceedings commenced within the relevant limitation period applying to your claim in the jurisdiction in question. As we are not lawyers, we do not advise on the legal implications of failure to collect and we will not commence legal proceedings or enter into standstill/tolling agreements in order to suspend the application of relevant limitation periods on your behalf. On these issues we recommend you take your own legal advice. It therefore remains your responsibility to monitor the position on limitation periods applying to your claims and to commence legal proceedings in relation to your claims where this is necessary.

Therefore, please carefully consider any claims reporting instructions we provide to you because failure to report a claim in a proper and timely manner may jeopardise coverage of the claim. In addition, you should retain copies of all reinsurance contracts and coverage documents as well as claims reporting instructions, as you may need to report claims after the termination of a contract, perhaps long after its expiry date. It is important, therefore, that you keep your contract documents in a safe place.
Change in Circumstances

You must advise us as soon as reasonably practicable of any changes in your circumstances that may affect the services to be provided by us or the cover provided under your reinsurance contract.

Provision of Information

All activities undertaken by us as outlined in this document are provided by us 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. You agree not to permit access by any third party to this information without our express written permission. We reserve our right to take action to protect proprietary information.

Payment of Premium

You will provide settlement with cleared funds of all monies due in accordance with the payment date(s) specified in our debit note or other relevant payment documentation (“Payment Date”). Failure to meet the Payment Date may lead to reinsurers cancelling your contract, particularly where payment is a condition or warranty of a contract. It is imperative that you meet all payment dates. We are under no obligation to pay premium to reinsurers on your behalf.

Client Money Disclosures

“Client Money” is any money that we handle in connection with the provision of our services to you, including money that we receive and hold on your behalf. We will treat all Client Money in accordance with the FCA’s rules that seek to protect Client Money in the event of our failure (“Client Money Rules”).

We do not pay premium to reinsurers on your behalf until we have received it from you, nor will we pay claims or other monies due to you before they have been received from reinsurers (or other relevant third parties). However, in the event that we make any payment on your behalf or make any payment to you prior to our being in receipt of relevant funds from either yourself, reinsurers or other third parties, we shall be entitled, without prejudice to any other remedy available, to recover that amount by way of deducting that sum from any amount due to you, whether on the reinsurance upon which we’ve made payment to you or on your behalf, or on any other reinsurance we handle for you.

Cash Accounts. We will treat any cash balances held by us for you in accordance with the “Client Money Rules”. This means that such monies are ring-fenced, held separately from our own money and cannot be used for any purpose other than holding it on your behalf in the course of the provision of services to you. We will hold such cash in a client bank account with a bank approved by an appropriate regulatory authority (an “Approved Bank”) which will be a non-statutory trust account as defined in the Client Money Rules. Where such an account is maintained outside the United Kingdom, the legal and regulatory regime applying to the Approved Bank maintaining the account may well be different from that of the United Kingdom and in the event of the failure of the Approved Bank, Client Money held by such an Approved Bank may be treated in a different manner from that which would apply as if it were held by an Approved Bank in the United Kingdom. You may notify us if you do not wish your money to be held in a particular jurisdiction.

Intermediaries. Client Money may be transferred to another person or entity in the United Kingdom (such as another reinsurance intermediary) for the purposes of carrying out a transaction for you.
Foreign Intermediaries. Client Money may be passed to another reinsurance intermediary located outside the United Kingdom, and the legal and regulatory regime applying to that Client Money so held may well be different from that of the United Kingdom. In the event of the failure of the reinsurance intermediary, Client Money may be treated differently than if the money were held by a reinsurance intermediary in the United Kingdom. You may notify us if you do not wish your money to be passed on to an intermediary in a particular jurisdiction.

Interest. We will not pay you interest, nor account to you for profits earned on Client Money.

Investments. We may invest cash held in the client bank account in accordance with the Client Money Rules. If we do this we will be responsible for meeting any shortfall in the value of the investments held at the time of realising such investments.

Reinsurers’ monies. On some occasions we will receive the premiums you pay to us as agent for the reinsurers. This will be the case where we place your reinsurance under a binding authority or where the reinsurer has agreed that payment of monies to us is payment to the reinsurer. This means that, in effect, premium has been paid to the reinsurer as soon as it is received by us. So, if (for any reason) we do not pay those monies to the reinsurer, you cannot be obliged to pay again. Such money will be held within the client bank account in accordance with the Client Money Rules.

Where we receive monies as agent for a reinsurer you should note that from the moment monies are received we are only able to transfer the money to the order of the reinsurer. Therefore, upon receipt we are not able to return such monies to you or to transfer such monies on to another party without the express consent of the reinsurer on whose behalf we have received monies.

Data Protection and Confidentiality

We will at all times treat all confidential information we hold about you as private and confidential and protect it in the same way we would protect our own confidential information. We will not disclose any confidential information we hold about you to others without your prior consent except: (i) to the extent we are required to do so by law or a regulator; (ii) to reinsurers, surveyors, loss adjustors, IT service providers, administrative support service providers, and other like persons to the extent necessary to provide our services to you in a timely manner; (iii) to loss assessors, lawyers, and other like persons to the extent necessary to enable such third parties to provide information or services you have requested; (iv) to premium finance companies to the extent necessary to enable them to provide you with greater choice in making premium payments; or (v) to other Willis Towers Watson Companies to the extent necessary to facilitate the effective management, administration, or operation of those businesses. By way of exception to the foregoing, you agree that we may use any information you provide to us to create anonymised industry or sector-wide statistics which may be shared with third parties, on the condition that unless we have obtained your consent, information specific to you will not be revealed other than on an anonymised basis and as part of an industry or sector-wide comparison.

If you provide us with any information which constitutes personal data (including any sensitive personal data), we will treat such information at all times in accordance with the Data Protection Act 1998, and in the manner described within our privacy notice, which can be found online at http://www.willistowerswatson.com and you agree that we and other Willis Towers Watson Companies may hold and process such: (i) in order to provide our services to you; (ii) to facilitate the effective
management, development, or operation of
the of Willis Towers Watson Companies; and
(iii) in any country – including countries
outside the European Economic Area, which
may not have comparable data protection
laws.

You agree that you will not provide any
information which constitutes personal data
(including any sensitive personal data) to us
unless you have ensured that you have
obtained all necessary consents and
provided any required notices, or that you
are otherwise permitted to provide such
information to us, so that such information
you provide to us can be lawfully used or
disclosed in the manner and for the purposes
anticipated by this Agreement. You will also
ensure that any such information you do
provide to us is relevant for such purposes,
and is reliable for its intended use, accurate,
complete and current.

Ethical Business Practice

We do not tolerate unethical behaviour either
in our own activities or in those with whom
we seek to do business. We will comply with
all applicable laws, rules, regulations and
accounting standards.

Sanctions

The sanctions profile of different
business(es) may differ on the basis of a
number of complex factors, which may
include, ownership, structure, control,
location, the nationality of employees. We
are unable in any circumstances to give
advice on the applicability of sanctions
regimes either to you or to insurers nor can
we guarantee or otherwise warrant the
position of any insurer under existing or
future sanctions regimes. As a consequence
you are reminded that applicable sanctions
remain a matter for you and you should take
such legal advice as you deem appropriate
in this regard. You should inform us of any
insurance requirements you have which
touch upon or are linked to sanctioned
territories.

We will comply with all applicable sanctions
regimes and legislation (whether currently
existing or implemented in the future) and
you are advised that where obliged by
applicable sanctions legislation we may have
to take certain actions which include but may
not be limited to the freezing of funds held on
behalf of parties and individuals caught
under applicable sanctions. We cannot be
held responsible for the actions of third
parties (including but not limited to banks
and exchange institutions) who may have
their own sanctions policy restrictions and
constraints.

The applicability of Export Control legislation
to certain transactions may differ on the
basis of a number of complex factors and our
obligations may be different from yours
depending on the nature of the insurance,
structure of the product and place of
incorporation of the insured or geographical
cover provided. The nature of risks insured
may also have a bearing on our position and
the position of other parties within the
market. We cannot provide you with legal
advice however we advise that where we are
required to make licence applications or
notifications or undertake any other activity
as a matter of law Willis Towers Watson will
comply with applicable law.

Conflicts of Interest

Circumstances may arise where we may find
we have a conflict of interest or otherwise
have a material interest in or related to a
matter in respect of which we are acting. For
example, we may be asked to act on behalf
of a reinsurer in the appointment of a loss
adjuster; or, we may find that the interests of
two of the clients for whom we act conflict.

We have conflict management procedures
and we seek to avoid conflicts of interest but
where a conflict is unavoidable we will
explain the position fully and manage the
situation in such a way as to avoid prejudice
to any party.
The reinsurance market is complex and there could be other relationships not described here which might create conflicts of interest. Whatever the circumstances, we will act in your best interests; and, if a conflict arises for which there is no practicable solution, we will withdraw unless you wish us to continue to act for you and provide us with your written consent to that effect.

Complaints

Should you have any cause for complaint about our services please raise the matter in the first instance with the person who handles your account. Alternatively, you may contact our Compliance Officer at 51 Lime Street, London EC3M 7DQ. We will advise you of the person dealing with your complaint and we will send you a copy of our complaints procedure. If you are not happy with the response to your complaint and are an eligible complainant you have the right to refer your complaint for adjudication to the Financial Ombudsman Services, Exchange Tower, Harbour Exchange Square, London E14 9SR: Telephone 0845 080 1800: website www.financial-ombudsman.org.uk.

You may be entitled to compensation from the Financial Services Compensation Scheme (“FSCS”) should we be unable to meet our obligations. Details of the circumstances in which you can make a claim – and instructions on how to do so – can be found on the FSCS website: www.fscs.org.uk.

You are also able to call Willis Towers Watson to comment upon our service. The Freephone number allowing you to do so can be found on our website www.willistowerswatson.com.

Termination

Our services may be terminated either by us or you upon the giving of one month’s notice in writing to the other or as otherwise agreed. In the event our services are terminated by you, we will be entitled to receive any and all fees or brokerage payable (whether or not the same have been received by us) in relation to contracts placed by us.

Amendments

You agree that we have a right to amend this document by sending you either a notice of amendment in writing or a revised Terms of Business Agreement. Any amendment will apply in respect of any service transaction entered into by us after notice of the amendment is given, and may take effect either immediately or at such later date as the notice may specify. We will however give you at least ten business days’ notice of any change.

Entire Agreement

This document and any amendment constitute the entire terms on which we will provide general insurance business with you and no alternative will have effect unless issued or agreed by us in writing.

Money Laundering and Proceeds of Crime Act

To comply with United Kingdom money laundering regulations there are times when we may ask clients to confirm (or reconfirm) their identity. We may need to do this at the time you become a client or have been one for some time or for example, when checking details on proposal forms and transferring claims payments. This information may be shared with other subsidiaries of Willis Towers Watson PLC and where we deem necessary with regulatory or law enforcement bodies. Please note that we are prohibited from disclosing to you any report we may make based on knowledge or suspicion of money laundering, including the fact that such a report has been made.
We have systems that protect our clients and ourselves against fraud and other crime and we may utilise the services of third parties in order to identify and verify clients. Client information can be used to prevent crime and trace those responsible. We may check your details against financial crime databanks. If false or inaccurate information is provided, we may be obliged to pass such details to United Kingdom regulatory agencies that may use this information.

**Third Party Rights**

Unless otherwise agreed between us in writing no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999, except by Willis Towers Watson Companies.

**Governing Law**

This Agreement, which sets out the terms of our relationship with you, will be governed by and construed in accordance with English Law and any dispute arising under it shall be subject to the exclusive jurisdiction of the English courts.

Date: 1 June 2016

**Willis Limited**

51 Lime Street
London EC3M 7DQ
United Kingdom
Tel: +44 (0)20 3124 6000
Fax: +44 (0)20 3124 8223

www.willistowerswatson.com

Willis Limited, Registered number: 181116 England and Wales
Addendum – Market-Derived Income

We or other Willis Towers Watson Companies have contracts with various insurers under which we provide certain services, such as those under binding authorities, managing general agency and lineslip arrangements (for example, providing statements of the business accepted and the issuance of certificates of insurance cover).

We may also provide reinsurance broking services for insurers. We may also enter into service agreements with certain insurers in order to assist the development of insurance products for our clients.

Under these arrangements we may be paid by the insurers for the services we provide to them in addition to any fees or commissions we may receive from you for placing your insurance cover. These arrangements include:

Contingent Compensation

Willis Towers Watson may accept certain forms of contingent compensation in locations where they are legally permissible, and meet standards and controls to address conflicts of interest. Because insurers account for contingent payments when developing general pricing, the price our clients pay for their policies is not affected whether Willis Towers Watson accepts contingent payments or not. If a Willis Towers Watson client prefers that we not accept contingent compensation related to their account, we will request that the client’s insurer(s) exclude that client’s business from their contingent payment calculations.

WillPLACE

WillPLACE, a proprietary online tool, provides Willis Towers Watson brokers with access to global placement information so that we can seek to develop solutions for you with appropriate markets at competitive prices and terms. Some insurers pay Willis Towers Watson an Administration and Maintenance Fee for reporting on their book of business. Some of these insurers pay Willis Towers Watson an additional fee: (i) equal to 1% of the premium cost for placements matched through the WillPLACE system; or (ii) negotiated as a fixed fee, including where required by the law of a particular jurisdiction, or where such services are provided under a broader agreement covering a range of carrier services. Insurers have agreed that they will bear this fee as part of their operating costs and not to increase premiums directly payable by Willis Towers Watson’s clients.

Global360 Facility – Global Specialties Clients Only

Willis Towers Watson has developed a facility for business placed through our London Global Specialties businesses called Global360, which offers underwriting capacity for specialised risks and under which Willis Towers Watson provides a range of services to participating insurers. A separate fee is paid by such insurers for the delivery of these services to them. This fee is calculated within a range, depending on the scale of services provided, further details of which we will identify to you prior to placement. Insurers have agreed that they will bear this fee as part of their operating costs and not to increase premiums directly payable by Willis Towers Watson’s clients.

FINMAR / MarineMar – FINEX Global and GB Marine Clients Only

Separate Business Unit within Willis Towers Watson, FINMAR Market Services and MarineMar Market Services, provides a wide
range of services direct to certain insurers that place business for FINEX Global and GB Marine clients. A separate fee is paid to FINMAR Market Services/ MarineMar Market Services by insurers for the delivery of these services to them. This fee is calculated within a range of 3.125% and 6.25% (plus VAT) of the overall premiums placed depending on the scale of services provided. Insurers have agreed that they will bear this fee as part of their operating costs and not to increase premiums directly payable by Willis Towers Watson’s clients.

CREST – Fine Art, Jewellery and Specie Division Clients Only

A separate Business Unit within Willis Towers Watson, Fine Art, Jewellery and Specie Market Services, provides a wide range of services direct to certain insurers that accept business from Fine Art, Jewellery and Specie Division clients. A separate fee is paid to Fine Art, Jewellery and Specie Market Services by insurers for the delivery of these services to them. This fee is calculated as 10% (inclusive of VAT) of the overall premiums placed. Insurers will bear this fee as part of their operating costs and have agreed that they will not increase premiums directly payable by Willis Towers Watson’s clients.

Panels

Willis Towers Watson develops panels of insurers in certain market segments. Participating insurers are reviewed on a variety of factors. Commission rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis Towers Watson discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers pay an administration fee to participate in the panel process. Your Willis Towers Watson broker will provide you with additional information on Willis Towers Watson Panels upon request.

Brokerage on Fee Business

In some territories outside of North America, Willis Towers Watson obtains brokerage on business where our client pays us a fee. Our intention is to seek remuneration for work that Willis Towers Watson carries out for all parties in the insurance transaction but for which Willis Towers Watson is not otherwise sufficiently compensated. Some examples of this are the vastly-increased cost of regulation, distribution and infrastructure costs. This brokerage that Willis Towers Watson receives is a set percentage and is not contingent on achieving any level of growth, retention or profit on the business concerned. You can choose to exclude your placements from being included in any of these carrier agreements.

Subscription Market Brokerage

Willis Towers Watson adds Subscription Market Brokerage in some of its core specialty businesses that place business into the subscription markets, predominantly in London. The principles underlying this Subscription Market Brokerage program include the following:

- Willis Towers Watson is required to handle increased infrastructure costs such as those arising from presentations to and negotiations with multiple entities in the subscription market;
- Willis Towers Watson performs additional administrative, regulatory, accounting and support functions in order to complete subscription market placements. These functions benefit our clients and insurers; and
- Working groups of insurers in the subscription market recognize these additional costs and agree that a negotiated percentage of the premium to account for these costs is appropriate and helps assure competitive access to that market.
Willis Towers Watson believes that the best way to defray the cost of these functions is through this brokerage. We will disclose the receipt of Subscription Market Brokerage to you.

**Facility Administration Charges and Profit Commissions**

Willis Towers Watson operates a number of “facilities” (Binders, Lineslips, Programs, MGAs and Arrangements) under which we undertake a number of tasks. Some of those tasks are purely for the benefit of our clients, others are services that an insurer would be expected to perform.

Willis Towers Watson’s remuneration may reflect this multi-beneficiary approach with what is known as a facility administration charge that covers the cost of these activities. A facility administration charge is additional to the fee or brokerage that Willis Towers Watson receives for placement and other services to clients. We will disclose any such charges to you.

These facilities typically apply to straightforward, small business lines or specialist product areas, for example, commercial combined, motor, personal lines, personal accident and terrorism.

The type of business written in these facilities tends to be high-volume, low-premium business that would not be viable for insurers to write individually on the open market. By grouping this business together, clients enjoy the benefits of a broad product, suited to their needs and the cost savings of collective buying power.

In a very limited number of cases a portion of our remuneration may be driven by the underwriting profitability of the facility. There is a potential for us to earn such “profit commissions”, but, because this business is grouped together, it is not possible to determine the extent to which the profitability of a book is affected by any single client.

**Willis Limited**

51 Lime Street
London EC3M 7DQ
United Kingdom
Tel: +44 (0)20 3124 6000
Fax: +44( 0)20 3124 8223

[www.willistowerswatson.com](http://www.willistowerswatson.com)

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