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Terms of Business Agreement

This Terms of Business Agreement (this “**Agreement**”), together with any separate written agreement between you and Arthur J. Gallagher Canada Limited (“AJGCL”), sets out the terms on which we agree to work with you. If you are a company, unless otherwise expressly stated in any separate written agreement between you and AJGCL, you agree to and accept the terms of this agreement on your own behalf and on behalf of each of your affiliates (but only where such affiliates are receiving the benefit of our services). You shall ensure that each of your affiliates will act on the basis that it is a party to and bound by this Agreement. All references in this Agreement to “*you*” and “*your*” shall mean your company and each of its affiliates.

In this agreement “*we*”, “*us*” and “*our*” means AJGCL. References to “*insurers*” shall include insurers, underwriters, managing agents or, where applicable, other intermediaries or reinsurers with whom we place business. As appropriate, references to “*insurance*” or “*insured*” shall include reinsurance and reinsured respectively.

It is important that you read this Agreement carefully as it contains details of our statutory and regulatory responsibilities and your contractual obligations.

If there is anything you do not understand in this Agreement you should inform us promptly, but in no event more than the earlier to occur of: (i) 20 business days from your receipt of this Agreement or (ii) before you ask us to quote for, advise on, arrange or handle insurance and other matters on your behalf. Otherwise, you will be deemed to accept the terms hereof, which terms will be incorporated into and considered to be a part of our relationship.

Where your business is operated within an incorporated company, trust, limited liability partnership or partnership, we shall be entitled to assume that the recipient of this agreement has obtained authorization or is entitled to consent to these terms on behalf of the corporate body, trust, limited liability partnership or partnership.

This Agreement shall supersede any terms of business agreement that we may have previously sent or otherwise provided to you. If you have a separate service agreement in place with us, the terms of such agreement must be read in conjunction with this Agreement. In the event of a conflict, the terms of your service level agreement will take precedence over this Agreement.

We reserve the right to amend this Agreement in the future where we are required to do so to comply with any legal or regulatory obligation. Details of any such changes will be notified to you in writing. If we wish to amend this Agreement for any other reason, we will notify you in advance – if you do not agree to the terms of any such changes, please notify us within 20 days of such notification; if the parties do not ultimately agree to the terms of such changes, either party may terminate this Agreement upon ten (10) days written notice.



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Who are we?

AJGCL is a Canadian company whose registered office is 181 University Avenue, Suite 1200, Toronto, Ontario, M5H 3M7. Our Canadian roots run deep, dating back to 1890. We are one of Canada's largest insurance brokerages and we continue to grow organically and through our ability to attract high quality brokerages through acquisition. With more than 800 insurance professionals and 25 offices across Canada, our team harnesses its collective strengths to deliver exceptional service, coupled with our local expertise.

We dig deeper to understand our clients' business, competitive landscape, business challenges, and opportunities. As a business partner, we strive to deliver insightful, responsive and relevant insurance and risk management solutions to our clients, tailored to their specific requirements. Our success is underpinned by our commitment to demonstrating the highest level of professional ethics. Doing what's right for our clients and for their communities has allowed us to define our locally grown culture.

You can find out more about us at www.ajgcanada.com.

What do we do?

As an independent insurance broker, we act in the best interests of our clients. However, in certain circumstances, we may also act for an insurer, for example, where we have delegated underwriting authority and/or claims settlement authority or appoint a loss adjuster. In cases where we are acting on behalf of the insurer, we will be acting as their agent too. We will always put your interests first, treat you fairly and avoid or appropriately manage conflicts of interest. We never deliberately put ourselves in a position where our interests or our duties to another party prevent us from discharging our duty to you. In the event that a conflict of interest arises that is complex or difficult to manage, we will discuss this with you. If you have any concerns in relation to conflicts of interests, please contact us.

Our services may include, among other activities, advising you on your insurance needs based on the information you provide to us, arranging for quotes and placement of insurance policies with insurers in order to meet those needs, as well as assisting you in making changes to your insurance policies as your needs change. Unless your policy states otherwise, we will provide you with assistance in submitting claims and obtaining reimbursement from insurers. Unless otherwise mandated by applicable law, we do not operate with our clients in a fiduciary capacity, but only as your insurance broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your direction and authorization. Only upon receipt of your instructions can we place cover for you. Cover is not in place until we have confirmed it to you in writing or we have issued a cover note.

Actual coverage is determined by policy language, so you should read all policies carefully. Please contact us with any questions on these or any other issues of concern.

What we do not do?

We do not provide 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.



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How are we paid for our services?

AJGCL is compensated either: from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively “insurance coverages”) handled for a client’s account, which may vary from company to company and insurance coverage to insurance coverage; and/or, on a fee basis agreed with you. As permitted by law, AJGCL may receive both commissions and fees.

In providing services on your behalf, AJGCL may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional compensation if stipulated underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by AJGCL with the particular insurance company and/or through the particular intermediary and are not on an individual policy/client basis. Some insurance markets, including intermediaries owned by affiliates of AJGCL, have modified their commission schedule with AJGCL, resulting in an increase in certain commission rates.

Note: Upon request, your AJGCL representative can provide more specific market information regarding our remuneration relevant to your insurance coverage placed through AJGCL. AJGCL may also receive investment income on fiduciary funds temporarily held by us, such as premiums or return premiums.

AJGCL may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both AJGCL and other brokers in the insurance marketplace. AJGCL and its affiliates may own some of these facilities, in whole or in part. If such a facility is utilized in the placement of a client’s account, the facility may earn and retain customary brokerage commission or fees for its work. AJGCL may also assist its clients in procuring premium finance quotes and, unless prohibited by law, may earn compensation for this optional value-added service.

AJGCL strives to find appropriate coverage at a competitive price for our clients. In order to achieve these goals, we gather and analyze data about our clients and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our clients. This data may also be provided to insurers pursuant to consulting service agreements from which we may earn fees.

If you have specific questions about the compensation received by AJGCL and its affiliates in relation to your insurance placements, please contact your AJGCL representative for more details.

Which insurers do we use?

In finding a suitable insurance solution that meets your requirements, which may include placing your business under a delegated underwriting authority, we may conduct a market analysis of potential insurers.

We are not tied to any particular insurer or group of insurers. In determining which insurers to place business with we use publicly available information, including information produced by credit rating agencies, to identify insurers with whom we will consider placing your business. We do not guarantee the financial status of any insurer. In the event of an insurer experiencing financial difficulties, you may still have a liability to pay premium and we are not responsible for any shortfall in amounts due to you in respect of any claims.



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How do we maintain your privacy?

AJGCL is committed to protecting the information gathered in the course of its business, including the confidential and personal information of its clients and other business partners and their respective employees, customers and other associated parties. The collection of all such information is governed by AJGCL's Privacy Policy, located at <http://ajgcanada.com/privacy-policy>. If you have any questions about our Privacy Policy and procedures, or to request access to personal information which AJGCL holds about you, please contact us.

Your Responsibilities

When seeking a new policy of insurance or cover for additional risks or renewal under an existing policy, every insured or potential insured must disclose any material information that might influence the insurers' decision in fixing the premium or determining whether to accept the risk or the terms upon which the insurer wishes to accept the risk. If you are in any doubt as to your obligations, you should contact us.

For certain types of insurance covers you may be required to complete and sign a proposal form or questionnaire. Take care to ensure that all questions are answered fully, honestly and that the information you provide is complete and accurate. For example, think carefully about changes in your circumstances relevant to your insurance such as value of your assets, changes in turnover, locations, number of staff or change in the nature of your activities and ensure you pass on such information to us. Note that if you are aware of anything that you feel may be material to the proposed policy you should disclose it, even if there does not appear to be a question on the proposal form or questionnaire that covers the particular point. If you are in any doubt as to whether information is material, you should disclose it.

Providing details that are untrue, inaccurate or incomplete may result in the refusal of a claim, alteration of policy terms, insurers reducing the amount of your claim they will pay to take account of any increased premium they would have charged if you had provided accurate information and/or your policy being cancelled or treated as if it had never existed. If any of the information you provided when your insurance was placed is or becomes inaccurate, you should contact us immediately to correct the information.

Anti-bribery, corruption and financial crime

We will ensure that at all times we comply with all applicable laws, statutes and regulations relating to anti-bribery and corruption. In particular, we will comply with each of the following: Canada's *Corruption of Foreign Public Officials Act*, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the *Criminal Code of Canada* (prohibits bribery and corruption regarding domestic activities and transactions), as well as international laws, such as the United Nations' *International Convention for the Suppression of the Financing of Terrorism* (to which Canada is a signatory), and the *Foreign and Corrupt Practices Act 1977* of the United States as well as any other applicable legislation. You must comply with the same laws and regulations.

Please be aware that current anti-money laundering regulations require us to obtain adequate "Know Your Client" information about you. In order to prevent bribery, corruption or other financial crime, additional due diligence may be carried out. Further steps may be taken, which include notification to the relevant authorities, status and credit checks using credit reference agencies, and other background checking, as deemed appropriate.

You should also be aware that some policies may include clauses specifically dealing with international sanctions imposed on states/individuals/entities. We recommend you pay special attention to such clauses as they may affect insurance cover under your policy.

Your premium payment obligations

Most insurers require you to pay premium at, or prior to, commencement of each policy, or as otherwise specified under the policy terms. You must pay all monies due in cleared funds in accordance with the amounts and the dates specified in our invoice(s). If payment is not made within that period, insurers may cancel your policy.

Insurers may also require that you pay a premium in relation to the time that you have been on risk. It is, therefore, very important that you meet all payment dates. In the event that for any reason we advance payment of premium to insurers on your behalf, you will owe us an amount equal to the premium funded by us on your behalf and we will have the right to collect it from you in such circumstances.

You may be able to spread your payments through a credit arrangement operated by a premium finance company or insurer. Please note that we will pay premium to insurers on your behalf once we have cleared funds from you or the premium finance company. You should also note that we, (where permitted) acting on behalf of the insurer, or the insurer may cancel your policy should you be in default of the credit arrangement.

Where you decide to enter into a credit arrangement for the payment of premium, you will receive separate terms and conditions from the relevant premium finance company or insurer, which will govern that arrangement. If you would like information about possible premium financing arrangements for your insurance please let us know.

Your policy documentation

You will receive written terms and conditions of any insurance policy we arrange for you. Please check these documents and advise us as soon as reasonably practicable if the terms of the cover arranged are not in accordance with your requirements. Please pay special attention to the claims notification provisions and to any warranties and conditions, as any failure to comply with these terms may invalidate your cover.

Documentation relating to your insurance will confirm the basis of the cover and provide details of the relevant insurers. It is therefore important that you keep all of your policy documentation in a safe place. It is our current practice to retain customer information for at least seven years. After this period, your information may be destroyed at our discretion without notice to you.

Making a claim

It is your duty to notify all claims and/or circumstances that may give rise to a claim as soon as possible in accordance with the terms and conditions of any claims notification provisions in your policy documentation. If you are unsure whether a matter needs to be notified please contact us and we will advise you. You should not admit liability without liaising with us, your insurer or someone acting on their or our behalf.

Where we handle claims on your behalf, we will do so fairly and promptly. If we receive claims payments for you, we will remit them to you as soon as reasonably practicable after receipt. Where premiums (including an installment under any credit scheme) remain due from you, we may deduct the value of those premiums before remitting claims payments to you. We reserve the right to charge an additional or separate fee (based on the nature of the work and duration) to negotiate a large or complex claim on your behalf.

If our appointment as your broker is terminated or not renewed then we reserve the right to charge an additional or separate fee for any ongoing claims services performed from such date as the existing appointment terminates. Details of any such charges will be declared to you in advance so that you are able to make an informed decision before any charge becomes due and payable.

What if you wish to make a complaint?

We value our relationship with you and we welcome feedback on the services you receive from us. Please let us know if there is any part of our services that do not meet with your satisfaction so that we are able to improve the services we provide. Our aim is that you should benefit from our commitment to a high quality service using our experience and breadth of insurance broking expertise. Should you ever have cause to make a complaint, please do so by contacting your AJGCL representative.

We will respond to your complaint promptly. In all cases, we will contact you promptly after receiving your complaint to acknowledge it, explain what is being done, by whom and to tell you when you can expect our full response. If you wish to deal with someone wholly independent of the branch or division that has been servicing your business, please contact:

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Arthur J. Gallagher Canada Limited
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Tracey Medeiros
SVP, National Operations, Canada
Arthur J. Gallagher Canada Limited
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We may at any time, without notice to you, set off any liability of yours to us against any liability of us to you, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Agreement. Any exercise by us of our rights under this clause shall not limit or affect any other rights or remedies available to us under this Agreement or otherwise.

Intellectual property rights

We (or our licensors) shall retain all ownership, title, copyright and other intellectual property rights in all materials developed, designed or created by us before or during the provision of services to you including, without limitation, systems, methodologies, software, know-how and working papers. We will also retain all ownership, title, copyright and other intellectual property rights in all reports, written advice or other materials provided by us to you; provided, however, we grant you a royalty free license to use those materials, but only for the purposes for which they were created under this Agreement for as long as we have an agreement with you.

Termination of this Agreement

Without prejudice to any rights that have accrued under this Agreement or any other rights or remedies, either party may terminate this Agreement:

- by giving not less than 30 days' notice in writing to the other; or
- immediately if the other party enters into any form of liquidation, receivership, administration or bankruptcy.

Notwithstanding anything else contained in this Agreement, we are not under an obligation to act for you, or to continue to act for you, if to do so could breach any laws, regulations or professional rules.

If we consider that we cannot act for you (or continue to act for you) because we reasonably believe that to do so could breach any laws, regulations or professional rules, we will be entitled to terminate our existing relationship with you with immediate effect and will not be responsible or liable to you for any direct or indirect loss which you or any other party may suffer as a result.

Consequences of termination

In the event that our services are terminated, we reserve the right to retain our commissions and/or fees in respect of the policies we have placed on your behalf.

Limitation of Liability

We shall perform our services with reasonable care and skill. Save to the extent otherwise agreed in writing with you, this Agreement contains the terms on which our services are provided. Our entire liability to you, howsoever arising in relation to the performance of our services, whether by reason of negligence, breach of statutory duty, breach of contract, breach of these terms or otherwise, shall not exceed \$20 million in the aggregate. Notwithstanding the above, we shall not be liable for any indirect, consequential or punitive damages arising under or in connection with the provision of our services.

Cancellation

Your insurance contract may include a cancellation clause. Many insurance policies are not cancellable for more details, please refer to your insurer's policy documentation. In the event of cancellation of your cover, the insurer determines any return premium in relation to policies placed by us. Should you wish to cancel a policy, please contact us.

Severability

The invalidity, illegality or unenforceability of any of the provisions of this Agreement shall not affect the validity, legality or enforceability of the remaining provisions in this Agreement.

Notices

If notice is given to us under or in connection with this Agreement, except as expressly provided in this Agreement, it shall be in writing and sent to our registered address. We shall be entitled to give you a notice under or in connection with this Agreement at your registered address (if a company or limited liability partnership) or at your last known address (in any other case).



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Force majeure

We shall not be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond our reasonable control. In the event of a force majeure we will notify you as soon as reasonably practicable.

Assignment

Unless this Agreement is assigned or otherwise transferred to an affiliate of the AJGCL, it cannot be assigned or otherwise transferred by either party without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed.

Governing law and jurisdiction

The laws of Canada and of its provinces will apply unless you and we agree otherwise in writing.