



Terms of Business
Agreement

Please pay close attention to the limits on our liability in paragraph 14

1. Introduction and business service

Rinkos Insurance Solutions, UADBB (referred to in this document as “Rinkos”, “we”, “us” or “our”) is an international insurance and reinsurance¹ broker. Our registered office and principal place of business is L. Stuokos-Guceviciaus st. 7, Vilnius, Lithuania and we are authorised and regulated by the Bank of Lithuania. Our permitted business is **insurance and reinsurance broking** and our **licence number is 60**. Additional information as well as an electronic copy of the licence can be viewed on the Bank of Lithuania website at www.lb.lt.

The purpose of this Terms of Business Agreement (“TOBA”) is to set out the terms on which Rinkos undertakes to act for you, our client, as your insurance broker. This TOBA provides information on our services as well as includes our regulatory and statutory obligations. It also identifies your own responsibilities, both to us and to insurers.

These are our standard terms and can only be varied with our written consent. **Please read these terms carefully and contact us immediately if there is anything in this document which you do not understand or with which you disagree.** If you instruct us to proceed with any insurance placement, or to undertake any other insurance related service, and we do not hear from you, this will serve as your consent to working with us on the terms set out in this TOBA and will have contractual effect between us. We will at all times act with integrity and good faith.

From time to time it may be necessary for us to amend or supersede these terms by new terms. Where this is the case we shall notify you of the proposed changes and, unless we hear from you to the contrary within 28 days after such notification, the amendments or new terms will come into effect from the end of that period.

2. Your obligations

As the insured you **must disclose** all material facts that are known to you, or which ought to be known by you, before your insurance contract is finalised, both for new contracts, and at renewal. We will not be liable for any negative affect to the insurance validity and/or settlements if you withheld any information about the risk, which the insurer deems important. More information on the duty of fair representation of the risk is provided in **paragraph 5**.

All instructions must be confirmed to us in writing, for instance to bind or amend cover or to report a claim, in a timely manner or in line with any claims notification conditions in the insurance policy. **You should also notify us immediately if there is any change in circumstances.**

¹ Any reference to insurance or insurer in this TOBA respectively includes reinsurance or reinsurer as appropriate



Premiums should be paid promptly, paying due regard to premium payment conditions and warranties. The insurance company reserves the right to cancel or deem void the insurance policy if the premiums are not paid in time.

If you operate as an insurance intermediary, it is your obligation to ensure that the ultimate insured is aware of all the terms of any insurance policy obtained by us on your instructions. It is also your obligation to ensure that you hold and comply with all necessary licences, statutory law and regulatory rules that apply in your local domicile, including the retention of records and reproduction of such, if required, on a timely basis.

3. Confidentiality

We may disclose the fact that you are our client and the nature of your insurance, but no other details about you.

Except as stated below information provided by you to us will not be used or disclosed to any other person not entitled to receive such information other than:

- in the course of carrying out your instructions as your insurance broker;
- except as may be required by law or regulatory authority; and
- where necessary to our insurers or reinsurers, actuaries, auditors, professional agents and advisers.

The restrictions on Rinkos above do not apply to information which:

- rightfully comes into Rinkos's possession from a different source;
- is already public knowledge or becomes so at a future date (except where that happens because we have broken the restrictions in this provision); or
- which is trivial or obvious.

4. Conflict of interest

Since March 2017 Rinkos Group, UAB, owns 100% of the issued share capital of Rinkos Insurance Solutions, UADBB. Neither Rinkos nor any other company owned by Rinkos Group directly or indirectly owns any interest in any insurance companies.

We seek to avoid conflicts of interest in the conduct of our business and have procedures, systems and controls in place to deal with possible conflicts of interest that may arise when dealing with you.

For example occasions may arise where we, or one of our other clients, will have some form of interest in business which we are transacting for you. We will notify you immediately when and if a conflict should occur and recognise that where a conflict arises you may wish to secure the services of another intermediary to assist you. Your interest will be to the fore at all times.



5. Duty to make a fair presentation of the risk

The following summarises the duty under the law of the Republic of Lithuania. Although the duty is very similar where your insurance is in place under another system of law it may not be exactly the same. *If in doubt please ask for more information.*

In order for us to arrange insurance on your behalf, *you must make a fair presentation of the risk you want to insure against.* This means you must disclose every material circumstance you know or ought to know or, failing that, give insurers sufficient information to put a prudent insurer on notice that it needs to make further enquiries. All information disclosed must be in a manner which would be reasonably clear and accessible to a prudent insurer and you must not make misrepresentations. You, as insured, are deemed to know every circumstance which, in the ordinary course of business, ought to be known by you. As a business insured, it is taken that you know what is known to senior management and individuals responsible for your insurances. You ought to know what would have been revealed by a reasonable search of information available to you.

You are reminded that the responsibility to make a fair presentation of the risk, and for the accuracy of all the details given in any proposal or claim form or other document is yours and yours alone.

You must advise us immediately with full details of any material alteration or change in risk which occurs at any time during the policy period (some policies require this as a condition of continuing cover) as well as at renewal.

6. Financial and economic crime

Rinkos has a zero tolerance policy of all financial and economic crime, and we reserve the right to end our relationship with anyone who is involved with, or is convicted of, any financial or economic crime in any part of the world. This includes giving notice of immediate termination (*without having to wait for a notice period to come to an end*) of any contract with that person in such circumstances.

Any breach of anti-bribery laws by any party with whom we transact business, either directly or indirectly, will entitle us to serve immediate notice of termination of our agreement with that party.

In order to satisfy our obligations with regard to financial crime legislation, we might carry out certain checks from time to time to ensure that there are no prohibitions against working with you. We screen our clients and partners against EU, HM Treasury, HM Treasury Ukraine Securities, United Nations Sanctions Lists as well as OFAC (SDN and non SDN) lists.

To comply with sanctions laws and regulations we will not at any time provide any service to you or anyone owned or controlled by you, with any benefit or economic resource, or provide you or anyone owned or controlled by you with any benefit or economic resource if to do so would expose us (or our parent company, or any other member of the group of companies of which we form part at any time) to any penalty or restriction, including extraterritorial penalties or restrictions arising out of any trade or economic sanctions law or regulation.



Accordingly, we may under this provision suspend services to you for so long as we reasonably believe that this provision applies, or immediately end our agreement with you by written notice to you, in each case without any direct or indirect liability whatever to you or to any other person.

7. Quoting and placing

We will seek to understand your requirements and keep you fully informed of progress at all stages of negotiations providing you with details of the terms indicated by insurers, including an indication of the likely premium cost. *It is vital that you provide us with all relevant information and that you keep us informed of changes in material circumstances to enable us to properly represent your interests.* Please refer to Your Obligations and Duty to make a fair presentation of the risk.

We will place your insurance with one or a combination of insurers, the selection of which is based on our experience and knowledge of the relevant market sector.

8. Evidence of cover and policy documentation

We will promptly confirm cover to you in the form of a Rinkos produced Evidence of Cover document, an insurance policy, a certificate of insurance, which will confirm the basis of the cover.

You should check the document sent to you carefully, to ensure that it is entirely in accordance with your understanding and instructions. Should this not be the case, or if you require any clarification of the content, or if you are dissatisfied with the insurance security, you should contact us immediately. If we do not hear from you within ten (10) days after we present the relevant documents to you, we will notify you in writing that we have taken this as your confirmation that the documentation is in order.

For some types of insurance cover, it is possible that a claim may be made under a policy long after its expiry date. Retention of such documents is therefore essential. Rinkos will retain documents for business that we place on your behalf in electronic and paper formats in line with market practice and regulatory requirements.

If you are a private customer, the proposal given to you is a *of a consultation nature*. The final decision to purchase the said insurance rests with you in all cases.

9. Warranties, subjectivities and insured values

It is important that you familiarise yourself with all the terms of any insurance contract purchased. In particular failure to comply with any warranties contained in your policy could lead to your insurance claim being denied by the insurer.

A subjectivity in your insurance contract if it remains outstanding may lead to the contract being invalidated or coverage prejudiced.



The Insured Value is also important; in the event that you insure your property for less than its current replacement value, underwriters may apply average. For example if your insured values are 80% of replacement value you may only be paid 80% of your loss.

10. Payment of Premium Debit/Credit Notes

A Debit Note or Invoice will be sent to you which, in addition to any taxes and charges, will clearly show the total amount of premium due and the date that is due to the insurer. Premium should be received by Rinkos in cleared funds in sufficient time to enable us to honour the payment terms to the insurers, which must be at least 15 days prior to the due date or as stated on the Debit Note or Invoice, provided however in all events you will not be required to make payment earlier than twenty (20) days after you receive the Debit Note or Invoice from us.

If you do not think that you will be able to comply with any premium payment condition or warranty please contact us immediately. Failure to pay on time may lead to the cancellation or avoidance of the insurance. Payment must be in the currency shown on the Debit Note or Invoice.

If you pay in a different currency the converted funds will be applied against the amount due, with any shortfall arising from the exchange differences remaining your liability.

A Credit Note will be issued where there are return premiums due to you, and for the payment of a claim. You may not set Debit Notes and Credit Notes against each other. This is only permissible with our prior written agreement, which we may give in a statement of accounts.

11. Methods of payment

Our preferred method of payment is by direct transfer to our bank account. We will advise you of our banking details and you are not to accept any changes to these details unless we notify them to you in writing in the form of a letter signed by our CFO and CEO. *If there are any doubts about the authenticity of the documentation please seek confirmation by phone.*

12. Client money

Client money is money of any currency that we receive and hold in the course of carrying on insurance mediation on behalf of our clients. All client money is held by us on trust for our clients and is deposited in a dedicated bank account.

13. Remuneration

For the services that we carry out on your behalf our principal remuneration is by way of brokerage/commission which is determined by insurers with whom we place your business. You may separately agree to remunerate us by way of a fee for placing and administering your insurance and/or providing claims and other services. Where we are to be remunerated by you by a fee we will negotiate and agree it with you, and you will be responsible for paying the fee to us. In some circumstances remuneration will be by way of a combination of both commission and a fee, which will also be discussed and agreed with you prior to the conclusion of the placement of your insurance. The remuneration in connection with this



TOBA will be in the form of commissions, as set forth in the “Commission Sharing Agreement” executed between the parties.

As all our remuneration is earned on placement, we will be entitled to retain it (or to receive it where unpaid) even where a policy, placed by us, is terminated, amended or cancelled for any reason, such as the appointment of another broker during the policy period. Where we place multi-year policies we will be entitled to retain all commission upon placement even if such policies are cancelled.

You may wish us to carry out any task beyond the services you initially require, and these may be subject to an additional fee, brokerage or both, but we will not impose any additional charges without prior notice or discussion with you.

14. Exclusions and limitations of the liability of Rinkos and of its directors and employees

Our services are provided solely and exclusively by Rinkos, acting through its directors and employees, and accordingly no director or employee will owe you any personal duty of care. In providing you with our services Rinkos does not undertake or accept any duty (including any duty of care) to any person apart from you (and if you are an insurance intermediary or insurance broker that means you personally, not any of your clients).

No Rinkos director or employee will be personally liable to you for any direct or indirect loss or damage, however that may arise, as a result of anything which that Rinkos director or employee may do or fail to do (and this includes negligent acts and omissions), but this does not apply where the loss or damage is caused by fraud by that director or employee, or where liability cannot otherwise be lawfully excluded.

Rinkos itself will be liable to you to the same extent that we would have been without this exclusion, and we will not defend our position by saying that because you cannot be compensated under this exclusion by our directors or employees personally that automatically also means that Rinkos will not be responsible to you for what has happened. This does not mean that we may not defend ourselves on some other ground.

You may also only ask us to compensate you for loss or damage in proportion to our contribution to the overall fault for that loss or damage. We will for this purpose take into account any contributory negligence by you, and the negligence by your other advisers and everyone responsible to you, or liable in respect of the same loss or damage.

15. Claims

You must notify us immediately (or if that is not possible, then as soon as reasonably possible) of any incident or circumstance that may give rise to a claim under your insurance, providing us with all known material information in order for us to assist you to comply with the terms of your insurance contract. **Failure to notify an incident may enable insurers to deny your claim.** If you have any doubt whether or not a matter or circumstance is required to be notified to insurers you should contact us immediately.



When you advise us of a claim we will provide you with a claims handling service as long as you remain a client of Rinkos, and we will assist you in the submission of your claim to insurers.

However, if you cease to be our client or terminate our appointment but request us to handle a claim on your behalf (or continue to do so), we reserve the right to charge a fee for our services.

In the event that you submit a claim or are due a return premium on a policy where one or more of the subscribing insurers has become insolvent or is delaying its settlements, we cannot and do not accept liability for the uncollected amounts. We will settle to you the amounts collected from the responding insurers and advise you of those insurers who have not paid and the amounts unpaid by them.

Claims payments will be made in favour of you or to any applicable claim payee stated under the original policy. If the claim is payable to you, but you require the payment to be made to a third party then this must be confirmed in writing and include bank details of the payee and be signed off by an authorised signatory of the company. Please note that in those circumstances we will need to apply anti-money laundering checks in relation to the payee, and we reserve the right to refuse your instructions if those checks do not produce results that are acceptable to us.

16. Complaints

We take any complaints very seriously and we will ensure that complaints are handled fairly, effectively and promptly and are resolved at the earliest opportunity. We have a formal complaints policy in line with regulatory and statutory requirements. All complaints should be in writing and addressed specifically to the Compliance Manager at

UADBB "Rinkos Insurance Solutions"
L. Stuokos-Guceviciaus st. 7, LT-01122
Vilnius, Lithuania

Or by email info@rinkosinsurance.eu

If we are still unable to settle your complaint, you may be entitled to refer it to the Bank of Lithuania (www.lb.lt).

17. Data protection

We undertake to comply with all local (Lithuanian) data protection regulation as well as the EU General Data Protection Regulation in all our dealings with your personal data. Your personal information will be kept secure.

We undertake to ensure your personal data is:

- ▶ processed lawfully, fairly and in a transparent manner;



- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed;
- accurate and, where necessary, kept up to date and every reasonable step will be taken by Rinkos to ensure that personal data that is inaccurate, having regard to the purposes for which it is processed, is erased or rectified without delay;
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data is processed;
- processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

In order to ensure compliance with Anti-money laundering policies as well as compliance with international sanctions we will perform searches on individuals named as UBOs in your business.

As part of our day-to-day communications with you, we will generally use e-mail and unless you advise us to the contrary in writing then you accept this is a valid communication enforceable as written communication for legal and regulatory purposes.

If you have any concerns regarding your personal data, please refer to our Data protection officer at dpo@rinkosinsurance.eu

18. Force majeure

We shall not be liable to you if we are unable to provide services as a result of any cause beyond our reasonable control. In the event of any such occurrence affecting us we shall notify you as soon as reasonably practical.

19. Governing law and jurisdiction

This TOBA and our business relationship with you are governed by, and are to be construed solely in accordance with the laws of the Republic of Lithuania, unless explicitly stated otherwise. This TOBA and everything arising out of our dealings with you are subject to the non-exclusive jurisdiction of the Lithuanian courts.

