



Dear Sirs,

Client Terms of Business Agreement

General Information

Seascope Insurance Services (Hong Kong) Limited are independent brokers and are not tied to any one insurer. We have been granted a licence under Division 3 of the Insurance Ordinance (Cap. 41) ("Ordinance") and with effect from 5th July 2007 we are a "Licensed Insurance Broker Company" regulated by the Insurance Authority ("IA") for its permitted business of arranging general insurance contracts for clients. Our IA Reference Number is FB1521.

Throughout this Agreement the word "insurance" is deemed to include reinsurance where appropriate.

We are required to comply with the IA regulations relating to an insurance intermediary firm. These regulations include:

- A firm must conduct its business with honesty, ethically, with integrity and in good faith
- A firm must always act in the best interests of its clients and treat them fairly
- A firm must conduct its business with due skill, care and diligence
- A firm must provide clients with accurate and adequate information to enable them to make informed decisions. A firm's regulated advice should be suitable for the client taking into account the client's known circumstances
- A firm must use best endeavours to avoid conflicts of interests and when such conflicts cannot be avoided, a firm should manage them with appropriate disclosure to ensure clients are treated fairly at all times
- A firm which holds client money has to meet certain specified conditions and with sufficient safeguards in place to protect clients' assets
- A firm must establish and maintain proper systems and controls so as to comply with the relevant conduct requirements including those above.

Please read this Terms of Business Agreement carefully. It sets out the Terms on which we will be pleased to provide Insurance Broking Services to you, our client, and it contains details of our Regulatory and Statutory responsibilities. It reflects any special arrangements that exist between us and it supersedes all previous agreements. We would specifically draw your attention to the following paragraphs:

- Duty of Disclosure
- Client Money/Insurer Money
- Interest on Client Money
- Duration and Termination



Confidentiality

We undertake to treat any information in our possession relating to your business as confidential, save as is necessary in the performance of our duties on your behalf. We will not disclose to any third party, without your prior written consent, any information relating to your business other than as may be required by law or rule of a regulatory authority or professional body by whose rules we may be bound.

Relationships and Placing Business

As independent insurance intermediaries we act as the agent of our client. We are subject to the Law of Agency, which imposes various duties on us. However, in certain circumstances we may act for and owe duties of care to other parties. We will advise as soon as practicable when these circumstances occur so you will be aware of any possible conflict of interest.

We place business with a range of insurers. On request we will provide a list of the insurers with whom we currently place business. This list of insurers does not inhibit us from approaching alternative underwriters if we think that we can obtain better terms or service for your business elsewhere.

We will discuss with you, or your representatives, your insurance requirements, including the scope and limits of cover to be sought, together with the potential cost thereof. We will assist in seeking insurers for a sufficient range of available insurance products which we believe are suitable for your circumstances and will negotiate terms with leading underwriters. Should either a proposal form or questionnaire be required we will, if requested, provide guidance on content but we are unable to complete it on your behalf. On receipt of your acceptance, which we expect to be given in writing, we will seek adequate support from following underwriters in the market. We will keep you informed of the progress made in placing your business and will advise you immediately of any inability to complete placement of a risk.

It is our policy preferably to place business with insurers and underwriters who are regulated by the IA. We will require specific instructions from you to use any other insurer and at that time may disclose to you the fact that the insurers or underwriters are not regulated by the IA and to which laws and regulations they are subject to together with details of their financial standing. We cannot guarantee the security of any insurer or intermediary used for your insurance requirements. A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer or intermediary becomes insolvent and we shall not be held liable ourselves for any irrecoverable losses that you might incur as a result of such insolvency.

Documentation

We will send you confirmation of the insurances placed, including details of the insurers, together with the major policy terms and conditions (e.g. coverage, policy period, conditions precedent, exclusions and warranties), debit notes showing the amounts of premiums payable, the due dates and any penalties that may be imposed by insurers for late payment, and the fees and charges (other than premium) to be paid by you. We will use our best endeavours to provide you with this documentation within 30 days of the contract of insurance being concluded on your behalf.

If an insurance to be placed contains a cooling-off period provision, we shall before the completion of the application process inform you of your right to cancel the insurance during the cooling-off period. If the policy is delivered to us by the insurer concerned, we shall deliver the same to you as soon as reasonably practicable for you to have sufficient time to review and reflect on your decision to purchase before expiry of the cooling-off period.



You are responsible for reviewing this documentation to confirm that it accurately reflects the cover, conditions, limits and all other terms that you require. Particular attention should be paid to any policy conditions or warranties and the claims notification provisions, as failure to comply may invalidate your coverage. Should there be any discrepancies in the cover you should notify us immediately.

Changes and Renewals

Mid-term changes to your policy by insurers will be advised, in good time, prior to the change taking effect.

Before expiry of your policy you will be provided with renewal terms or notified that renewal is not being invited. Attached to the renewal terms will be a statement of any changes to the terms of the policy and a statement of renewal premium required.

Claims

You are responsible for notifying us as soon as possible of any claims or potential circumstances which might give rise to a claim.

We will provide a claims handling service during the term of the policy for policies placed by us, unless otherwise as agreed with you. We will make you aware of the standard procedures used by the markets where your business is placed and keep you fully acquainted with any changes thereto to attempt to ensure that you are not prejudiced in any way during the handling of your claim. Some policies may contain specific claim procedures and you should be completely familiar with such provisions.

Our services include, provided you have informed us accordingly, the notification of claim to insurers, representing you in the settlement of the claim and arranging collection of the claim. Where claims are to be dealt with by you we will provide you with reasonable assistance in submitting the claim, passing on any relevant information received from you in relation to the claim to the insurer as soon as practicable and seeking to obtain reimbursement for you.

When we collect claims monies these will be remitted to you as soon as possible. We are under no obligation at all to remit claim proceeds to you before we have received them from the insurers and in the event that an insurer becomes insolvent or delays making settlement we do not accept liability for unpaid amounts.

Duty of Disclosure

It is your responsibility to provide us with all the information we request and to ensure that it is true, complete and not misleading in any way. Furthermore, any other material information which is known to you, or which ought to be known to you in the ordinary course of your business, and which might influence an insurer in deciding to accept your risk (or how much premium to charge) must be disclosed, whether we have asked for it or not, before the contract is concluded. There is no duty on an underwriter to make enquiries of you and failure to make any such material disclosure will entitle the insurer to avoid the policy or repudiate any claims. This duty of disclosure applies not only at inception but also on changes to cover and renewal.

You should discuss with us if you have any doubts about what is material information and you should not assume that we are aware of any such material factors. We are obliged to disclose to the insurer all material information of which we are aware and would not make any false statements or mislead the insurer when negotiating or arranging an insurance policy on your behalf.



Change in Circumstances

You will 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 insurance policy.

Referral

If you are referred to us by another person ("Referrer"), please note that:-

- We will continue to be responsible for arranging the insurance policy and for this purpose, we shall only deal with you and not the Referrer;
- The Referrer does not represent us and shall have no involvement in the arrangement of the insurance policy;
- We shall have no liability for any advice in relation to the insurance policy given to you by the Referrer;
- Premium shall be paid directly either to us or the insurer concerned (not to the Referrer).

Premium

On placing your business the insurer will stipulate the dates by which premium should be received by the insurer. You must provide the premium due, in cleared funds, by the dates specified in our debit note. Failure to meet any premium payment date may lead to the automatic cancellation of your policy.

We are under no obligation to fund premium to insurers on your behalf. In the event that we do fund your premium before we have received it from you we reserve the right to charge you interest for the duration of this funding at the rate of 2% over the base rate of The Hongkong and Shanghai Banking Corporation. Certain insurers automatically charge interest for the late payment of premium and such charges are to be considered payable by you.

Whilst we will do our best to forward premiums received to underwriters within the stipulated dates, delays caused by the time taken to clear cheques often delay the payment of premium to underwriters. We accept no responsibility for such bank delays and you should take these factors into account when paying your premiums.

In cases where a Referrer is involved, the premium quoted by us and that you ultimate pay may include a commission which we pay to the Referrer concerned. By continuing to engage our services where a Referrer is involved shall be deemed your consent to the payment of any such commission to the Referrer and permission of the above.

Apart from commissions to Referrer discussed, the premium quoted by us and you ultimate pay may also include our expenses to other third parties for any services rendered by them. By continuing to engage our services shall be deemed your consent to the payment of any such expenses to the other third parties and permission of the above.

In the event of late or non-payment of premium we reserve the right to exercise our brokers' lien arising out of our contractual relationship with you and/or under Section 71(5) of the Insurance Ordinance and/or Section 53(2) of the Marine Insurance Ordinance (Cap. 329) in respect of outstanding premium or commission or charges.



Remuneration

Subject to the "Premium" section above, it is agreed that our remuneration and expenses will be either a percentage of the insurance premium paid by you and allowed to us by the insurers with whom the insurance is placed or as mutually agreed between us. By engaging our services it shall be deemed to be your consent to the receipt of commission by us.

In addition we shall be entitled to deduct from claims settlements customary collecting commission or a figure mutually agreed between us.

Our remuneration is earned for the policy period and we will be entitled to retain all remuneration in respect of the full policy period in relation to business placed by us. On request we will disclose the quantum of any remuneration received by us.

From time to time we may earn additional remuneration in the form of a profit commission in recognition of the profitability of insurance contracts placed with insurers for specific periods. We may also act for insurers as reinsurance brokers in the placement of their risks. These placements are separate contracts subject to their own terms and conditions, including those relating to remuneration.

Document Retention

It is our practice to retain documents for business effected on your behalf in paper or electronic format for a period of at least seven years after expiry.

For some types of insurance cover it is possible that a claim may be made long after the policy expiry date and it is therefore important that you keep such documents safely for an appropriate period of time.

Client Money/Insurer Money

Client money is money of any currency that we receive and hold on behalf of our clients in the course of carrying on business as an insurance intermediary, or money that falls within the definitions in section 71 of the Ordinance or section 6 of the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules (Cap.41L) ("Rules"). There are however, a few insurers who have elected for risk transfer, whereby we hold premium and claims monies as agent of the insurer. In these circumstances premium paid to us is deemed to be paid to the insurer. It is therefore possible that on any risk placed by us there could be a combination of some insurers who have accepted risk transfer and some who have not. If you would like to know the exact position on any particular placement please let us know.

We will only hold client money in strict compliance with section 71 of the Ordinance and section 6 of the Rules and, other than that, and we do not hold or invest client money in any other way. In the event of our financial failure, or the failure of the bank or a third party at which money may be held, general creditors should not be able to make a claim on client money as it will not form part of our property or the property of the bank or the third party. We are only entitled to use client monies for the purposes of that client.

We may also hold insurer money in the same manner. However it is a condition that insurers subordinate their rights to those of our clients in respect of monies held in the account.

The fact that we will hold money on trust gives rise to fiduciary duties which will be owed to you until the client money reaches the insurer. If you have any questions regarding those duties please contact us.



Interest on Client Money

Any interest earned on client money held by us will be retained, for our own use, rather than paid to you.

Payment to Third Parties

We may transfer client money to a third party, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf. This may include brokers or settlement agents outside Hong Kong.

The legal and regulatory regimes applying outside Hong Kong may be different from that of Hong Kong. In the event of the failure of a third party outside Hong Kong this money may be treated in a different manner from that which would apply if the money were to be held by a broker or settlement agent in Hong Kong. You may notify us if you do not want your money to be passed to a third party in a particular jurisdiction.

Changes

By written notification to you, the terms and conditions set out in this Agreement may be changed by us and such changes shall apply from the date our notification is received by you. Any revised terms will not affect transactions prior to the effective date of the change.

Cancellation Clause

Your insurance contract may contain a cancellation clause. In the event that you fail to pay your premium by the due date the insurance may be cancelled forthwith or by insurers giving notice of the cancellation. In the event of cancellation of the insurance contract insurers may return a pro rata premium to us.

You shall also be liable to pay to us our commission or charges or expenses for services rendered with regard to any offer for insurance policy with terms and conditions we secured for you (which you have not accepted) and if subsequently whether through another insurance intermediary or otherwise you or any nominee, undisclosed principal or agent of yours enters into the insurance policy with the same terms and conditions we secured for you at the first place.

In the event that the insurance is cancelled after you have accepted our quotation, our remuneration will have been earned and will not be returnable to you.

Duration and Termination

This Agreement shall commence from the date of your receipt of this Agreement by email or fax or quotation slip by post or by hand whichever is earlier and shall continue indefinitely whilst you are our client, or until cancelled by either party hereto giving 60 days' notice in writing.

In the event that this agreement is terminated by you we will be entitled to receive any outstanding remuneration payable.



Electronic Communications

We may wish to communicate with each other, and with third parties, by sending messages and documents by electronic mail. This method of communication entails the risks of interception, corruption and contamination by viruses. Unless you notify us to the contrary you are deemed to have accepted this as a durable medium of communication.

Complaints Procedure

We take all complaints seriously.

In the event of a complaint about our services please discuss the matter in the first instance with the contact person who handles your business. Alternatively you may contact our Responsible Officer and Managing Director at 2201, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong or at [complaint@seains.com.hk].

We will acknowledge receipt of your complaint within 5 working days of receipt and advise you of the person dealing with it.

Hong Kong policyholders who are not happy with the response to their complaint may have the right to refer their case to the Insurance Authority at:

Insurance Authority
19/F 41 Heung Yip Road
Wong Chuk Hang, Hong Kong.
Telephone: 3899 9983
Email: complaints@ia.org.hk

Regulatory Obligations

We jointly agree to comply with all applicable regulatory requirements in relation to any transactions subject to this Agreement.

We are subject to statutory rules and regulations in addition to the common law. You acknowledge that our duties and obligations under this Agreement are to be performed according to all such rules, regulations and law.

We are regulated by the IA and a copy of the IA rules, codes and guidelines can be viewed on the IA website at www.ia.org.hk.

Anti-Money Laundering and Counter-Terrorist Financing Ordinance

Hong Kong money laundering regulations and the IA Guideline on Anti-Money Laundering and Counter-Terrorist Financing require us to obtain evidence of the identity of clients for whom we act at the start of a business relationship. For companies, other than listed ones, evidence of identity will usually comprise a copy of the certificate of incorporation, a list of directors and shareholders and the registered office address.

We are obliged to report to the Joint Financial Intelligence Unit any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing such a report to you or any other parties.



Claims payments will be made in favour of the assured. If a payment is to be made to a third party, such as a mortgagee, then you must confirm the required payees name and details and provide an explanation for your request.

Prevention of Bribery

We are subject to the Prevention of Bribery Ordinance (Cap. 201) ("PBO") and relevant guidance issued by the Independent Commission Against Corruption concerning matters in relation to the carrying on of regulated activities. By engaging our services and without prejudice to the terms above, you are deemed to have given permission for us to receive remuneration from insurers and where relevant to pay commissions or fees to Referrers and/or third parties as aforesaid whilst always in compliance with section 9 of the PBO.

Data Protection

With regards to your personal data collected in the course of our relationship, we shall comply with the Personal Data (Privacy) Ordinance (Cap. 486) and guidance issued by the Privacy Commissioner for Personal Data concerning collection, retention, use and security of the personal data.

Law and Jurisdiction

These Terms of Business shall be governed by and construed in accordance with Hong Kong law. In relation to any legal action or proceedings arising out of or in connection with these terms of business we both irrevocably submit to the exclusive jurisdiction of the Hong Kong Courts.