

## LEGAL & GENERAL - TERMS OF BUSINESS FOR IFA AGENCIES

By completing the online application (the **"Online Application"**) for IFA agencies on this Legal & General website (the **"Website"**) and ticking the box to confirm your acceptance of these terms of business, you (the **"Intermediary"**) are entering into a legally binding agreement with **LEGAL & GENERAL INSURANCE LIMITED ("L&G")** on the terms set out here (the **"Agreement"**). L&G is a company registered in England and Wales (company number 423930) with its registered office at One Coleman Street, London, EC2R 5AA.

This Agreement sets out the terms upon which the Intermediary, acting as agent for L&G, will distribute and sell certain general insurance policies in the UK.

### 1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the following expressions shall be defined as follows:

**"Applicable Law"** all applicable statutory and other obligations (including but not limited to the FSMA), rules and regulations (including, but not limited to, the Handbooks and any other requirements, guidance and directions of the FCA or PRA), legislation, instruments and provisions in force from time to time;

**"Appointed Representative"** has the meaning given to it in section 39(2) of FSMA;

**"Business Days"** any day which is not a Saturday or Sunday or a bank holiday in the United Kingdom;

**"Cancelled from Outset"** a Policy is deemed to be cancelled from the outset if it is in anyway brought to an end as a result of: (i) the Policy having been miss-sold; (ii) the Policyholder cancelling the Policy during the cooling off period; or (iii) the Policyholder has not for whatever reason paid the first premium or instalment of the Policy;

**"Commission"** Initial Commission and/or Renewal Commission;

**"Commission Paid On Indemnity Terms"** an advance payment to the Intermediary by L&G in respect of Commission to be earned on a Policy;

**"Confidential Information"** any information of a confidential nature relating to the business or affairs of either Party, including the terms of this Agreement, that comes into its possession in the course of performing its duties under this Agreement and any information relating to Customers including Intellectual Property, customer lists, financial information, sales processes, commission rates, internal group reporting structure and staff details, customer market research information and customer database information;

**"Control"** shall be determined by reference to section 840 Income and Corporation Taxes Act 1988;

**"Customer"** a person to whom the Intermediary or any Sub Intermediary has provided advice or illustrations in respect of a Policy (whether or not such persons become Policyholders);

**"DISP"** the Dispute Resolution Sourcebook in the Handbooks;

**"DPA"** the Data Protection Act 1998;

**"Data Protection Legislation"** means (a) any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction (as amended, consolidated or re-enacted from time to time) which relates to the protection of individuals with regards to the processing of personal data to which a Party is subject, including the Data Protection Act 1998 ("**DPA**") and EC Directive 95/46/EC (the "**DP Directive**") (up to and including 24 May 2018) and the GDPR (or, in the event that the UK leaves the European Union, all legislation enacted in the UK in respect of the protection of personal data) (on and from 25 May 2018); and (b) any code of practice or guidance published by the ICO from time to time.

**"Data Protection Particulars"** means, in relation to any processing under this Agreement: (a) the

subject matter and duration of the processing; (b) the nature and purpose of the processing; (c) the type of personal data being processed; and (d) the categories of Data Subjects;

**"Data Subject Request"** an actual or purported request or notice or complaint from (or on behalf of) a data subject exercising his rights under the Data Protection Legislation;

**"Data Transfer"** transferring the personal data to, and/ or accessing the personal data from and/ or processing the personal data within, a jurisdiction or territory that is a Restricted Country;

**"EU Model Clauses"** the model clauses that manage and control overseas transfers of personal data to non-European data processors;

**"Force Majeure Event"** any event beyond the reasonable control of a Party affecting its ability to perform this Agreement, including without limitation fire, explosion, flood, storm or other natural event, war, hostilities, revolution, riot or civil disorder, or any act or omission of government making the Agreement, or a material part of this Agreement, unlawful;

**"FCA"** the Financial Conduct Authority and any successor to its functions;

**"FSMA"** the Financial Services and Markets Act 2000;

**"Good Industry Practice"** the level of care, skill, diligence, prudence and foresight that can reasonably be expected from a skilled and experienced person under the same or similar circumstances;

**"Group"** in relation to a Party, any subsidiary companies or undertakings of that Party, any holding companies of that Party, and any subsidiary companies or undertakings of such holding companies (all as defined by section 1159 of the Companies Act 2006);

**"Handbooks"** the rules made by the FCA and the PRA for the time being in force;

**"ICO"** the UK Information Commissioner's Office, or any successor or replacement body from time to time;

**"ICOBs"** the Insurance: New Conduct of Business Sourcebook in the Handbooks;

**"Initial Commission"** the commission payable by L&G to the Intermediary on the Premium paid (or to be paid) by a Customer during the first 12 months of a Policy;

**"Insolvency Event"** where used in relation to a Party, means that the Party has: (i) ceased to do business; (ii) become unable to pay its debts as they fall due; (iii) become or been deemed insolvent; (iv) had a receiver, manager, administrator, administrative receiver or similar officer appointed in respect of the whole or any part of its assets or business; (v) made a composition or arrangement with its creditors or taken or suffered any similar action in consequence of debt; or (vi) been the subject of an order or resolution made for its dissolution or liquidation (other than for the purpose of solvent amalgamation or reconstruction), or any equivalent or similar action or proceeding in any jurisdiction and the same has not been dismissed or discharged within thirty (30) days thereafter;

**"Intellectual Property"** patents, registered designs, trademarks and service marks (whether registered or not), and applications for any of the foregoing, copyright, design right (whether registered or not), rights in know-how, confidential information, moral rights, photographic images, rights in and to databases and all similar and/or analogous rights subsisting at any time in any part of the world;

**"IPT"** the insurance premium tax levied on general insurance premiums by HM Government at the rate applicable from time to time and which L&G is responsible for remitting to HM Revenue & Customs;

**"Insurance Distribution Activity"** means "insurance distribution" and "insurance distribution activity" as respectively defined for the purposes of the FCA Handbook;

**"Intellectual Property"** all intellectual property rights in any part of the world and all applications and rights to apply for, or for the protection of, any intellectual property right, including all Trade Marks,

design rights, copyright, patents, database rights, know how or trade secrets and any similar rights, whether registered or not, anywhere in the world and includes all intellectual property rights embodied in and associated with a website (including without limitation the design and structure and all software, codes, algorithms in relation thereto);

**“Intermediary’s Distribution Channels”** the Intermediary and any Sub Intermediary;

**“Money Laundering Requirements”** the Proceeds of Crime Act 2002, the Terrorism Act 2002, the Prevention of Terrorism (Temporary Provisions) Act 1989, the Criminal Justice Act 1993, the Money Laundering Regulations 1993, 2001 and 2003, the Criminal Justice (Confiscation) Northern Ireland Order 1990, and such other anti-money laundering legislation as shall be in force from time to time, the money laundering rules in the Handbooks and the Guidance Notes for the Financial Sector issued by (as current from time to time) the Joint Money Laundering Steering Group (and/or other body, agency, entity or organisation whatsoever which shall succeed to or otherwise assume in whole or in part the responsibilities of the Joint Money Laundering Steering Group);

**“Online Application”** has the meaning given at the start of this Agreement;

**“Party”** a party to this Agreement, and **“Parties”** shall be construed accordingly;

**“Policies”** such general insurance policies as L&G decides (in its sole discretion) to make available to the Intermediary for sale to Customers through the Intermediary’s Distribution Channels pursuant to this Agreement;

**“Policy Documents”** the terms and conditions of the Policies, as amended from time to time by L&G;

**“Policyholder”** any Customer who enters into a Policy;

**“PRA”** the Prudential Regulation Authority and any successor to its functions;

**“Premium”** the annual premium charged to the Policyholder under the terms of a Policy, including IPT;

**“Renewal Commission”** any commission (other than Initial Commission) payable by L&G to the Intermediary in respect of a Policy;

**“Regulatory Authority”** the FCA, PRA, ICO or any governmental or regulatory body which has responsibility for regulating any member of the Intermediary and/or the Intermediary’s Group and/or any of the Sub Intermediary and/or L&G and/or any of its services or products;

**“Restricted Country”** a country, territory or jurisdiction outside of the European Economic Area which the EU Commission has not deemed to provide adequate protection in accordance with Article 25(2) of the DP Directive and/ or Article 45(1) of the GDPR (as applicable);

**“Security Requirements”** means the requirements regarding the security of the personal data, as set out in the Data Protection Legislation (including, in particular, the seventh data protection principle of the DPA and/ or the measures set out in Article 32(1) of the GDPR (taking due account of the matters described in Article 32(2) of the GDPR)) as applicable;

**“Third Party Request”** a written request from any third party for disclosure of personal data where compliance with such request is required or purported to be required by law or regulation;

**“Transparency Requirements”** the requirements around ensuring that processing is fair and transparent, as set out in the Data Protection Legislation (including, in particular the first data protection principle and Schedule 2, Part 2, Para 2(3) the DPA and/ or the measures set out in Article 5(1)(a) and Article 14 of the GDPR, as applicable);

**“Sub Intermediary”** any insurance intermediary, including any Appointed Representative of the Intermediary, appointed by the Intermediary pursuant to clause 2.4 to which any of the marketing, sales and administration activities of the Intermediary pursuant to this Agreement is sub-delegated by the Intermediary; and

**“Unearned Commission”** that proportion of any Commission Paid on Indemnity Terms as is equal to the proportion of the full annual Premium of the relevant Policy that has not, at the relevant time, been received by L&G.

1.2 In this Agreement, references to any statute include any statutory amendment, modification or re-enactment and instruments and regulations under it in force from time to time.

## 2. APPOINTMENT OF INTERMEDIARY, DURATION AND SUB INTERMEDIARIES

2.1 L&G appoints the Intermediary to distribute and sell the Policies as L&G’s agent through the Intermediary’s Distribution Channels. The Intermediary shall perform such appointment in accordance with this Agreement and Applicable Law. L&G shall have the unrestricted right to appoint other agents to distribute the Policies or other insurance products.

2.2 L&G shall have absolute discretion to decide which and how many Policies are made available to L&G for sale. L&G may, at any time and without notice, withdraw a Policy or amend the specification, terms or pricing of any Policy. L&G shall not be under any obligation to enter into a Policy with any Customer where it considers that it would be commercially inappropriate or in breach of any Applicable Law to do so.

2.3 This Agreement shall commence on the date of the Intermediary’s Online Application and shall continue unless and until terminated in accordance with clause 8 below.

### 2.4 Sub Intermediaries

2.4.1 The Intermediary will not appoint a Sub Intermediary without the prior written consent of L&G. The Intermediary will terminate the appointment of a Sub Intermediary if requested to do so in writing by L&G at any time, and will ensure that its terms of appointment of each Sub-Intermediary entitle it to do so.

2.4.2 Where L&G agrees to the Intermediary appointing a Sub Intermediary, the Intermediary shall procure that such Sub Intermediary will comply with all the terms and conditions of this Agreement as they apply to the Intermediary. The Intermediary agrees with L&G that every act and omission of a Sub Intermediary in its capacity as such shall be deemed for the purpose of this Agreement to be an act or omission of the Intermediary.

2.4.3 Where L&G agrees to the Intermediary appointing a Sub Intermediary, the Intermediary shall procure that such Sub Intermediary will comply with all the terms and conditions of this Agreement as they apply to the Intermediary. The Intermediary agrees with L&G that every act and omission of a Sub Intermediary in its capacity as such shall be deemed for the purpose of this Agreement to be an act or omission of the Intermediary.

2.4.4 The Intermediary undertakes and agrees to have in place at all times terms of business agreements in a form approved by L&G with all Sub Intermediaries appointed pursuant to this clause 2.4 together with all other agreements necessary to operate the systems, procedures, checks and controls as required under the terms of this Agreement and any Applicable Laws.

2.4.5 The Intermediary will procure that no Sub Intermediary will collect or hold any Premiums or other money belonging to Policyholders in connection with its activities pursuant to this Agreement unless the Sub Intermediary has entered into a written agreement with L&G authorising it to receive money as agent in accordance with the Handbooks.

## 3. MARKETING MATERIALS

3.1 L&G shall supply the Intermediary with marketing materials, as reasonably required to facilitate the marketing of the Policies (the **“Marketing Materials”**). The Marketing Materials shall remain the property of L&G and must be returned to it or destroyed upon request. The Intermediary will

not alter any Marketing Materials without L&G's written consent.

3.2 Where L&G provides the Intermediary or any Sub Intermediary with updated Marketing Materials, the Intermediary or the Sub Intermediary will ensure that it and any Sub Intermediary only use such updated Marketing Materials and will destroy or return to L&G all copies of out-dated Marketing Materials.

#### **4. INTERMEDIARY'S RESPONSIBILITIES**

4.1 The Intermediary shall:

- 4.1.2 market the Policies in accordance with the FSMA and the Handbooks (including ICOBS);
- 4.1.3 adequately train all staff and any Sub Intermediary ;
- 4.1.4 have no authority to collect Premiums on behalf of L&G or to receive, handle, process or exert any degree of control over monies belonging to a Customer;
- 4.1.5 not issue any cover note, Policy Document, endorsement, renewal receipt or notice or other document to Customers without L&G's written consent;
- 4.1.6 not make any statement to Customers which is inconsistent with the Policy Documents, Marketing Materials or other documentation relating to Policies;
- 4.1.7 comply with DISP and any other procedures for handling complaints from Customers or other eligible complainants (within the meaning of the Handbooks) against L&G, the Intermediary, any Sub Intermediary, any company in the Intermediary's Distribution Channels or any of its/their respective employees, agents, sub agents, or employees of their respective agents or sub agents;
- 4.1.8 comply with Applicable Law in relation to the marketing and sale of the Policies, to include: (i) providing advice to the Customer; (ii) completing application forms, including all disclosures made by the Customer at completion of the application form, and subsequently, prior to the Customer entering into the Policy; and (iii) confirming that Customers have been identified in accordance with the Money Laundering Requirements. The Intermediary shall ensure that the Customer has understood, completed and agrees with the information contained in the application form and is aware of the consequences of non-disclosure of certain information;
- 4.1.9 prior to conclusion of a Policy or upon renewal, inform the Customer of its right to request details of the commission which the Intermediary receives from L&G;
- 4.1.10 where Policies are being sold via the Internet, email or other electronic means, comply immediately with any instructions from L&G to make changes to the offered Policies and Premiums and any procedure guides issued by L&G (or its software provider(s));
- 4.1.11 promptly notify L&G of all material information that a Policyholder notifies to it;
- 4.1.12 where it receives notification of a claim from a Policyholder, pass such claim to L&G immediately;
- 4.1.13 maintain full and accurate records of all claims that are notified to it by Policyholders; and
- 4.1.14 have no authority to accept, settle, negotiate or handle claims from Policyholders on behalf of L&G and shall not alter any receipt or document or commit L&G in any way.

#### **5. COMMISSION**

5.1 Commission will be calculated at such rates as are notified by L&G to the Intermediary from time

to time.

- 5.2 Provided the Intermediary complies with its obligations under this Agreement, L&G will pay Commission to the Intermediary in respect of Policies which are accepted by L&G as a result of the Intermediary's sales activities. L&G will pay Commission to the Intermediary on a Policy at the end of the calendar month following the calendar month in which the Policyholder's payment details are validated by their bank or building society and L&G receives from the Policyholder the full Premium or the first instalment of the Premium (as applicable). L&G may, in its absolute discretion, elect to pay Commission Paid on Indemnity Terms to the Intermediary.
- 5.3 If any event occurs to give L&G a right of termination under clause 8, without prejudice to such right of termination, in addition L&G shall be entitled to cease, withhold or suspend payment of Commission to the Intermediary.
- 5.4 If, and to the extent that, any Premium or other payment due from a Policyholder is not paid when due, the Intermediary will immediately repay the corresponding Commission to L&G.
- 5.5 L&G shall be entitled to reclaim on demand and in full Commission paid in relation to Policies Cancelled from Outset.
- 5.6 All payments of Commission by L&G are inclusive of Value Added Tax and /or any other relevant taxes, if any, at the prevailing rate. The Intermediary undertakes to account for all Value Added Tax and other taxes due on Commission received by it as and when required by law.
- 5.7 Any sum payable by the Intermediary under this Agreement shall be paid to L&G in full and shall be free and clear of any rights of set-off and from any restriction, condition or deduction of any kind whatsoever arising from any counterclaim of the Intermediary. L&G and any member of L&G's Group may at any time apply and set off any amounts owed by the Intermediary, any Sub Intermediary or any member of the Intermediary's Group under this Agreement or otherwise (including Unearned Commission) against any Commission or other amounts from time to time owed to the Intermediary, any Sub Intermediary, or members of the Intermediary's Group by L&G. It is intended that this clause 5.7 should be directly enforceable by any company in L&G's Group.
- 5.8 If any sum payable under this Agreement is not paid when due, it will carry interest (both before and after judgement) at the rate of 4% per annum above the base rate of Barclays Bank plc from the date it becomes due until the date of payment.

## **6. CANCELLATIONS**

- 6.1 If a Policy is cancelled and L&G refunds any Premium (or part thereof) to a Policyholder whether during or after termination of this Agreement, the Intermediary shall repay to L&G immediately on demand the amount of Commission paid on such Premium (or the applicable pro-rata amount).
- 6.2 If L&G has paid to the Intermediary any Commission Paid on Indemnity Terms in relation to a Policy, and that Policy is cancelled before all Premium has been paid, the Intermediary shall repay to L&G immediately on demand all Unearned Commission. L&G's consent must be obtained to transfer the Intermediary's actual or contingent liability in respect of Unearned Commission. If L&G's consent is withheld, all Unearned Commission shall become immediately repayable to L&G.

## **7. RECORDS, INFORMATION AND AUDIT**

- 7.1 The Intermediary will make and maintain full and accurate records in respect of the marketing and selling of Policies undertaken pursuant to this Agreement. The Intermediary will provide L&G with management information, as and when requested.
- 7.2 At any time upon request, the Intermediary shall permit (or procure that any Sub Intermediary permit) the FCA, the PRA or any auditors (internal and external), officers, employees or representatives of L&G to inspect audit and copy, during normal office hours at the offices of the

Intermediary and any Sub Intermediary, any accounts, books, files, papers and data, files and records held on computer systems relating to the marketing and selling of the Policies. The Intermediary shall ensure that staff are available during normal office hours to assist with any such audit.

- 7.3 L&G reserves the right to make enquiries through credit forums or credit checking agencies and other insurance companies regarding the Intermediary's credit status. Such enquiries may include credit checks against individuals involved in the Intermediary's business, and the Intermediary shall ensure that such individuals are aware of the possibility of such enquiries.

## 8. TERMINATION

- 8.1 Either Party can terminate this Agreement, without cause and without payment of compensation or other damages caused to the other Party solely by such termination, by giving not less than 30 days' notice in writing to the other Party at any time.

- 8.2 Either Party can terminate this Agreement immediately without payment of compensation or other damages caused to the other Party solely by such termination by giving notice in writing to the other Party if: (i) the other Party is in material breach of this Agreement and, where the breach is capable of remedy, the other Party has failed to remedy such breach within 30 days after service of a written notice from the Party not in breach specifying the breach and requiring it to be remedied; or (ii) the other Party suffers an Insolvency Event.

- 8.3 L&G can terminate this Agreement without payment of compensation or other damages caused to the Intermediary solely by such termination by giving notice in writing to the Intermediary if:

- 8.3.1 the Intermediary's FCA or PRA authorisation, or any other authorisation or consent necessary for it to comply with its obligations under this Agreement, expires or is suspended, revoked or cancelled;
- 8.3.2 the Intermediary is subject to a variation of, or imposition of a requirement, restriction or prohibition on, its Part IV FSMA permission such that it can no longer lawfully comply with its obligations under this Agreement;
- 8.3.3 the Intermediary undergoes a change of Control or (either in a single transaction or a series of transactions, whether related or not) disposes of a material part of its undertaking, assets or any interest therein or enters into an agreement to do so;
- 8.3.4 L&G, after making reasonable attempts, is unable to contact the Intermediary on the most recent contact details provided by the Intermediary, or L&G receives notification from Policyholders that they are unable to contact the Intermediary or relevant Sub Intermediary;
- 8.3.5 the Intermediary commits or is suspected of committing fraud, or is found guilty of serious misconduct as determined by any Regulatory Authority;
- 8.3.6 a Force Majeure Event affecting the Intermediary continues for a period of more than 30 days; or
- 8.3.7 there is a material adverse change in the Intermediary's business which materially adversely affects (or may affect) its reputation, financial position or ability to generate or process new business.

- 8.4 A Party shall immediately notify the other Party in writing (provided it is legally permissible to do so) in the event that any event occurs (or is likely to occur) which gives the other Party a right of termination under this clause 8.

## 9. RIGHTS AND DUTIES POST TERMINATION

- 9.1 Upon termination of this Agreement:

- 9.1.1 any obligation on L&G to pay Commission or any other remuneration to the Intermediary under this Agreement will automatically cease;
  - 9.1.2 the Intermediary shall cease to market and sell the Policies and will cease to represent to any person that it is permitted to do so;
  - 9.1.3 the Intermediary shall cease to use, and shall promptly return or destroy (as requested), all property belonging to L&G and all information in respect of the Policies and the Policyholders, and send written confirmation signed by a duly authorised officer that this obligation has been complied with;
  - 9.1.4 L&G shall be entitled to continue to offer renewal of Policies to Policyholders and to effect mid-term adjustments and cancellations;
  - 9.1.5 the Intermediary will not directly or indirectly take any action which will or is intended to cause or contribute to the termination or cancellation of any Policy; and
  - 9.1.6 L&G shall not be under any obligation to pay compensation to the Intermediary.
- 9.2 Any termination of this Agreement is without prejudice to the rights, duties and liabilities of any Party accrued prior to termination. The provisions of this Agreement will subsist beyond termination to the fullest extent necessary to give effect to this Agreement's terms and intention.

## 10. INDEMNITY AND LIMITATION OF LIABILITY

- 10.1 Nothing in this Agreement shall exclude or limit any Party's liability:
- 10.1.1 in respect of death or personal injury arising from that Party's negligence, for fraudulent misrepresentation, or to a greater extent than is permitted under the FSMA or any other Applicable Law;
  - 10.1.2 under any indemnity under this Agreement; or
  - 10.1.3 for breaches of clauses relating to regulatory compliance by either Party under this Agreement.
- 10.2 The Intermediary shall indemnify L&G against all losses, damages, claims, costs, regulatory fines and expenses (including reasonable legal fees) incurred by L&G as a result of: (i) any negligent or fraudulent act or omission, or wilful misconduct, or breach of Applicable Law or breach of this Agreement by the Intermediary, its employees, agents, Sub Intermediaries or representatives; or (ii) L&G taking steps to obtain payment of any amounts due from the Intermediary to L&G under this Agreement.
- 10.3 The Intermediary shall have in place at all times during the term of this Agreement such level of professional indemnity insurance cover as is compliant with the requirements of FCA.
- 10.4 Subject to clause 10.1, L&G shall in no event be liable to the Intermediary in contract, tort, negligence, breach of statutory duty, breach of warranty or otherwise for:
- 10.4.1 loss of business opportunity, loss of profits, loss of sales, loss of turnover, loss of opportunity or loss of data; and/or
  - 10.4.2 any indirect or consequential loss, even if the loss was reasonably foreseeable or L&G had been advised of the possibility of such damage.
- 10.5 Subject to clause 10.1, L&G's total liability to the Intermediary arising out of or in connection with this Agreement, whether in contract, tort negligence, for breach of statutory duty, breach of warranty or otherwise, shall not exceed the sum of £100,000.00 (one hundred thousand pounds).

10.6 This clause 10 shall survive termination of this Agreement.

## 11. TRADEMARKS/INTELLECTUAL PROPERTY

All Intellectual Property in the Policy Documents, the Marketing Materials and other documentation produced or provided by L&G to the Intermediary shall remain vested in L&G. The Intermediary shall not be entitled to use L&G's name, logo or trademarks (or any other Intellectual Property belonging to L&G) in any advertising or literature without L&G's written consent. This clause 11 shall survive termination of this Agreement.

## 12. CONFIDENTIALITY

Each Party shall keep and procure to be kept secret and confidential all Confidential Information and shall not use nor disclose the same save for the purposes of the proper performance of this Agreement or with the prior written consent of the Party which owns the information. This obligation of confidentiality shall not extend to any matter which a Party can show is in or has become part of the public domain other than as a result of a breach of this obligation; or was in its written records prior to the date of the Intermediary's Online Application; or was independently disclosed to it by a third party entitled to disclose the same; or is required to be disclosed under Applicable Law, or by order of a court or governmental body or other competent authority. In addition, each Party shall be entitled to disclose the Confidential Information to the employees, professional advisers, auditors and bankers of such Party, or of any company within such Party's Group, that need knowledge of the same for the purposes of performing that Party's obligations under this Agreement, in which event that Party shall procure that such persons comply with this clause 12 in relation to such Confidential Information. This clause 12 shall survive termination of this Agreement.

## 13. DATA PROTECTION ACT

- 13.1 In this clause 13 the terms "**controller**", "**processor**", "**data subject**", "**personal data**" and "**process**" shall have the meanings set out in the GDPR and "**process**" and "**processed**" when used in relation to the processing of personal data, will be construed accordingly. Any reference to "personal data" includes a reference to "**sensitive personal data**", as applicable, whereby "**sensitive personal data**" means personal data that incorporates such categories of data as are listed in Article 9(1) of the GDPR.
- 13.2 Both the Intermediary and L&G shall comply at all times with the Data Protection Legislation. Each Party shall not, by its acts or omissions, cause the other Party to breach its respective obligations under the Data Protection Legislation.
- 13.3 Each of the Parties acknowledges and agrees that Appendix A (Data Protection Particulars) is an accurate description of the Data Protection Particulars.
- 13.4 Where the Intermediary collects personal data which it subsequently discloses to L&G under this Agreement:
- 13.4.1 the Intermediary will ensure that all fair processing notices have been given (and/ or, as applicable, consents obtained) and are sufficient in scope to meet the Transparency Requirements (and shall supply L&G with copies of the same when requested to do so) to:
- 13.4.1.1 allow it to transfer the personal data to L&G; and
- 13.4.1.2 ensure that the personal data that it provides to L&G can be lawfully processed or disclosed by L&G in the manner and for the purposes anticipated by this Agreement; and
- 13.4.2 L&G will ensure that such personal data is only used for purposes anticipated by this Agreement.
- 13.5 The Parties shall implement and maintain appropriate technical and organisational measures sufficient to comply with the Security Requirements.

- 13.6 Each Party shall notify the other Party promptly (and in any event within forty-eight (48) hours) following its receipt of any Data Subject Request or Regulator Correspondence.
- 13.7 Each Party shall cooperate with the other Party and use its best endeavours to assist the other Party in all data reporting obligations in the event of a breach of the Data Protection Legislation in connection with this Agreement and each Party further undertakes to notify the other Party of any breach of the Data Protection Legislation, this clause **Error! Reference source not found.** (Data Protection) or of any actual, suspected, threatened or 'near miss' Personal Data Breach which may have occurred in connection with this Agreement as soon as reasonably practicable (and in any event, within twenty-four (24) hours) upon becoming aware of the same, and:
- 13.7.1 implement any measures necessary to restore the security of compromised personal data; and
- 13.7.2 assist the other Party to make any notifications to the ICO and affected Data Subjects.
- 13.8 To the extent that the Intermediary acts as a processor of L&G, in addition to its obligations under clauses 13.2 to 13.7 (inclusive), the Intermediary warrants and undertakes that it shall:
- 13.8.1 only process the personal items on instruction from L&G;
- 13.8.2 unless prohibited by law, notify L&G immediately (and in any event within twenty-four (24) hours of becoming aware of the same) if it considers, in its opinion (acting reasonably) that it is required by Applicable EU Law to act other than in accordance with the instructions of L&G, including where it believes that any of L&G's instructions under clause 13.8.1 infringes any of the Data Protection Legislation;
- 13.8.3 take reasonable steps to ensure the reliability of any of its Staff who have access to the Personal Data for the purposes of this Agreement and ensure that each member of Staff shall have entered into appropriate contractually-binding confidentiality undertakings;
- 13.8.4 not disclose the personal data to a third party (including a subcontractor) in any circumstances without L&G's prior written consent, save in relation to: (i) disclosures to Sub Intermediaries; and (ii) Third Party Requests. For Third Party Requests, the Intermediary shall use reasonable endeavours to advise L&G in advance of such disclosure, unless the Intermediary is prohibited by law or regulation from notifying L&G of that disclosure, in which case it shall do so as soon as practicable thereafter (where permitted by law or regulation);
- 13.8.5 following such a notification provided in clause 13.6 it shall:
- 13.8.5.1 not disclose any personal data in response to any Data Subject Request or Regulator Correspondence without L&G's prior written consent; and
- 13.8.5.2 give reasonable assistance required by L&G in respect of any such Data Subject Request or Regulator Correspondence;
- 13.8.6 provide such information as is reasonably necessary to enable L&G to satisfy itself of the Intermediary's compliance with this clause 13;
- 13.8.7 not make a Data Transfer save where authorised or instructed by L&G in writing to do so and has been provided and the appropriate EU Model Clauses have been completed and signed by the appropriate Parties prior to any such Data Transfer taking place; and
- 13.8.8 use all reasonable endeavours, in accordance with Good Industry Practice, to assist L&G to comply with the obligations imposed by the Data Protection Legislation.

- 13.9 The Intermediary will indemnify L&G against all claims and proceedings and all liability, loss, costs and expenses incurred in connection therewith incurred by L&G as a result of any claim made or brought by any individual or other legal person in respect of any loss, damage or distress caused to that individual or any other legal person as a result of the unauthorised processing, unlawful processing, destruction of and/or damage to, any personal data processed by the Intermediary, its employees or agents in their performance of this Agreement.

#### 14. COMPLIANCE

- 14.1 L&G shall comply with all Applicable Law.

- 14.2 The Intermediary shall, and will ensure that any Sub Intermediary shall:

14.2.1 comply with all Applicable Law, including relevant provisions of the Handbooks;

14.2.2 have and maintain all necessary authorisations, licences and permissions (including from the FCA and PRA) to perform and comply with its obligations under this Agreement;

14.2.3 have and maintain all necessary authorisations, licences and permissions (including from the FCA and PRA) to perform and comply with its obligations under this Agreement;

14.2.4 not, directly or indirectly as a consequence of the activities of any person, carry out any Insurance Distribution Activity or mortgage mediation activity in contravention of section 19 of FSMA and shall, on request, confirm in writing to L&G that it has complied with this clause 14.

- 14.3 The Intermediary shall, on request, confirm in writing to L&G that it is complying with clause 14.2. L&G reserves the right to check with the FCA and PRA from time to time to confirm that the Intermediary holds the appropriate permissions.

- 14.4 The Intermediary shall immediately notify L&G in writing if:

14.4.1 it becomes aware, or it has any grounds for believing, that it is not complying with clause 14.2; or

14.4.2 it submits any piece of insurance business to L&G which another party has arranged for the Customer, and in this case shall confirm that it has checked the FCA register to ensure the other party has not undertaken insurance mediation activity (as defined in the Handbooks) in contravention of section 19 of the FSMA.

- 14.5 Each Party shall co-operate with and promptly assist the other (at that other Party's reasonable request and cost) in relation to any dealings with Regulatory Authorities that relate to this Agreement.

- 14.6 If and to the extent that:

14.6.1 any uncertainty arises in relation to any Party's respective role or responsibilities relating to compliance with the Handbooks;

14.6.2 L&G or the Intermediary considers that the Handbooks are unclear on any matter or issue; or

14.6.3 this Agreement or any provision hereof, or any practice, process or procedure adopted in connection with this Agreement is or becomes inconsistent with the Handbooks, each Party shall at the request of the other cooperate with the requesting Party in good faith to resolve such matter as soon as practicable and each Party agrees that it will not unreasonably withhold consent to any

reasonable amendments to this Agreement and/or any such practice, process or procedure which the requesting Party may propose in connection therewith. The Parties agree that a refusal to make a change which might affect the sums payable hereunder from one to the other, or reasonable competitiveness of the Policies as against the market as to rates, terms and features, shall not be unreasonable for the purposes of this clause 14.6.

14.7 A Party shall immediately notify the other Party in writing (provided it is legally permissible to do so) in the event that:

- 14.7.1 a Party becomes aware of any known or suspected, actual or attempted, forgery or deception or other fraudulent activity or impropriety relating this Agreement;
- 14.7.2 any Regulatory Authority takes or threatens to take any enforcement, disciplinary, or remedial action against that Party, or exercises or threatens to exercise any powers of intervention, in each case in respect of any actual or alleged default or misconduct on the part of that Party (or any person acting on its behalf) pertaining to this Agreement (which, in the case of the Intermediary, shall extend to any Sub Intermediary) and shall provide the notified Party with such information and documentation as the notified Party may request from time to time in connection therewith. Without prejudice to the generality of the foregoing, any report made by the FCA or PRA on either Party shall be provided by that Party to the other within 5 Business Days of receiving it, if and to the extent that such report relates directly or indirectly to this Agreement. The Intermediary shall use reasonable endeavours to procure that any report in respect of any Intermediary's Adviser is provided to L&G in accordance with this clause 14.7.2, and the notifying Party will immediately take all such steps as it reasonably can, at its own cost, in order to minimise or avoid the impact or occurrence of those events.

## **15.COMPLIANCE WITH BRIBERY ACT 2010**

- 15.1 The Parties shall, in relation to this Agreement, comply with all applicable laws and regulations relating to anti-bribery and anti-corruption and shall not commit, authorise or permit any action which would cause any Party, any of their Group companies or sub- contractors or any person associated with such Party in relation to this Agreement to be in violation of any applicable anti-bribery laws or regulations, including the Bribery Act 2010. The Parties acknowledge that this obligation applies to any payments or inducements to persons including, but not limited to, government officials, representatives of public authorities or their associates, families or close friends where the intention is to influence such persons to obtain or retain business or an advantage in the conduct of business.
- 15.2 Each Party agrees that it and its Group companies will neither offer or give, or agree to give, to any employee, representative or third party, nor accept, or agree to accept from any employee, representative or third party any gift or benefit, be it monetary or other, that the recipient is not legally entitled to with regard to the negotiation, conclusion or the performance of this Agreement. The Parties shall promptly notify each other Party if they become aware of, or have specific suspicion of, any corruption with regard to the negotiation, conclusion or the performance of this Agreement, including any breach of this Clause 15.
- 15.3 Each Party shall have and maintain in place throughout the term of this Agreement its own policies and procedures including, but not limited to, adequate procedures under the Bribery Act 2010, to ensure compliance with this Clause 15.
- 15.4 Either Party may terminate this Agreement with immediate effect on written notice to the other Party if the other Party has breached this Clause 15 in relation to this Agreement.

## 16. PREVENTION OF THE FACILITATION OF TAX EVASION

### 16.1 The Intermediary shall:

16.1.1 comply with all Applicable Laws relating to taxation, the prevention of tax evasion and the prevention of the facilitation of tax evasion including but not limited to the Criminal Finances Act 2017 ("**CFA**") ("**Relevant Tax Requirements**");

16.1.2 not engage in any activity, practice or conduct which would constitute or facilitate an offence under the Relevant Tax Requirements

16.1.3 comply with any policies provided by L&G and any relevant industry code, guidance, or accepted practice relating to tax evasion or preventing an offence under the Relevant Tax Requirements in each case as amended from time to time;

16.1.4 have and shall maintain in place throughout the term of this Agreement such policies and procedures, including Prevention Procedures (as defined under the CFA) as may be necessary to ensure compliance with this clause 16;

16.1.5 promptly report to L&G any fact or circumstance which indicates that the Intermediary, or any Person Associated (as defined under the CFA) with the Intermediary is or could be involved in tax evasion or the facilitation of a Tax Evasion Offence in connection with the performance of this Agreement.

16.2 Breach of this clause 16 shall be deemed a material breach and the Intermediary shall be liable to L&G under clause 10.

## 17. GENERAL

17.1 A Party shall have no liability in relation to any obligation under this Agreement, which it is reasonably unable to perform as a consequence of a Force Majeure Event. The affected Party shall notify the other Party of the Force Majeure Event and shall use its reasonable endeavours to mitigate the effects of such Force Majeure Event.

17.2 The Intermediary may not assign, novate, subcontract or otherwise transfer all or any of its rights or obligations under this Agreement without the prior written consent of L&G. L&G may assign, novate, subcontract or otherwise transfer all or any of its rights or obligations under this Agreement to any other person.

17.3 Any company within L&G's Group shall be entitled to enforce any term of this Agreement which confers a benefit on such company. Subject to the foregoing, a person that is not Party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act of 1999 (the "**Act**") to enforce any term of this Agreement but this does not affect any right or remedy of a third party that exists or is available apart from that Act. The Parties may vary or terminate this Agreement by agreement between them without requiring the consent of any company in L&G's Group.

17.4 This Agreement sets out the entire agreement between the Parties in relation to its subject matter and overrides any prior correspondence or representations. All warranties and conditions not set out in this Agreement, whether implied by statute or otherwise, are excluded to the extent permitted by law. No Party shall have any claim against either of the other Parties for any misrepresentation unless such misrepresentation was made fraudulently.

16.6 This Agreement may be amended only in writing signed by both Parties.

16.7 Any waiver of any breach of this Agreement must be in writing. The waiver by any Party of any breach of a provision shall not prevent the subsequent enforcement of that provision and shall not be deemed to be a waiver of any subsequent breach of that or any other provision.

16.8 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

- 16.9 If any provision of this Agreement is ruled to be invalid for any reason, that invalidity will not affect the rest of this Agreement which will remain valid and enforceable in all respects.
- 16.10 Any notice given under this Agreement shall be in writing and delivered by pre-paid first class post to: (i) where L&G is the recipient, L&G's Managing Director at its registered office address; and (ii) where the Intermediary is the recipient, the address given on the Online Application, or to such other addresses as are notified by the Parties to one another from time to time. Any notice shall be deemed to have been served upon the expiry of two (2) Business Days after despatch of the same.
- 16.11 This Agreement, and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statutory regulation or otherwise) shall be governed by and construed in accordance with English law and the parties hereby irrevocably submit to the exclusive jurisdiction of the Courts of England and Wales.

## APPENDIX A

### Data Protection Particulars

<b>The subject matter and duration of the processing</b>	<p>The Parties will Process the Customer information in the course of (a) the Intermediary distributing the Policies to Customers and potential Customers and (b) L&amp;G underwriting the Policies and providing servicing and administration services to Policyholders.</p> <p>The Processing will take place for the duration of the Agreement and for the duration of any Policy that L&amp;G underwrites under this Agreement.</p>
<b>The nature and purpose of the processing</b>	<p>The Processing shall take place for the “permitted Purpose” which shall be:</p> <ul style="list-style-type: none"><li>• In the case of the Intermediary for the purpose of carrying out the Insurance Distribution Activities; and</li><li>• In the case of L&amp;G for underwriting and administering the Policies, including claims handling.</li></ul>
<b>The type of personal data being processed</b>	<ul style="list-style-type: none"><li>• Customer names, addresses, date of birth;</li><li>• Policy documentation including claims handling;</li><li>• Intermediary and L&amp;G staff names and details for the purposes of carrying out the Agreement.</li></ul>
<b>The categories of data subjects</b>	<ul style="list-style-type: none"><li>• Intermediary Customers;</li><li>• Policyholders; and</li><li>• Prospective Policyholders.</li></ul>

(VERSION – 3<sup>rd</sup> May 2018)