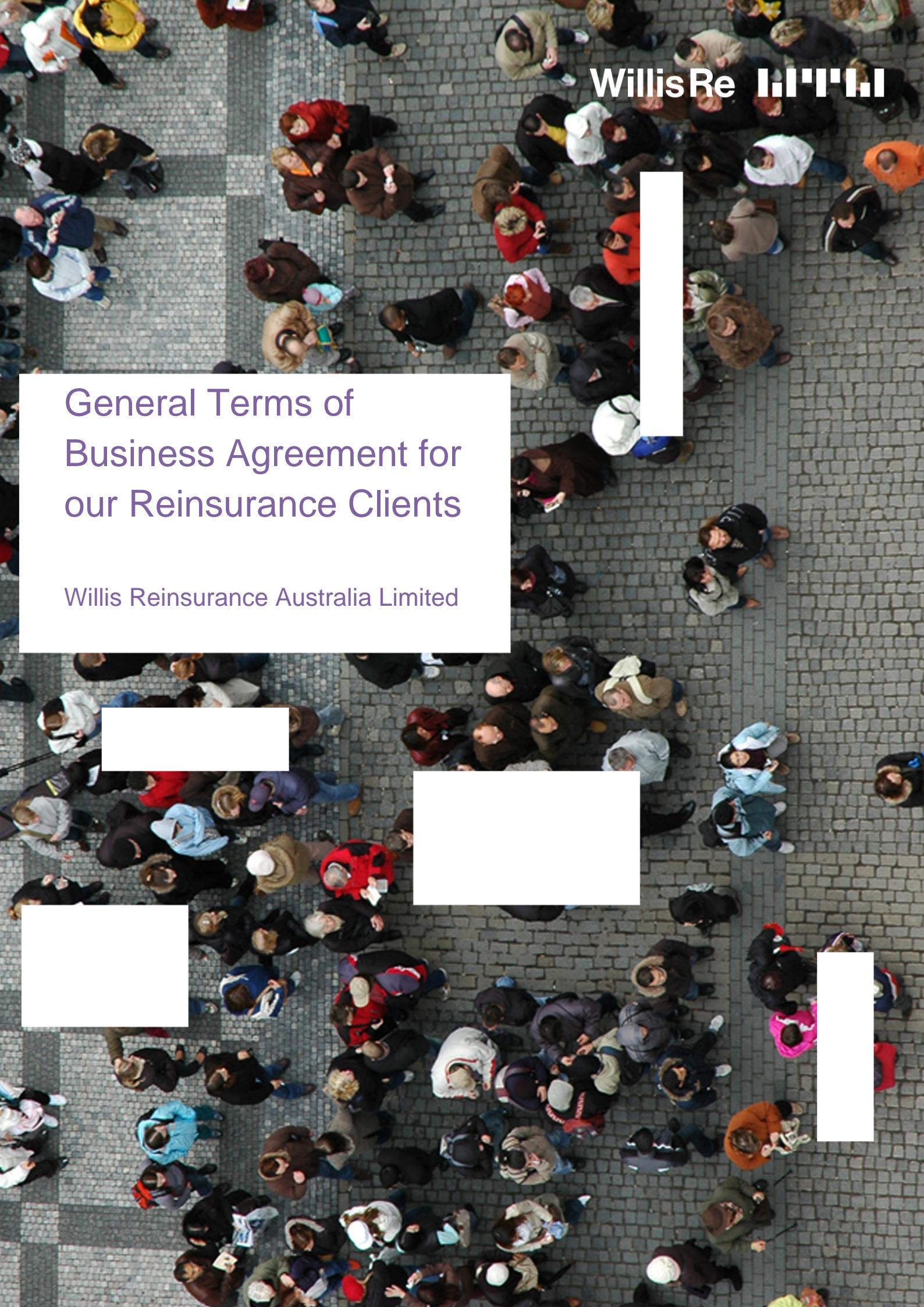
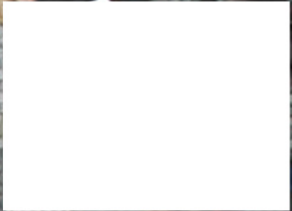


# General Terms of Business Agreement for our Reinsurance Clients

Willis Reinsurance Australia Limited



## 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 Reinsurance Australia Limited).

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

In this document "Willis Re", "we", "us" and "our" means Willis Reinsurance Australia Limited. Also, "insurance" includes "reinsurance" and "insurers" include "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;
- Dealing with premium;
- Conflicts of Interest; and
- Complaints

This document takes effect from 14 March 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.

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. 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. In these cases, where performing our role as agent for a reinsurer we act for the reinsurer, not for you.

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 on behalf of a reinsurer, which enable a reinsurer to bind business for itself and other reinsurers and we may manage these lineslips for such reinsurers.

We will disclose to you where we act as agent of the reinsurer or provide services to the reinsurers when providing you with information on the coverage proposed.

Further, if we place your reinsurance business under a binding authority, lineslip or similar facility, we shall inform you that we have acted in this capacity.

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 recommended to you. If the 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 and any amendments or endorsements to your contract as soon as reasonably practicable.

### Electronic Trading Facilities

For some markets and for 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 Re 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 an insurer or 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 and where available, we will make available to you factual analysis prepared by our 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.

In some cases we may be granted claims settlement authority by reinsurers, for example under a binding authority, managing general agency or a lineslip agreement, to settle claims on your reinsurance.

In these cases, where performing our role as agent for a reinsurer we act for the reinsurer, not for you. If we have been granted claims settlement authority place under a binding authority, managing general agency, lineslip or similar facility, we shall inform you that we are acted in this capacity.

We settle such claims made within the terms and conditions of the authority granted and your contract. However, 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.

For further information about how we manage any conflict of interest– 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 (if any), 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).

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.

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, you agree that the Willis system shall be deemed the definitive record of electronic communications and documentation.

You should also be aware that Willis Re'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, .mpg, .jpeg. 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.

We shall disclose the form of compensation we will earn before (re)insurance is purchased.

Brokerage and fees are ordinarily earned for the period of the contract at inception. We will retain all fees and brokerage in respect of the full period of the reinsurance 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.

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 Willis Towers Watson Companies have contracts with various reinsurers 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 reinsurance cover).

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

Under these arrangements we may be paid by the reinsurers for the services we provide to them in addition to any fees or commissions we may receive from you for placing your reinsurance cover

## Contingent Compensation

Willis Towers Watson Companies 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 Re 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 Re 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 reinsurance 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

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.

Please bear in mind that there is no duty on reinsurers to make enquiries of you. Indeed, you are under a duty to make full disclosure of all material facts and fully and frankly respond to any requests for information made by reinsurers.

A factor or circumstance is material if it would influence the judgment of a prudent reinsurer in determining premium and whether or not they would underwrite the risk. Therefore, all information which is material to your coverage requirements or which might influence reinsurers in deciding to accept your business, finalising the terms to apply and/or the cost of cover must be disclosed. Failure to make full disclosure of material facts allows reinsurers to avoid liability for a particular claim or to void the contract. This duty of disclosure applies equally at renewal of your contracts and on taking out new reinsurance contracts. We will not be responsible for any consequences which may arise from any delayed, inaccurate or incomplete information.

Please discuss with us if you have any doubts about what is material or have any concerns that we may not have certain material information.

## Choice of reinsurers

If you have any concerns with any reinsurers 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.

It is important that you retain copies of all reinsurance contracts and coverage documents as well as any claims reporting guidelines we give to you in a safe place. You may need to report claims after the termination of a contract, perhaps long after its expiry date.

## 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 or tolling agreements in order to seek to suspend the application of relevant limitation periods on your behalf. On these issues we recommend you take your own legal advice.

It is 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.

## 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.

## Dealing with premium

**"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 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 set off by 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.

**Interest.** As discussed above, 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. 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. Also, where permitted by applicable law we may have arrangements in place with certain carriers whereby your payment of premium to us is deemed to be a payment to the reinsurer. In the event that we have such arrangements agreed you should note that once we have received premium from you we will hold the premium for the reinsurer and we may not be able to return such monies to you without the express consent of the reinsurer even if you cancel your policy.

## Confidentiality and Privacy

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 party to provide information or services you have requested; and (iv) to other Willis Towers Watson Companies to the extent necessary to ensure 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.

Where you provide us with any information which constitutes 'personal information' or 'sensitive information' under the Privacy Act 1988, we will treat such information at all times in accordance with the Privacy Act 1988, and you agree that we may handle such information in accordance with our Privacy Policy which is available online at <http://www.willis.com.au/privacy>, or upon request.

You agree that you will not provide any information which constitutes 'personal information' or 'sensitive information' under the Privacy Act 1988 to us unless you have ensured that you have obtained all necessary consents and provided any required notices, or that you are otherwise permitted under the Privacy Act 1988 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.

In certain jurisdictions, we may operate a paperless office system and/or hold documents on your behalf only in electronic or digitised format. In these circumstances, we may operate a policy of destroying any hard copy documents that come into our possession for the purposes of providing our services to you. Where this is the case, you recognise that we may only ever be able to provide to you electronic or digitised versions of any documents that we hold on your behalf.

You accept that to the extent that you wish us to destroy or expunge from our systems any electronic or digitised versions of documents held on your behalf, we will not be able to destroy such documents that have become incorporated onto our hard drives or any other system onto which data is stored only for the purposes of disaster recovery.

## 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 reinsurers nor can we guarantee or otherwise warrant the position of any reinsurer 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 reinsurance 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 are not 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 reinsurance, 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 Re 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, 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 the Chief Executive Officer of Willis Reinsurance Australia Limited.

## 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.

All other obligations that we have will cease, including claims handling services, unless we agree otherwise.

## 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 version of this document. 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 the other documents referred to in this document) and any amendment constitute the entire terms on which we will provide reinsurance broking services with you and no alternative will have effect unless issued or agreed by us in writing.

## Anti-Money Laundering, Bribery and Corruption Policies

To comply with money laundering regulations in several jurisdictions 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 Willis Towers Watson Companies and where we deem necessary with regulatory or law enforcement bodies. Please note that we may be 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 regulatory agencies that may use this information.

## Governing Law

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

Date: 14 March 2016

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