



CLIENT TERMS OF BUSINESS

INFORMATION ABOUT US

Oval International Limited of Osborn House, 74-80 Middlesex Street, London, E1 7EZ is an independent insurance intermediary and Lloyd's broker. Oval International Limited is wholly owned by Oval Limited, the parent company of the Oval insurance group.

With effect from 14 January 2005, we are authorised and regulated by the Financial Services Authority ("FSA"); our permitted business is arranging general insurance contracts. Our FSA Register number is 309344. These details can be checked on the FSA's Register by visiting the FSA's website <http://www.fsa.gov.uk/register> or by contacting the FSA on +44 (0) 845 606 1234.

We will provide advice or information on the basis of a fair analysis of the market. Upon receipt of your instructions we will place insurance with insurers and keep you informed of progress of our negotiations. We will advise you of any inability to place your insurance.

Security

We will advise you of the insurers with whom it is proposed to place any insurance on your behalf. However, we cannot and do not guarantee the solvency or continuing solvency of any insurer used. You should note that the financial position of an insurer can change after cover has been accepted.

A liability for the premium, whether in full or pro rata, may arise under policies where a participating insurer becomes insolvent.

Please read this document carefully. It sets out the terms on which we agree to act for you and contains details of our regulatory and statutory responsibilities. Please contact us immediately if there is anything in these terms of business which you do not understand.

We specifically draw your attention to the following sections:

- Duty of Disclosure
- Premium Payment and Cancellation
- Client Money Arrangements

DUTY OF DISCLOSURE

You must disclose to insurers, before the contract is concluded, any fact or circumstance which is known to you (or which ought to be known to you) in the ordinary course of your business and which is material to the risk. A fact or circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether he would take the risk. You must also advise us immediately of any alterations to the risk.

Should you not act with the utmost good faith or fail to disclose any material fact or circumstance to insurers, insurers may avoid the contract.

PREMIUM

You must provide the premium due in cleared funds in accordance with the amounts and payment dates specified in our debit notes. Failure to meet the payment dates may lead to insurers cancelling your policy.

Where insurers have specified that the premium must be received by a certain date, failure to comply can result in the automatic termination of your insurance.

CANCELLATION

In the event of cancellation of the insurance contract after inception, insurers may return a pro rata premium to us; once our remuneration has been earned our brokerage or fees will not usually be returnable. We therefore reserve the right to retain our brokerage or fees in full in such circumstances.

DOCUMENTATION

We will issue documentation confirming the details of the policy purchased, including the identity of your insurers.

We will advise you of the date(s) on which any premiums are due and, if relevant, the consequences of late-payment.

Where required by regulation we will also:

- include with your policy confirmation a statement setting out your demands and needs as understood by us;
- confirm whether the contract had been personally recommended and, if so, the reasons for making that recommendation;
- include a summary of the key aspects of your policy;
- provide you with renewal terms in good time before the expiry of your policy, or notify you that renewal is not being invited.

It is important that you read all your documentation carefully and inform us immediately if you have concerns with the coverage arranged for you.

CLAIMS

You must notify us as soon as possible of a claim or circumstances which may give rise to a claim. We will advise you what you need to do to pursue your claim; you should note you will need to state all material facts concerning the claim.

We will remit claims payments to you as soon as possible after they have been received on your behalf.

We will provide you with every assistance in submitting a claim and seeking to obtain reimbursement. However in the event that an insurer becomes insolvent or delays making settlement we do not accept liability for any unpaid amounts.

REMUNERATION

Our remuneration for our services is normally in the form of commission or brokerage which is a percentage of the insurance premium paid by you and allowed by the insurer(s) with whom the insurance is placed; or a fee previously agreed with you. Details of the commission we receive will be provided upon request.

Brokerage and fees are earned for the policy period and we will be entitled to retain fees and brokerage in respect of the full policy period in relation to policies placed by us.

In the event of mid-term adjustments we will be entitled to the same rate of brokerage.

In addition to client fees and/or brokerage payments we may also receive remuneration by way of administrative fees for services to underwriters or profit commissions under market facilities placed by us. We will advise you should such circumstances apply. We may also act as reinsurance brokers to underwriters with whom we have placed insurance or reinsurance.

CLIENT MONEY / INSURER MONEY

Historically we have held premium and claims monies on behalf of our clients in accordance with the requirements of the FSA's client money rules. Recently some insurers, mainly Lloyd's Underwriters and London market companies, 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.

Non-Statutory Trust

We keep client money with The Royal Bank of Scotland plc; it is separate from our own money and subject to a non-statutory trust as prescribed by the FSA. This means that we are entitled to and may use client money held on behalf of one client to pay another client's premium before the premium is received from that other client, and to pay claims and premium refunds to another client before we receive payment from the insurer. We only take our remuneration from client money when we receive the relevant premium from the client.

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

If you do not agree to the holding of your client money in a non-statutory trust please let us know.

Interest on Client Money

Any interest or exchange gains realised from client money held by us will be retained by us.

Payment to Third Parties

We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf through that person.

This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different to that of the UK and, in the event of a failure of the broker or settlement agent, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK. You may notify us if you do not wish your money to be passed to a particular person in a particular jurisdiction.

Funding

Notwithstanding the operation of the Non-Statutory Trust as described above, our policy is not to fund premium on

your behalf to insurers, nor to fund claims to you due from insurers. You acknowledge that any funded amount whether arising as a result of a payment by us or a deduction by you from amounts payable to us is to be refunded to us immediately, and that for the duration of any funding such funded amounts are not considered to be a gift from us. We reserve the right to charge interest on any such funded items from the date the funding commenced to date of payment.

COMPLAINTS

It is always our intention to provide a high standard of service. If our service falls below the standard our clients reasonably expect and they have cause for complaint, we endeavour to ensure that at the appropriate stage the matter is handled fairly and promptly by a suitably senior and independent member of staff.

If you wish to register a complaint then please contact the Compliance Officer in writing at the address above; or by telephone +44 (0) 207 398 1000; or by email at compliance@ovalinternational.com

If we consider that your complaint is not with regard to our performance (for instance, if the complaint concerns the performance of your insurer), we will endeavour to put you in contact with an appropriate person to whom your complaint may be addressed.

We have a formal complaints procedure details of which we will send to you on receipt of a complaint.

If we are unable to settle your complaint, you may be entitled to refer it to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR; telephone on +44 (0) 845 080 1800; email www.financial-ombudsman.org.uk

COMPENSATION

Depending on the type of business and the circumstances, you may be entitled to compensation from the Financial Services Compensation Scheme ("FSCS") if we cannot meet our obligations to you.

Full details and further information on the scheme are available from the FSCS at Lloyds Chambers, Portsoken Street, London E1 8BN; telephone +44 (0) 207 892 7300; email enquiries@fscs.org.uk

MONEY LAUNDERING/PROCEEDS OF CRIME ACT

UK money laundering regulations require us to obtain evidence of the identity of clients for whom we act. We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report.

DATA PROTECTION

We are registered under the Data Protection Act 1998 and we undertake to comply with the Act in all our dealings with a client's personal data.

LAW AND JURISDICTION

These terms of business shall be governed by and construed in accordance with English 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 non-exclusive jurisdiction of the English courts.