



**COMPASS UNDERWRITING LIMITED**

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**TERMS OF BUSINESS FOR INTERMEDIARIES  
(AMENDED 2005)**

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## Terms of Business Agreement for Intermediaries

This Terms of Business Agreement (the “**Agreement**”) sets out the terms upon which Compass Underwriting Limited (“Compass”) will accept business from intermediaries in respect of general insurance policies underwritten through its’ various underwriting facilities, as notified to the Intermediary by Compass in accordance with this Agreement.

Please read this Agreement carefully.

### 1. DEFINITIONS AND INTERPRETATION

- "Appointed Representative"** shall have the meaning given to it by FSMA;
- "Authorisation"** means all necessary authorisation from the FSA pursuant to FSMA to deal with Compass under this Agreement, and **"Authorised"** shall be construed accordingly;
- "Compass"** means Compass and any other company which is from time to time its Subsidiary or Holding Company or a Subsidiary of any such Holding Company and where the context so permits, any of those companies (and “**Holding Company**” and “**Subsidiary**” shall have the meaning set out in section 736 of the Companies Act 1985;
- "Confidential Information"** means any information and/or material relating to the business, affairs, finances, systems, processes and/or methods of operation of either party which is disclosed by one party to the other in connection with the operation of this Agreement (whether oral or in writing and whether or not such information is expressly stated to be confidential or marked as such);
- "Credit Period"** has the meaning set out in Schedule 3;
- "DPA"** means the Data Protection Act 1998 and the rules and regulations made or having effect under it;
- "FSA"** means the Financial Services Authority and/or any successor body and their officers and agents;
- "FSMA"** means the Financial Services and Markets Act 2000 and the rules and regulations made or having effect under it;
- "Incidental Authorities"** means any incidental authority for the Intermediary to act for and on behalf of Compass, as set out in Schedule 1 (if applicable), which Compass may grant under this Agreement;
- "Intermediary"** means the general insurance intermediary for and on whose behalf this Agreement is signed. Such intermediary must be Authorised.

<b>"IPT"</b>	means insurance premium tax as provided for in Part III of and Schedules 7 and 7a to the Finance Act 1994 and all subsequent legislation relative to the taxation of insurance premiums, whether made before or after the date of this Agreement and all regulations made thereunder and all published and generally applied practices of HM Customs and Excise in relation thereto or any similar tax payable in respect of insurance premiums which replaces it or is introduced in addition thereto and which Compass is responsible for remitting to HM Customs and Excise;
<b>"Net Premium"</b>	means the Premium less commission and/or fees, but excluding IPT;
<b>"Personal Data"</b>	means data as defined by the DPA;
<b>"Policy"</b>	means any general insurance policy or contract of insurance (excluding aviation insurance, but including incidental marine insurance) which is subject to this Agreement;
<b>"Policyholder"</b>	means anyone who, pursuant to this Agreement, for the time being is the legal holder of one of Compass's Policies including any person to whom, under the Policy, a sum is due, a periodic payment is payable or such other benefit is to be derived or who is the recipient of advice or other services from the Intermediary in relation to one of Compass's Policies;
<b>"Premium"</b>	means the gross selling price of any Policy payable by the Policyholder to Compass, including commission and/or fees payable by Compass to the Intermediary, but excluding IPT;
<b>"Process/Processing"</b>	means in relation to information or data, obtaining, recording or holding the information or data or carrying out any operation or set of operations on the information or data, including; – <ul style="list-style-type: none"> <li>(a) organisation, adaptation or alteration of the information or data;</li> <li>(b) retrieval, consultation or use of the information or data;</li> <li>(c) disclosure of the information or data by transmission, dissemination or otherwise making available; or</li> <li>(d) alignment, combination, blocking, erasure or destruction of the information or data; and</li> </ul>

**"Regulatory Requirements"** means all applicable statutes, statutory instruments, orders, regulations and codes of practice (whether or not having the force of law) in force from time to time, and in particular but without limitation the requirements, rules, regulations, guidance and codes of practice of FSMA and the FSA.

1.2 Any reference in this Agreement to a statute, statutory instrument, rule, regulation or EU directive shall be construed as a reference to such statute, statutory instrument, rule, regulation or EU directive as amended, re-enacted or replaced from time to time.

1.3 Any reference in this Agreement to another agreement or document shall be construed as a reference to that other agreement or document as amended or supplemented from time to time.

1.4 Any reference in this Agreement to a Clause or Sub-clause shall be construed as a reference to a clause or sub-clause of this Agreement.

1.5 The headings used in this Agreement are for reference purposes only and do not affect its interpretation.

## 2. **SCOPE**

2.1 This Agreement applies to all general insurance business (excluding aviation insurance, but including incidental marine insurance) as notified by Compass to the Intermediary and placed by the Intermediary with Compass following receipt of this Agreement will be subject to this Agreement. No terms of business which the Intermediary may have sent to Compass will have effect. Compass will not accept insurance business from the Intermediary on any other basis.

2.2 In entering into this Agreement, Compass does not undertake to accept business introduced by the Intermediary and reserves the right at its discretion to refuse to accept any such business. Compass does not have to give any reason for such refusal.

2.3 Except as set out in Clause 5 in relation to collection of Premium, and in any Incidental Authorities, the Intermediary is the agent of the Policyholder and has no authority to act in any way on behalf of Compass. In particular, but without limitation, the Intermediary has no authority to bind Compass to cover following the provision by Compass to the Intermediary of a quotation for a Policy or otherwise, except as set out in any Incidental Authorities. The Intermediary must ensure that the Policyholder understands that it is authorised to act on behalf of Compass as set out in Clause 5 and any Incidental Authorities, but not in any other respect.

2.4 The Intermediary does not act as Compass's Appointed Representative and does not have any authority to appoint any other Intermediary to act as Compass's Appointed Representative

2.5 The Intermediary warrants the accuracy correctness of its answers given in its application for this Agreement or its application for any prior terms of business.

2.6 Nothing in this Agreement shall be deemed to constitute a partnership, association, joint venture or other co-operative enterprise between Compass and the Intermediary.

### 3. **INCIDENTAL AUTHORITY**

The Intermediary shall have the Incidental Authorities to act for and on behalf of Compass to the extent of those Incidental Authorities which are notified by Compass to the Intermediary in writing. Where Compass has not so notified it, the Intermediary has no Incidental Authorities.

### 4. **FEES AND COMMISSION**

- 4.1 Compass will notify to the Intermediary in writing the types of Policy in relation to which Compass will accept business from the Intermediary. Compass may amend such Policy types from time to time on the number of days' notice set out in Schedule 2, or on immediate notice if changes are required by Compass for legal reasons or in order to comply with any Regulatory Requirement or for any reason relating to reinsurance arrangements. Compass will pay fees and/or commission only in respect of such types of Policy.
- 4.2 Compass will pay to the Intermediary a fee and/or commission in respect of each Policy which it concludes with a Policyholder as a result of an introduction to Compass by the Intermediary in accordance with this Agreement. Such fee and/or commission shall only become payable if:
- 4.2.1 the Premium to which it relates has been actually received in full by Compass; and
  - 4.2.2 the Intermediary continues to have authority to act as the Policyholder's agent at the time the Premium is received by Compass.
- 4.3 Subject to Sub-clause 12.1, the rate of fees and/or commission applicable to any particular Policy will be that which applies at the inception date of the Policy or when the Policy is concluded, if earlier. The amounts of such fees and/or commission shall be as notified by Compass in writing. Compass may amend the amounts of fees and/or commission from time to time on the number of days' notice set out in Schedule 2.
- 4.4 In the event of a cancellation or adjustment of a Policy resulting in a return by Compass of a proportion of the Premium to the Policyholder, the Intermediary shall refund to Compass the same proportion of its commission. Compass may choose whether this refund shall be made by deduction against future commission payments due to the Intermediary from Compass or remitted to Compass by the Intermediary forthwith on request by Compass.
- 4.5 Indemnity commission is paid to the Intermediary where Compass allows the Policyholder to pay the premium under Compass's payment by instalment method. In these cases, Compass will pay the full annual commission which will be due to the Intermediary as soon as Compass has received the first periodic payment, the frequency of which shall be as agreed between Compass and the Intermediary.
- 4.6 In the event that indemnity commission shall have been paid to the Intermediary for business on which Compass does not then receive the full amount of Net Premium, Compass shall have the right to recover the commission it has paid to the Intermediary which relates to that part of the Premium which Compass has not actually received. In this event Compass will send the Intermediary an invoice setting out that amount of

commission Compass requires to be repaid. Compass reserves the right to offset such sum against any commission then owed to the Intermediary or to require the Intermediary to make payment to Compass within 14 days of the date of the invoice.

- 4.7 Without prejudice to Clause 7, the Intermediary shall repay to Compass any commission received in respect of a Policy placed by the Intermediary with Compass without Authorisation or cancelled in exercise of any statutory right.
- 4.8 The Intermediary shall pay interest in accordance with Clause 23 on any commission to be repaid from the date on which it was notified that such repayment was due until the date it is repaid.
- 4.9 Compass shall have the right to set off any sums due to it pursuant to this Agreement, whether in respect of Premium or otherwise, against commission due to the Intermediary, regardless of when such commission is or was payable (including, for the avoidance of doubt, any sums payable before this Agreement came into effect and/or under any previous terms of business).
- 4.10 In the event of fees and/or commission being claimed by both the Intermediary and another party in respect of the same Policy, Compass's decision as to entitlement to such fees and/or commission shall be final.

## 5. **PREMIUMS**

- 5.1 The Intermediary is authorised to, and shall, collect Premiums and IPT from Policyholders on behalf of Compass from the inception date of the Policy or when the Policy is concluded, if earlier. The Intermediary shall be responsible to Compass for payment of Net Premiums and IPT, whether or not collected by the Intermediary from the Policyholder by the day following the end of the Credit Period in accordance with Schedule 3. Premiums in the hands of the Intermediary shall be treated as having been received by the insurer(s) and held by the Intermediary in accordance with Schedule 3.
- 5.2 The Intermediary's responsibility for Premium shall not affect any right of Compass to cancel the Policy, whether for non-payment of Premium or for any other reason. In any case where Compass cancels a Policy and makes a Premium charge to the Policyholder in respect of the time on risk, the Intermediary's responsibility for Premium shall be limited to the Premium charge for the time on risk.
- 5.3 Premiums in the hands of Compass shall be treated as having been received by the insurer(s) as paid by the Intermediary in accordance with Schedule 3.
- 5.4 In any case where Compass requires the Policyholder to pay a provisional or minimum and deposit Premium pending calculation or agreement of the full Premium for a Policy, Sub-clause 5.1 shall have effect in relation to the provisional or minimum and deposit Premium and the subsequent adjustment.
- 5.5 For the avoidance of doubt, any arrangements between the Policyholder and the Intermediary or any party other than Compass for the giving of credit in respect of, or the provision of finance or the extension of time for payment of, Premium shall be at the Intermediary's or other third party's risk and shall not affect the Intermediary's responsibility to Compass for Premium.

5.6 The Intermediary shall pay interest to Compass in accordance with Clause 23 on any Premium not paid to Compass following the end of the credit period referred to in Sub-clause 5.1.

## 6. **COMPLIANCE**

6.1 By dealing with Compass following receipt of this Agreement the Intermediary warrants that it is Authorised with effect from the 14<sup>th</sup> January 2005.

6.2 The Intermediary undertakes not to deal with Policies if at any time its Authorisation shall cease or be suspended.

6.3 The Intermediary will at all times obey the Regulatory Requirements in all matters to which this Agreement applies. Nothing in this Agreement will require the Intermediary to act otherwise than in accordance with the Regulatory Requirements.

6.4 The Intermediary will notify Compass immediately of any change in relation to its Authorisation including without limitations the permissions it holds from the FSA under Part IV of FSMA and any changes of its directors and officers.

## 7. **DOCUMENTATION AND INFORMATION**

7.1 Where a Premium or any part of a Premium is outstanding from a Policyholder Compass may, and at Compass's direction the Intermediary shall, withhold any Policy documentation from such Policyholder pending full payment of such outstanding Premium. Otherwise, the Intermediary shall promptly release all documentation required by the Policyholder in order to comply with his statutory obligations as to the holding of insurance certificates.

7.2 The Intermediary shall not, under any circumstances, vary or purport to vary any of the terms or conditions, Premiums or benefits of any product offered by Compass or supply documentation to a Policyholder in relation to a Policy unless such documentation has been approved by Compass in advance.

7.3 Compass reserves the right to send any communications direct to the Policyholder if it requires to do so to fulfil its contractual responsibilities or in order to comply with any of the Regulatory Requirements or to operate its own Compass payment by instalment facility.

7.4 The Intermediary shall (as agent of the Policyholder) pass promptly to Compass any material information provided by the Policyholder in accordance with the Policyholder's duty of good faith and/or the terms of the Policy including, but not limited to, statements of fact or proposal forms.

7.5 The Intermediary shall submit to Compass on request a copy of all its audited accounts and/or its financial returns submitted to the FSA.

8. **PROFESSIONAL INDEMNITY INSURANCE**

8.1 The Intermediary shall at all times maintain in full force and effect, and observe the terms and conditions of, an appropriate professional indemnity policy adequate to cover the Intermediary's liability in relation to its dealings with Compass.

8.2 The Intermediary shall at any time at Compass's request provide Compass with such evidence as Compass shall reasonably require to show that the insurance required by Sub-clause 8.1 is in force, and shall immediately notify Compass in writing if any circumstances arise or are likely to arise which would lead to its being in breach of its obligations under Sub-clause 8.1.

9. **AUDIT**

9.1 Compass shall be entitled to audit the Intermediary in connection with its obligations under this Agreement at any time during the term of this Agreement and thereafter until all the Intermediary's rights, obligations and duties have come to an end under this Agreement. The Intermediary shall promptly allow the representatives of Compass reasonable access to any of its' offices during normal office hours for this purpose.

9.2 The Intermediary shall co-operate fully with any such audit and supply such information, data and records of whatsoever nature as may be requested by Compass. Compass shall be entitled to make copies of such information, data and records, and the Intermediary shall provide copying facilities at no charge to Compass. The Intermediary shall make available during any such audit one or more of its managers or senior officials with the appropriate level of expertise and authority to answer any enquiries by Compass.

9.3 The Intermediary shall comply promptly with any reasonable request by Compass for information (which without limitation shall include documents whether stored electronically or otherwise) relating to the performance of the Intermediary's duties and obligations under this Agreement.

9.4 The Intermediary shall grant the Financial Services Authority and Compass's insurer(s) the same rights as are granted to Compass under Sub-clauses 9.1 to 9.3.

10. **CONFIDENTIALITY**

10.1 Each party will ensure that all Confidential Information of the other party is kept confidential and will not make or cause or permit to be made any use or disclosure of any such Confidential Information except to the extent permitted under this Agreement.

10.2 Each party shall be permitted to disclose Confidential Information of the other party to the extent that it is required to do so by law or by any public, governmental, supervisory or regulatory authority or by any legally binding order of any court or tribunal provided in any such case provided that:

10.2.1 the disclosure or use is limited strictly to those parts of the other party's Confidential Information which are required to be disclosed pursuant to Clause 10.2; and

10.2.2 each party shall use reasonable endeavours to ensure the recipient of such Confidential Information is made aware that such information is confidential.

- 10.3 The obligations contained in Sub-clauses 10.1 to 10.2 shall not apply to any Confidential Information of either party:
- 10.3.1 to the extent that such Confidential Information was publicly available or generally known to the public or lawfully in the possession of the other party at the time of the disclosure; or
  - 10.3.2 to the extent that such Confidential Information becomes publicly available or generally known to the public at any time after such disclosure, except as a result of any breach by the other party of its obligations hereunder; or
  - 10.3.3 to the extent that the other party acquires or has acquired such Confidential Information free from any obligation or confidentiality from a third party who is not in breach of any obligation as to confidentiality to either party; or
  - 10.3.4 in the case of Compass to the extent it is required to disclose Confidential Information in the normal course of business within the insurance industry including but not limited to for the purposes of reinsurance or fraud prevention.
- 10.4 Each party will ensure that all of its employees or agents to which Confidential Information is disclosed are aware prior to receiving the Confidential Information in question of the relevant party's obligations pursuant to this Clause.
- 10.5 Either party may disclose Confidential Information to its subsidiaries, holding companies or subsidiaries of its holding companies from time to time (within the meaning of Section 736 of the Companies Act 1985 as amended) provided that the company to which disclosure is made is bound by the provisions of this Clause.
- 10.6 Each party shall operate reasonably adequate procedures designed to ensure compliance with this Clause.

## 11. **ELECTRONIC TRADING**

Where Compass transacts business with the Intermediary electronically (whether via the Internet, Electronic Data Interchange, e-mail, imarket, Compass Business Risk, Intranet or otherwise) the Intermediary agrees to abide strictly by any applicable terms as notified to it by Compass from time to time, and the terms of any contract between the Intermediary and any party providing facilities for such electronic trading.

## 12. **DATA PROTECTION**

- 12.1 Information about the Intermediary, including the Intermediary's fee and/or commission account with Compass, shall be held in electronic form on computer.
- 12.2 Compass reserves the right to register information provided in the Intermediary's application form and other information relating to the Intermediary's Business with Compass with credit reference agencies and/or other databases supplying or providing information for business analysis, or providing information about intermediary debt to the FSA, other regulatory authorities or insurance companies.
- 12.3 Compass reserves the right to search against the Intermediary with credit reference agencies and/or other databases.

- 12.4 Where the Intermediary is acting as a Data Controller (as defined in the DPA) in relation to this Agreement, the Intermediary must ensure that it makes due notification to the Information Commissioner including its use and processing of Personal Data of Policyholders and Policyholders as appropriate. The Intermediary must obtain written informed consent from all Policyholders and Policyholders that the Intermediary may process and transfer such Personal Data (including, where appropriate sensitive Personal Data) to Compass and others for the purposes of this Agreement.
- 12.5 Where the Intermediary is Processing Personal Data on behalf of Compass, the Intermediary shall:
- 12.5.1 comply with the DPA and any subordinate legislation relating thereto. In particular, the Intermediary agrees to comply with the obligations placed on Compass by the seventh data protection principle (the “**Seventh Principle**”) set out in the DPA, namely:
- (a) to maintain technical and organisational security measures sufficient to comply at least with the obligations imposed on Compass by the Seventh Principle;
  - (b) only to process Personal Data for and on behalf of Compass for the purpose of performing the obligations imposed on it by this Agreement to ensure compliance with the DPA; and
  - (c) to allow Compass to audit the Intermediary's compliance with the requirements of this Clause on reasonable notice and/or, at the option of Compass to provide Compass with evidence of its compliance with the obligations set out in this Clause;
- 12.5.2 use all reasonable efforts to assist Compass to comply with all obligations imposed on Compass by the DPA. For the avoidance of doubt, this includes the obligation to:
- (a) provide Compass with reasonable assistance in complying with any subject access request served on Compass under Section 7 of the DPA;
  - (b) promptly inform Compass about the receipt of any subject access request received by the Intermediary;
  - (c) not disclose or release any Personal Data in response to a subject access request without first consulting with and obtaining the consent of Compass; and
  - (d) not disclose Personal Data to or allow access to it other than by employees and/or third parties engaged by the Intermediary to perform the obligations imposed on the Intermediary by this Agreement and to ensure that such employees and/or third parties are subject to written contractual obligations concerning the Personal Data which are no less onerous than those imposed on the Intermediary by these this Agreement;
- 12.5.3 not transfer Personal Data outside the UK without first obtaining the prior written consent of Compass; and

12.5.4 indemnify Compass against all claims and proceedings and all liability, loss, costs and expenses incurred in connection therewith incurred by Compass as a result of any claim made or brought by any individual or other legal person in respect of any loss, damage or distress caused to that individual or any other legal person as a result of the Intermediary's unauthorised Processing, unlawful Processing, destruction of and/or damage to any Personal Data Processed by the Intermediary, its employees or agents in their performance of this Agreement.

### 13. VARIATION AND TERMINATION

- 13.1 Except where a specific period is given elsewhere in this Agreement Compass reserves the right to vary this Agreement upon giving the number of days' notice set out in Schedule 2 to the Intermediary except in circumstances where changes in the rules of a relevant regulatory body are required to take immediate effect, in which case no notice will be required. Any variation to this Agreement will not affect Policies in force or proposals for Policies received by Compass before any such change has been made. However, Compass will treat any change in Premium for an existing Policy, whether such increase is automatic or otherwise, as new business and as such the rate of commission at the date of such change will apply.
- 13.2 This Agreement may be terminated by Compass on the number of days' notice set out in Schedule 2 to the Intermediary and by the Intermediary on the number of days' notice set out in Schedule 2 to Compass, or by the agreement of both parties at any time.
- 13.3 This Agreement may be terminated by a party (the “**Non-defaulting Party**”) immediately on notice to the other party (the “**Defaulting Party**”) if:
- 13.3.1 the Defaulting Party is in material breach of any of these terms and, if the breach is capable of remedy, such breach has not been remedied within 30 days after receipt by the Defaulting Party of notice from the Non-defaulting Party requiring such remedy; or
  - 13.3.2 the Defaulting Party is in material breach of any of the Regulatory Requirements; or
  - 13.3.3 the Defaulting Party or any director or partner or principal of it is convicted of any criminal offence (other than a driving offence) or the Non-defaulting Party has reason to suspect that any such person of the Defaulting Party has committed any act of, fraud or dishonesty or that the Defaulting Party's conduct of the business transacted under this Agreement is such as to prejudice the interests of any Policyholder; or
  - 13.3.4 the Defaulting Party has become insolvent or an order has been made or a resolution passed for its liquidation, administration, winding up, bankruptcy or dissolution (otherwise than for the purposes of a solvent amalgamation or reconstruction); or
  - 13.3.5 where the Defaulting Party is a partnership any of the partners becomes insolvent or a resolution is passed for his or her bankruptcy; or

- 13.3.6 an administrative or other receiver, manager, trustee, liquidator, administrator or similar officer is appointed over all or any substantial part of the Defaulting Party's assets; or
  - 13.3.7 the Defaulting Party or, where it is a partnership, any of its partners, enters into or proposes any composition or arrangement with its or his or her creditors generally; or
  - 13.3.8 the Intermediary being a sole trader or unincorporated person dies; or
  - 13.3.9 anything analogous to the matters set out in Sub-clauses 13.2.3 to 13.2.8 occurs in any jurisdiction; or
  - 13.3.10 any of the answers given by the Intermediary in its application for this Agreement or its application for any prior terms of business is found to be untrue.
- 13.4 Save as provided in, and subject to, this Agreement no termination will affect the payment of commission due to the Intermediary in respect of business already introduced to Compass or any liability of the Intermediary to pay any sum to Compass under any of the provisions of this Agreement. Termination of this Agreement shall be without prejudice to any other accrued rights and obligations of the parties which shall survive termination.
- 13.5 The Intermediary shall notify Compass in advance of the occurrence of any of the event specified in Sub-clauses 13.3.2 to 13.3.9 above.
- 14. CONSEQUENCES OF TERMINATION**
- 14.1 On termination, all the rights and obligations of the parties shall forthwith cease unless expressly provided otherwise or implicitly required or intended to survive termination.
- 14.2 In the event of termination of this Agreement, the Intermediary shall lend all assistance to Compass to achieve an orderly run-off of the business transacted under this Agreement. In the event of the Intermediary being in breach of clauses 13.3.1 to 13.3.10 (inclusive) then Compass may at its own option by written notice to the Intermediary elect that Compass shall immediately deal with Policyholders direct to service the Policies or transfer the servicing of the Policies to another intermediary without further reference to the Intermediary. For the avoidance of doubt nothing in Clause 10 shall prevent the operation of this Sub-clause and this Sub-Clause only relates to Compass's rights in relation to the servicing of Policies until the expiry of such Policies.
- 14.3 Insofar as permitted by law and regulation, Compass agrees that, for a period of two years following the effective date of termination of this Agreement, it shall not use Confidential Information provided under this Agreement knowingly to solicit either directly or indirectly the insurance business of the Intermediary's Customers.
- 14.4 Clauses 8, 9, 12, 14, 15, 16, 17, 21, 22 and 24 shall survive termination of this Agreement.
- 14.5 Termination of this Agreement shall not affect any rights, liabilities or remedies arising under this Agreement prior to such termination.

- 14.6 The Incidental Authorities, if any, shall cease on termination of this Agreement and the Intermediary shall not hold itself out as authorised to act in any way on behalf of Compass following termination.
- 14.7 On termination, the Intermediary shall at its own cost promptly return to Compass:
- 14.7.1 all property of Compass which is in the possession, custody or control of the Intermediary;
  - 14.7.2 any other documentation created or received by the Intermediary on behalf of Compass (whether in paper or electronic format) relating to or connected with this Agreement; and
  - 14.7.3 any documentation, including without limitation advertising and marketing material, bearing any trade name or trademark owned by Compass or a company in the Compass Group.
- 14.8 Following the date of termination of this Agreement, the credit period referred to in Sub-clause 5.1 shall not apply and all Premiums not paid to Compass shall become due immediately.
- 14.9 On demand by Compass at any time between notice of termination and the full settlement of all liability of the Intermediary to Compass under this Agreement, the Intermediary shall provide Compass at the Intermediary's own expense with a copy of its financial records in relation to Policies transacted under this Agreement.
15. **NO WAIVER**
- Any failure by Compass at any time to enforce its rights or entitlements under this Agreement shall not be taken so as to waive or in any way forfeit Compass's ability to insist on those strict rights and entitlements subsequently.
16. **INDEMNITY**
- Each party shall indemnify and keep indemnified the other from all losses costs claims and liabilities whatsoever incurred by the other arising from:
- 16.1 any failure by the indemnifying party to comply with the provisions of any Regulatory Requirements including without limitation FSMA; and/or
  - 16.2 any other breach by the indemnifying party of this Agreement including, without limitation, any loss cost, claim or liability incurred by Compass arising out of business introduced to Compass by the Intermediary without Authorisation; and/or
  - 16.3 any act by the Intermediary outside the scope of the Incidental Authorities, if any.
17. **INTELLECTUAL PROPERTY**
- 17.1 The Intermediary shall not use the "Compass" name or logo or other trademark licensed to or owned by Compass and/or the Compass group of companies, nor shall any intellectual property rights in the same be transferred to the Intermediary as a result of this Agreement.

All intellectual property rights in Policy documentation and marketing materials relating to Policies shall remain with and vest in Compass.

**18. AGREEMENT PERSONAL**

18.1 This Agreement is personal to the Intermediary who may not:

18.1.1 transfer, assign, make a declaration of trust in respect of, enter into any arrangement whereby the relevant party agrees to hold in trust for any other person or otherwise part with, any of their rights and obligations under this Agreement; nor

18.1.2 delegate or sub-contract the performance of any or all obligations pursuant to the Premium collection authority set out in Clause 5, or the Incidental Authorities, if any.

**19. NOTICES AND SERVICE OF DOCUMENTS**

19.1 A notice under this Agreement shall only be effective if it is in writing.

19.2 Any letter or other document shall be deemed to have been duly served on the Intermediary if it is sent by post to or left at the address of the Intermediary to which this Agreement is sent or subsequently notified to Compass in writing by the Intermediary.

19.3 Any letter or other document shall be deemed to have been duly served on Compass if it is sent by post to, or left at, the registered office for the time being of Compass.

19.4 Any notice or document shall be deemed to have been served:

19.4.1 if delivered, at the time of delivery; or

19.4.2 if posted, at 10.00 a.m. on the second business day after it was put into the post.

19.5 In proving service of a notice or document it shall be sufficient to prove that delivery was made or that the envelope containing the notice or document was properly stamped addressed and posted by first class post.

**20. WHOLE AGREEMENT**

20.1 This Agreement contains the whole agreement between Compass and the Intermediary in relation to its subject matter, except as expressly stated in this Agreement. It supersedes any prior agreement between the parties, whether written or oral.

20.2 This Agreement may only be varied in writing signed by the parties.

**21. SEVERABILITY**

21.1 Each of the provisions contained in each Clause and Sub-Clause of this Agreement shall be enforceable independently of each of the others and its validity shall not be affected if any of the others is invalid. If any of those provisions is void but would be valid if some part of the provisions were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.

22. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

22.1 This Agreement shall not create any rights enforceable by any person other than Compass and the Intermediary, under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

23. **INTEREST**

23.1 If the Intermediary fails to pay any sums payable to Compass under this Agreement on the due date for payment, the Intermediary shall pay interest on that sum to Compass at the rate applicable from time to time under the Late Payment of Commercial Debts (Interest) Act 1998.

24. **GOVERNING LAW**

24.1 This Agreement and any variation to it shall be governed by English law.

24.2 The English Courts shall have non-exclusive jurisdiction to hear any disputes that may arise between the parties in respect of matters dealt with by this Agreement.

**SIGNED** for and on behalf of  
**Compass Underwriting Limited**  
by



Andrew Briant  
*Managing Director*

**SIGNED** for and on behalf of  
**THE INTERMEDIARY**  
by

..... <i>Signature of duly authorised signatory for</i>	..... <i>Signature of witness</i>
..... <i>Company Name &amp; Agency No.</i>	..... <i>Printed Name</i>
..... <i>Printed Name</i>	.....
..... <i>Status: Director/Company Secretary /Authorised Signatory</i>	..... <i>Full address including postcode</i>
<i>FSA Firm Reference No:</i> .....	
<i>Date</i> .....	<i>Date</i> .....

**PLEASE SIGN AND RETURN A COPY OF THIS AGREEMENT**

**SCHEDULE 1**

**Incidental Authorities**

**Authority applicable to Income-Protection Policies**

None

**Authority applicable to Term Life/Critical Illness Policies**

None

**Authority applicable to Travel Policies**

None

## SCHEDULE 2

### Notice Periods

Clause	Period
4.1 - Policy Types Authorised by Compass	90 days
4.3 – Number of days notice for changes to amounts of fees and/or commission	90 days
13.1 - Number of days notice for changes to terms of this Agreement	90 days
13.2 - Number of days notice for termination of this Agreement	90 days

## SCHEDULE 3

### Financial Arrangements

1. In this Agreement “**Credit Period**” means the period in relation to a transaction, commencing on the date of Compass's statement of account in which the debiting of the transaction appears, and lasting for 30-days from such date or such other period as Compass may specify on 90 days' prior notice.
2. Compass will issue a statement of account to the Intermediary periodically, at monthly intervals or such other intervals as Compass may notify to the Intermediary in writing from time to time and the Intermediary shall pay such sums set out in the statement of account within the Credit Period.
3. Compass's statement of account may be contained in writing, disc, tape, direct on-line communication to computer terminal or any other method of communication agreed by Compass and the Intermediary. It shall, in the absence of obvious error, be accepted by the Intermediary as the record of fees and/or commission due to, and Premium due from, the Intermediary.
4. The Intermediary shall pay to Compass the sums set out in the statement of account by the following methods:
  - a. Direct Debit from the Intermediary; or
  - b. Electronic Funds Transfer including BACS from the Intermediary; or
  - c. Cheque from the Intermediary
5. The Intermediary shall advise Compass of any queries it may have in relation to an individual Premium balance on the statement of account within 28 days of the date of the statement of account on which the balance first appears, in the absence of which the Intermediary is liable to pay to Compass the full amount of the Net Premium plus IPT as required by this Agreement.
6. Pending payment to Compass or the client (as the case may be), the Intermediary shall hold the monies described in the “Premiums” clause 5.1 as the agent and trustee of the Insurer within its client monies account, which shall be a non-statutory trust account, established in accordance with CASS 5.4. The Insurer hereby consents to such monies being co-mingled with the Intermediaries other client monies. The Insurer further consents to its rights with regard to monies held in the Intermediaries client monies account being subordinated to those of the Intermediaries clients, in accordance with CASS 5 and further agrees that any interest earned on the said account shall accrue to the Intermediary.

## **SCHEDULE 4**

### **Delegation to sub-agents**

No delegation is permitted under this Agreement without prior written approval.