

City of Smyrna

FINEX Insurance Proposal for May 1, 2019-2020

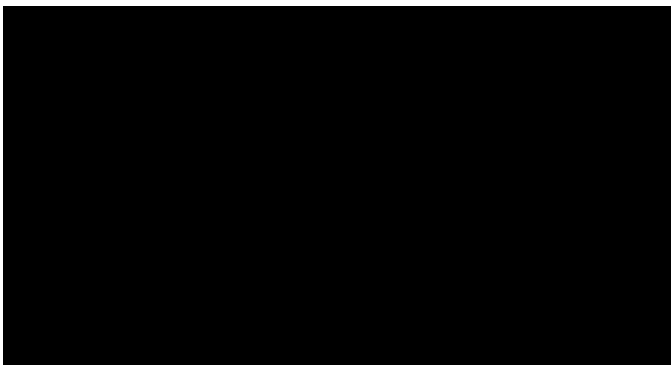
Presented on April 3, 2019

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Attached:

- Carrier Quotation



EXECUTIVE SUMMARY

Thank you for the opportunity to market your insurance requirements. We are pleased to provide the results of those efforts in accordance with your instructions to provide you with quotes for your Excess Cyber Liability.

We confirm that your insurance coverage is due for renewal on May 1, 2019. The results of our negotiations with the carrier we approached are summarized below.

Carrier	Line of Business	Response	Premium or Indication
Chubb	Excess Cyber Liability	Quoted	Refer to Summary

The results of our negotiations are outlined in the attached Quotation, subject to the terms and conditions of the applicable policies. We believe the terms and conditions of the quote reflect the coverage you asked us to obtain except as otherwise noted.

We draw your attention to the exclusions, subjectivities and warranties set out in the Quotation. We recommend that you read and compare the terms and conditions of your current policy with the insurers' renewal terms and conditions.

FINMAR

A separate business unit within the Willis Towers Watson Group, FINMAR Market Services, provides a wide range of services direct to certain insurers that place business for FINEX Global clients. A separate fee is paid to FINMAR Market services by insurers for the delivery of these services to them. This fee is calculated within a range of 2.75% and 7.5% (plus VAT, if applicable) of the overall premiums placed depending on the scale of services provided. Unless otherwise stated, premiums paid by the clients of FINEX Global will not be increased as a result of these arrangements.

Directions for Binding

This proposal is presented in conjunction with the Brokerage Terms, Conditions & Disclosures for US Property & Casualty Retail Accounts which are enclosed.

Please review this proposal and advise of any changes or questions you may have. To request the binding of coverage, please sign the order to bind request form included in this proposal and return or contact me by phone or e-mail.

This renewal proposal will remain open until May 1, 2019 after which insurers may withdraw or vary it.

If you have any questions, or if you would like to discuss your insurance program, please contact us. We sincerely appreciate your business.

Yours truly,

David Basham
FINEX North America

FINEX FINANCIAL AND MARKETING SUMMARY / ORDER TO BIND

Carrier / AM Best Rating	Coverage	Limit	Retention	2018-2019 Annual Premium	2019-2020 Annual Premium	Change	Commission	BIND
ACE American Insurance Company (Chubb) <i>Admitted</i> A+ XV	Excess Cyber Liability	\$1,000,000 xs \$250,000	--	\$6,834	\$6,879	\$45 / .6%	15%	<input type="checkbox"/>

*Plus applicable taxes & fees

Changes from Expiring

- Terms are as expiring

The differences noted here may not be a complete list of all differences; please refer to the actual policy forms/endorsements.

Subjectivities – Subject to Insurer’s receipt, review and acceptance of:

- No material change in the risk prior to policy inception
- Properly Executed Warranty Letter - Chubb

Willis Towers Watson negotiates commission rates with certain insurers on a corporate level. If the rate on your placement is lower than the negotiated rate, Willis Towers Watson will collect the difference directly from the insurer. These payments will not increase the cost of your insurance or otherwise impact your premium or rates. Details of these arrangements where there is compensation beyond the base compensation detailed in your Quote Proposal can be found at: http://www.willis.com/About_Willis/The_Willis_Way/Commission_Rates/.

Premiums are payable to Willis Towers Watson within 20 days of the policy effective date. You will receive an invoice for the insurance premiums separately once we have your binding instructions. We will not be responsible for any consequences that may arise from any delay or failure by you to pay the amount payable by the indicated date.

To request the binding of coverage, please complete and return.

Please bind the coverage as indicated above.

City of Smyrna

Signature: _____

Title: _____

Date: _____

Brokerage Terms, Conditions & Disclosures

Your decision to purchase insurance coverages, products, and/or services through Willis Towers Watson is subject to the following terms and conditions.

1. General Terms and Conditions

- 1.1. **Fees and Expenses.** Unless otherwise agreed, we will submit invoices for the services provided and expenses incurred on a monthly basis. Invoices will be paid within 30 days of receipt. In the event that invoices are not paid within that time, we will be entitled to charge a late payment fee of the lesser of 1.0% per month or the maximum allowed by law.

Any fees or rates quoted or estimated will be exclusive of income tax or of any sales, ad valorem, value added tax or any similar tax unless such tax is required to be included pursuant to a statutory requirement. If required, we will add the relevant tax to the invoice, separately stated, and remit such tax to the appropriate authority.

- 1.2. **Our Responsibilities.** We will provide the services in a professional manner with reasonable skill and care and in accordance with all laws and regulations applicable to us. We will assign to the project team, members of our staff with adequate education, training and experience to perform the tasks assigned to them. We will use reasonable endeavors to meet any agreed timetable.

The work product we produce in the course of providing the services (the “**Work Product**”) will not infringe any intellectual property right of any third party. Unless otherwise expressly agreed in writing, we do not accept any fiduciary or trust responsibilities or related liability in connection with the performance of the services. We do not provide legal, accounting or tax advice.

- 1.3. **Your Responsibilities.** You will provide us, in a timely manner, with all documentation, information, access to your personnel, access to your premises (if applicable) and cooperation reasonably required to provide the services. Any delay or failure to provide such documentation, information, access to your personnel or cooperation may result in: (a) a revision to any agreed timetable; and (b) if we are required to perform any additional work as a result, in additional fees being charged. We will rely on the documentation and information provided by you or your representatives and we do not take responsibility for verifying the accuracy or completeness of it. You may rely only upon our final Work Product and not on any drafts or oral statements made by us in the course of performing the services.

- 1.4. **Intellectual Property Rights and Work Product.** You will retain ownership of all original data and materials provided to us by you or your representatives, and the intellectual property rights in that data and materials. You will have the right to use, reproduce and adapt the copies of the Work Product for internal purposes within your organization. We will retain the intellectual property rights in the Work Product, and the skills, know-how and methodologies used or acquired by us during the course of providing any of the services.

The services, including the Work Product, are provided solely for the intended purpose, and may not be referenced or distributed to any other party without our prior written consent. You may distribute the Work Product to your affiliates, provided that you ensure that each such affiliate complies with these Terms, Conditions, & Disclosures, as if it were a party to them, and you remain responsible for such compliance.

You will not refer to us or include any of the Work Product in any shareholder communication or in any offering materials (or fairness opinion provided by your professional advisers) prepared in connection with the public offering or private placement of any security, unless otherwise agreed in writing.

- 1.5. **Confidentiality and Data Privacy.** Each party (the “**Recipient**”) will protect all confidential information which the other party (the “**Discloser**”) provides to it (whether orally, in writing or in any other form) (“**Confidential Information**”) using the same standards as the Recipient applies to its own comparable confidential information, but in no event less than reasonable measures. Confidential Information will not include information that is: (a) already known to the Recipient at the time of disclosure; (b) in the public domain or publicly available; (c) provided to it by a third party who is under no such obligation of confidentiality; (d) independently developed by it; or (e) is required to be disclosed by court order, regulatory authority or other legal process, provided that prior to disclosing any Confidential Information, the Recipient will, if permitted by law, notify, and cooperate with the Discloser, at Discloser’s expense, to lawfully limit and/or obtain appropriate protective orders with respect to such portion(s) of the Confidential Information which is the subject of any such required disclosure. Each party may disclose Confidential Information to its legal advisers to protect its own legitimate interests or to comply with any legal or regulatory requirements.

In the course of providing the services, the parties acknowledge that you may provide us with information about an identifiable individual or information which relates to a natural person and allows that person to be identified, including your customer or employee information (“**Personal Data**”). It is further acknowledged that we are a global business and that we may transmit your information, including Personal Data, within our global network of offices to our affiliates and providers of IT outsourcing who will be subject to appropriate data protection standards. You represent that Willis Towers Watson is authorized to receive and possess any such Personal Data and that you have obtained any necessary consents from third parties, including the individual to which such Personal Data relates, that may be required for us to use the Personal Data for the purposes of providing the services. Irrespective of where we receive or hold Personal Data on your behalf, we will take appropriate technical, physical and organizational/administrative measures to protect it against accidental or unlawful destruction or accidental loss or unauthorized alteration, disclosure or access. Each party will comply with the provisions and obligations imposed on it by applicable data privacy legislation and regulations. You agree that we may maintain, process and transfer your Confidential Information and Personal Data in order to perform the services, and for other reasonable ancillary purposes, unless you instruct otherwise.

In addition, you hereby grant us permission to use data we receive from you or your representatives in the course of the services for use in industry benchmarking studies, trend analyses and research. We may use the results of these studies, analyses and research for various purposes, including articles and studies for distribution to our other clients and prospects. Any such articles or studies will not disclose your participation or mention the inclusion of your information to any other party. Any findings from these studies that may show individual participant results will be on a blinded basis, and not attribute any finding to a specific participant.

- 1.6. **Nonconforming Services.** If the services do not conform to the requirements agreed between the parties, you will notify us promptly and we will re-perform any non-conforming services at no additional charge or, at our option, refund the portion of the fees paid with respect to such non-conforming services. The re-performance of the services or refund of the applicable fees is intended to provide an adequate remedy for any failure on our part to adhere to the requirements agreed between the parties for the performance of services.
- 1.7. **Indirect Damages.** In no event shall we or any of our affiliates and our and their respective employees, directors, officers, agents and subcontractors be liable for any incidental, special, punitive, or consequential damages of any kind (including, without limitation, loss of income, loss of profits, or other pecuniary loss), except to the extent such liability may not be excluded as a matter of law.

- 1.8. **Joint Liability.** Where we are jointly liable to you with another party, we will to the extent permitted by law only be liable for those losses that correspond directly with our share of responsibility for the losses in question.
- 1.9. **Third Parties.** We accept no responsibility for any consequences arising from any third party relying on the Work Product. If we agree to provide the Work Product to a third party, you are responsible for ensuring that the third party is made aware of the fact that they are not entitled to rely upon it. You agree to reimburse us for all costs (including reasonable legal fees) that we incur in responding to any requests or demands from third parties, pursuant to legal process or otherwise, for data or information related to the services.
- 1.10. **Force Majeure.** Neither party will be liable for any delay or non-performance of its obligations caused by an event beyond its control (a “**Force Majeure Event**”) provided that the party affected gives prompt notice in writing to the other party of such Force Majeure Event and uses all reasonable endeavors to continue to perform its obligations. Either party may terminate any Statement of Work or Service Agreement by written notice to the other with immediate effect if such Force Majeure Event continues for more than 3 months.
- 1.11. **Miscellaneous.** These Term, Conditions & Disclosures, together with any signed agreement between us applicable to the same services, set out the complete and exclusive statement of agreement and understanding between the parties, which supersedes and excludes all prior or contemporaneous proposals, understandings, agreements or representations, whether oral or written, with respect to your purchase of insurance. To the extent there is a conflict between these Terms, Conditions & Disclosures and a separately negotiated and signed agreement between you and Willis Towers Watson for the same services, the relevant portions of the signed agreement will control. Any modifications of or amendments to any MSA, Statement of Work, a Service Agreement, or a change to the services must be in writing and agreed by the parties. Should any provisions of an MSA, Statement of Work, Service Agreement, or any of the Terms, Conditions, & Disclosures be declared void, illegal or otherwise unenforceable, the remainder will survive unaffected.

Neither party may assign or delegate any of its rights or obligations to any third party without the prior written consent of the other party. Notwithstanding the foregoing, either party may assign or delegate any of its rights and obligations to an affiliate. We reserve the right to employ subcontractors to assist in providing services and to pass to them any information and materials they need to perform their work. Where we use affiliates or subcontractors to provide the services, we will remain ultimately responsible for the provision of the services.

Neither party will have any liability in respect of any statement (except in the case of fraud where the liability of each party to the other will be unlimited) made by such party or on its behalf to the other party which is not contained in an applicable Statement of Work, Service Agreement, or these Terms, Conditions, & Disclosures and each party acknowledges that it has not entered into an any Statement of Work, or Service Agreement or will enter into a Statement of Work or Service Agreement, in reliance on any representation by the other party which is not contained in the MSA, the applicable Statement of Work, Service Agreement, or these Terms, Conditions & Disclosures.

We do not tolerate unethical behavior either in our own activities or in those with whom we seek to do business. We will comply with applicable laws, regulations, and rules.

- 1.12. **Sanctions and Export Control.** Sanctions and export control laws from the EU, United States, Canada, and other government authorities prohibit companies, including Willis Towers Watson, from conducting business in certain jurisdictions or with certain individuals. The restrictions may differ based on your business activity, ownership structure, and the location or nationality of your employees. Please inform us of any insurance or service requirements you have which touch upon goods, countries, entities or individuals subject to any sanctions or export controls. We will comply with all applicable sanctions and export control laws, and we are not

responsible for actions taken by third parties based on their own sanctions or export control constraints.

To comply with applicable anti-money laundering regulations there are times when we may ask clients to confirm (or reconfirm) their identity. We may need to do this at the time you become a client or have been one for some time or for example, when checking details on proposal forms and transferring claims payments. This information may be shared with other subsidiaries of Willis Towers Watson PLC and where we deem necessary with regulatory or law enforcement bodies. Please note that we are prohibited from disclosing to you any report we may make based on knowledge or suspicion of money laundering, including the fact that such a report has been made.

We have systems that protect our clients and ourselves against fraud and other crime and we may utilize the services of third parties in order to identify and verify clients. Client information can be used to prevent crime and trace those responsible. We may check your details against financial crime databanks. If false or inaccurate information is provided, we may be obliged to pass such details to relevant regulatory agencies that may use this information.

- 1.13. **Dispute Resolution.** The parties agree to work in good faith to resolve any disputes arising out of or in connection with the services provided under these Terms, Conditions & Disclosures. If a dispute cannot be resolved it will be submitted to non-binding mediation to be conducted by Judicial Arbitration and Mediation Services (JAMS) before either party pursues other remedies hereunder. If the mediation does not resolve the dispute and a party or both parties wish to pursue other remedies, the parties agree that their legal dispute will be resolved without a jury trial and agree not to request or demand a jury trial. To the fullest extent permitted by applicable law, the parties hereby irrevocably waive any right they may have to demand a jury trial.

To the extent the foregoing jury trial waiver is not enforceable under the governing law, except as provided below, any dispute arising out of or in connection with these Terms, Conditions & Disclosures which the parties are unable to resolve between themselves or through mediation as provided above, will be resolved by binding arbitration in the state as provided for in paragraph 14 below, or other mutually agreed location, before a panel of three arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Under these circumstances, the arbitration proceeding will be the sole and exclusive means for resolving any dispute between the parties, except for any dispute involving the ownership or use of work product or intellectual property, provided that either party may seek an injunction or other equitable relief if such action is necessary to avoid irreparable damage or to preserve the status quo. Each party will have the right to select one of the arbitrators and the two arbitrators so selected will agree on the choice of the third arbitrator. Each party will bear the expenses of the arbitrator it selects and one-half of the expenses of the third arbitrator and other costs related to the arbitration. Judgment on the award rendered by the arbitrators will be final and binding, and may be entered in any court having jurisdiction thereof. The arbitration proceeding will be confidential.

- 1.14. **Governing Law.** Any controversy, dispute or claim of any kind between the parties will be governed by and interpreted in accordance with the laws of the jurisdiction where the Willis Towers Watson office principally responsible for providing the services to you under the particular Statement of Work is located, without regard to any provisions governing conflicts of laws; provided that if such office is located outside of Canada or the US, the governing law will be that of the State of New York, without regard to any provisions governing conflicts of laws.

- 1.15. **Additional Provisions Applicable Only to Health and Benefits Services.**

1.15.1. If and to the extent that any portion of Willis Towers Watson's compensation is to be paid by or on behalf of any employee health or other welfare benefit plan ("Plan"),

including commissions derived from Plan assets, then you will secure the approval of the applicable Plan fiduciaries for such portion of our compensation. You, and if applicable, the Plan fiduciaries, and not Willis Towers Watson, will determine whether any payment utilizing, or deriving from, Plan assets is appropriate. Willis Towers Watson will provide details concerning its charges to enable you, and if applicable, the Plan fiduciaries to make such determinations, but any information that Willis Towers Watson provides to you with its invoices or otherwise should not be construed as advice regarding the appropriate use of Plan assets. You, and if applicable, the Plan fiduciaries are encouraged to consult with legal counsel regarding such matters. Unless you tell us otherwise, in providing our services we will assume that the employee welfare benefits you provide to your employees and with respect to which we provide services have been wrapped into a single Plan. To the extent that you or your Plan enter into an Administrative Services Only contract with a Third party Administrator pursuant to which Willis Towers Watson receives a directed fee, you represent that all administrative fees are paid by you out of your general assets and will not be charged to the Plan.

- 1.15.2. Willis Towers Watson is not being engaged as a fiduciary or to provide investment advice and does not and will not perform or assume any fiduciary or trust responsibilities or liability in connection with the performance of the services. You agree that the services to be performed by Willis Towers Watson under an applicable Statement of Work are ministerial and not fiduciary in nature, that Willis Towers Watson has no discretionary authority or control with respect to the management or administration of your employee benefit plan(s) or any Plan assets, that Willis Towers Watson is not providing any advice with respect to products that may have an investment component, and that Willis Towers Watson's compensation has not been set at levels intended to compensate it for assuming fiduciary liability. You retain full responsibility for decisions to purchase or not purchase insurance policies, all claims for benefits against the Plan and any other discretionary decisions by the Plan or any fiduciary, trustee, Plan administrator, or Plan committee.
- 1.15.3. You agree that any enrollment or census data provided to Willis Towers Watson shall be provided by you in your role as an employer. You agree that you are responsible for you own access to and use of employee data, and that all persons whom you direct or request Willis Towers Watson to share employee data with are authorized to receive the employee data.
- 1.15.4. In the event that you and/or any of the employee benefit plans sponsored by you need to enter into business associate agreements with Willis Towers Watson to satisfy the requirements of the Health Insurance Portability and Accountability Act, the regulations implementing that Act (the "Standards for Privacy of Individually Identifiable Health Information," codified at 45 C.F.R. parts 160 and 164), or any other similar law, the parties will execute an agreement in compliance with these requirements.

2. Brokerage Terms and Conditions

- 2.1. The services we provide to you will rely in significant part on the facts, information and direction provided by you or your authorized representatives. In order to make our relationship work, we must each provide the other with accurate and timely facts, information and direction as is reasonably required. You must provide us with complete and accurate information regarding your loss experience, risk exposures, and changes in the analysis or scope of your risk exposures and any other information reasonably requested by us or insurers. It is important that you advise us of any changes in your business operations that may affect our services or your insurance coverages. Therefore, all information which is material to your coverage requirements or which might influence insurers in deciding to accept your business, finalizing the terms to apply and/or the cost of cover, or deciding to pay a claim, must be disclosed.

Failure to make full disclosure of material facts might potentially allow insurers to avoid liability for a particular claim or to void the policy. This duty of disclosure applies equally at renewal or modification of your existing coverage and upon placement of new lines of coverage. You agree that Willis Towers Watson will not be responsible for any consequences arising from any delayed, inaccurate or incomplete information.

- 2.2. An insurer quote is an offer to provide coverage. Offers can be modified or withdrawn prior to your acceptance through your order to bind coverage. The quote itself is not a legally binding commitment or a confirmation of actual coverage. Should you choose to bind coverage, we will secure a formal commitment, typically in the form of a binder on a form issued or approved by the insurer(s) at issue. The quotes we will provide to you are based upon the information that you have provided to us. If you discover that previously submitted information is inaccurate or incomplete, please advise us immediately so that we can attempt to revalidate terms with insurers.
- 2.3. At the time of binding, we review the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our analysis of such insurers. We do not guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.
- 2.4. If you have a multi-year policy, it is important that you understand the limitations associated with the coverage options and the possibility that the financial strength of the insurer may change throughout the term of the policy. We recommend that you review the insurer's ratings for any downgrades during the term of this multi-year policy.
- 2.5. The final decisions with respect to all matters relating to your insurance coverages, risk management, and loss control needs and activities are yours. We will procure the insurance coverage chosen by you, including the limits you choose, prepare or forward insurance binders, if applicable, and review and transmit policies to you.
- 2.6. We will review all binders, policies and endorsements to confirm their accuracy and conformity to negotiated specifications and your instructions and advise you of any errors in, or recommended changes to, such documents. You agree that you will also review all such documents and promptly advise us of any questions you have or of any document or provision which you believe may not be in accordance with your instructions as soon as possible, and in no event longer than two weeks, after you receive them. Your coverage is defined by the terms and conditions detailed in your insurance policies and endorsements. Your review of these documents, and any review you may seek from outside legal counsel or insurance consultants, is expected and essential.
- 2.7. We will inform you of the reporting requirements for claims, including where claims should be reported and the method of reporting to be used, if applicable. Please carefully review any claims-reporting instructions or information we provide. Failure to timely and properly report a claim may jeopardize coverage for the claim. In addition, you should retain copies of all insurance policies and coverage documents as well as claims-reporting instructions after termination of the policies because in some cases you may need to report claims after termination of a policy.
- 2.8. Our compensation may be revised if you request a change in the coverages and/or services during the term of this Agreement and we enter into a written agreement documenting any change in coverages, services and compensation.
- 2.9. If your insurance risks are in more than one jurisdiction, we, where required, will work with you and insurers to determine the allocation of premium between applicable jurisdictions, and the

amount of insurance premium tax payable in each jurisdiction. In providing such services, Willis Towers Watson is acting in its capacity as an insurance broker, not as your tax advisor. You should seek your own advice in relation to such tax laws where you consider it necessary. We will not be liable to you should the apportionment of premium or amount of tax payable under the policy be challenged by any tax authority. In addition, we will not be liable to you should the insurers fail, or refuse, to collect and pay such insurance premium tax to the relevant authorities.

- 2.10. You will provide immediately available funds to pay premiums by the dates specified in the insurance policies, invoices, or other payment documents. Failure to pay premium on time may prevent coverage from incepting or result in cancellation of coverage by the insurer. You agree that we are not responsible for any consequences arising from any delay or failure by you to pay the amount due by the indicated date.
- 2.11. You may use a premium finance company, property appraiser, structured settlement firm or other similar service provider in connection with the insurance coverages we place for you. Premium finance options are not always available, but where they are, Willis Towers Watson currently works with industry leading finance providers for this service. Where permitted by law, we receive a fee for the services we provide those companies. These services include, but are not limited to, processing the premium finance applications and marketing and sales support they do not have. If you would like more information about the fee we receive, please let us know.
- 2.12. We will handle any premiums you pay through us and any funds which we receive from insurers or intermediaries for payment or return to you in accordance with applicable province/territory, state and federal insurance laws and regulations and province/territory and state unclaimed property laws. We may transfer your funds directly to insurers or to third parties such as wholesale brokers, excess and surplus lines brokers, or managing general agents to carry out transactions for you.
- 2.13. Where we collect funds from you, you agree that we may receive and retain interest on such funds from the date we receive the funds until we pay them to the insurers, intermediaries, or other third parties in the course of providing services, or until we return them to you after we receive such funds.
- 2.14. The following may be applicable where U.S. risks are insured with or through a foreign insurer or intermediary. The Foreign Account Tax Compliance Act (FATCA) is a U.S. law aimed at foreign financial institutions and other financial intermediaries (including insurance companies and intermediaries such as brokers) to prevent tax evasion by U.S. citizens and residents through offshore accounts. In order to comply with FATCA, insurance companies and intermediaries must meet certain legal requirements. Insurance placed with an insurance company that is not FATCA compliant may result in a 30% withholding tax on your premium. Where FATCA is applicable to you, in order to avoid this withholding tax, Willis Towers Watson will only place your insurance with FATCA-compliant insurers and intermediaries for which no withholding is required unless you instruct us to do otherwise and provide your advance written authorization to do so. If you do instruct Willis Towers Watson to place your insurance with a non-FATCA compliant insurer or intermediary, you may have to pay an additional amount equivalent to 30% of the premium covering U.S.-sourced risks to cover the withholding tax. If you instruct us to place your insurance with a non-FATCA compliant insurer but you do not agree to pay the additional 30% withholding if required, we will not place your insurance with such insurer. Please consult your tax adviser for full details of FATCA.
- 2.15. Unless otherwise provided in writing, you agree that we may use your company name and logo in marketing materials and for internal Willis Towers Watson use.

- 2.16. Unless otherwise agreed in writing, in the event of termination, we will be entitled to receive and retain any commissions payable under the terms of our commission agreements with the insurers in relation to policies placed by us, whether or not the commissions have been received by us.
- 2.17. Our obligation to render services under the agreement ceases on the effective date of termination of the agreement. Nevertheless, we will take reasonable steps to assist in the orderly transition of matters to you or to a new insurance broker. Claims and premium or other adjustments may arise after our relationship ends, and we have no responsibility to handle these things after our relationship ends. Such items are normally handled by the insurance broker serving you at the time the claim or adjustment arises. However, we will consider providing such services after the termination of this agreement for mutually agreed additional compensation. Nevertheless, we will process all remaining deposit premium installments on the policy(ies) in effect at the time of change.
- 2.18. The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the services and provide your written consent. Please let us know in writing if you have concerns or we will assume that you understand and consent to our providing our services pursuant to these Terms, Conditions & Disclosures.

3. Brokerage Disclosures

- 3.1. If a Willis Towers Watson affiliate or office located outside of Canada or the United States serves as an intermediary in the placement of your coverages, it will also earn and retain compensation for providing those services, which compensation may not be included in the fee.
- 3.2. The compensation that will be paid to Willis Towers Watson will vary based on the insurance contract it sells. Depending on the insurer and insurance contract you select, compensation may be paid by the insurer selling the insurance contract or by another third party. Such compensation may be contingent and may vary depending on a number of factors, including the insurance contract and insurer you select. In some cases, other factors such as the volume of business Willis Towers Watson provides to the insurer or the profitability of insurance contracts Willis Towers Watson provides to the insurer also may affect compensation. Willis Towers Watson may accept this compensation in locations where it is legally permissible, and meets standards and controls to address conflicts of interest. Whether or how much insurers may pay in such compensation does not play any role in Willis Towers Watson's placement recommendations on behalf of its clients. If you prefer that we not accept this compensation related to your policy, please notify us in writing and we will request that your insurer(s) exclude your business from their payment calculations.
- 3.3. Upon request, Willis Towers Watson will provide you with additional information about the compensation Willis Towers Watson expects to receive based in whole or in part on your purchase of insurance, and (if applicable) the compensation expected to be received based in whole or in part on any alternative quotes presented to you.
- 3.4. To the extent Willis Towers Watson is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time we place policies for you. We will be paid the commission percentage stated for the placement of your insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless a different commission percentage is disclosed to you, or unless the insurer changes its commission rates, in which case the new commission rate will be disclosed to you before placement of the policy.

- 3.5. Willis Towers Watson may place your insurance or other business with members of a panel of insurers or other vendors. Willis Towers Watson develops panels of insurers and vendors in certain market segments. Participating insurers and vendors are reviewed on a variety of factors. Commission or fee rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis Towers Watson discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers or vendors pay an administration or management fee to participate in the panel process or for additional reporting. In some instances, Willis Towers Watson may earn a referral fee for referring your business to certain vendors.
- 3.6. In some cases the use of a wholesale broker may be beneficial to you. We will not directly or indirectly place or renew your insurance business through a wholesale broker unless we first disclose to you in writing any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result.
- 3.7. If wholesalers, underwriting managers or managing general agents have a role in providing insurance products and services to you, they will also earn and retain compensation for their role in providing those products and services. If any such parties are corporate parents, subsidiaries or affiliates of ours, any compensation we or our corporate parents, subsidiaries or affiliates will receive will be included in the total compensation we disclose to you. If such parties are not affiliated with us, and if you desire more information regarding the compensation those parties will receive, please contact us and we will assist you in obtaining this information.
- 3.8. Commission schedules and other compensation arrangements related to our services on your behalf may change over time and may not always be congruent with your specific policy period. Willis Towers Watson will provide you with accurate information to the best of our knowledge when information is presented to you, but it is possible that compensation arrangements may change over time. We will update you on any changes to our compensation prior to your renewal, and will do so at any time upon your request.
- 3.9. As an insurance intermediary, we normally act for you. However, we or our corporate parents, subsidiaries or affiliates may also provide services to insurers for which we may earn compensation. These services may include, for example, (a) acting as a managing general agent, program manager or in other similar capacities which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk; (b) arranging lineslips or similar facilities which enable an insurer to bind business for itself and other insurers; (c) managing lineslips for insurers; or (d) providing third party administration and other services to insurers. Contracts with these insurers may grant us certain rights or create certain obligations regarding the marketing of insurance products provided by the insurers. We may place your insurance business under such a managing general agent's agreement, binding authority, lineslip or similar facility when we reasonably consider that these match your insurance requirements/instructions. When we intend to do so, we will inform you and disclose that we will receive compensation related to these services. In addition, these services may include providing services to insurers as a client. For example, we or they may provide consulting, brokerage, outsourced administration, or reinsurance services to insurer clients. In such cases, we or they will be compensated separately for the services provided to those insurer clients. Some of these insurer clients may happen to be insurers with whom we place your insurance coverages. The services provided to you and the services provided to our insurer clients are separate and any compensation earned for the services provided to insurer clients are separate from and in addition to the compensation we earn for the services we provide you under this Agreement.
- 3.10. We are members of a major international group of companies. In addition to the commissions received by us from insurers for placement of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by our

corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to you under their separate contracts with insurers or reinsurers.

4. Disclosures Applicable Only to Property and Casualty Placements (Not applicable to Health and Benefits Placements)

- 4.1. Willis Towers Watson negotiates commission rates with certain insurers on a corporate level. If the rate on your placement is lower than the negotiated rate, Willis Towers Watson will collect the difference directly from the insurer. These payments will not increase the cost of your insurance or otherwise impact your premium or rates. Details of these arrangements where there is compensation beyond the base compensation detailed in your Quote Proposal can be found at: http://www.willis.com/About_Willis/The_Willis_Way/Commission_Rates.
- 4.2. A separate business unit within the Willis Towers Watson Group, FINMAR Market services, provides a wide range of services direct to certain insurers that place business for FINEX Global clients. A separate fee is paid to FINMAR Market services by insurers for the delivery of these services to them. This fee is calculated within a range of 2.75% and 7.5% (plus VAT, if applicable) of the overall premiums placed depending on the scale of services provided. Unless otherwise stated, premiums paid by the clients of FINEX Global will not be increased as a result of these arrangements.
- 4.3. If a surplus lines insurer (sometimes referred to as an excess lines insurer, non-admitted insurer, or non-licensed insurer) was used to quote your coverage, its premium rates, coverage terms and policy forms are not regulated by your home state, province or territory, as applicable, and you will be required to pay an additional surplus lines premium tax which is on top of the premium. Also, in the event of the insurer's insolvency you will not be indemnified by any government guaranty fund for unpaid claims.
- 4.4. In addition to any other terms governing the use of your information as provided herein or in any other master services agreement, statement of work, or other agreement, you agree that we may use your information and, if applicable, receive remuneration for such use, as described below. We may:
 - 4.4.1. aggregate and anonymise your information and may disclose to third parties certain anonymized or industry-wide statistics or other information which may include information relating to you, but that we will not, without your consent, reveal any information specific to you other than on an aggregated and anonymized basis and as part of an industry or sector-wide comparison;
 - 4.4.2. use your information to engage certain insurers in periodic discussions to gauge insurers' capabilities and interest in potentially quoting your business at a future date. Such discussions could be specific to your account or part of a discussion about a portfolio of accounts and typically increase the effectiveness and efficiency of our future marketing efforts on your behalf when you desire alternative bids;
 - 4.4.3. share information concerning your insurance arrangement with insurers or their agents where this is necessary to enable insurers to decide whether to participate in insuring your risk or to participate in any arrangement made by Willis Towers Watson whereby participating insurers agree to insure (wholly or partly) a portfolio of risks without necessarily making underwriting decisions on a case by case basis for individual risks within such portfolio;
 - 4.4.4. use any information you provide, without further notice to you, for the purpose of: (1) prospecting facultative reinsurance business from prospective insurer clients; (2) placing

facultative reinsurance on behalf of our insurer clients; (3) marketing facultative reinsurance with prospective reinsurers on behalf of our insurer clients.

5. Language

- 5.1. It is the express wish of the parties that this Agreement and any related documents be drawn up in the English language. Les parties confirment qu'il est leur volonté expresse et réciproque que ce contrat et tout document qui s'y rattache soient rédigés en anglais.

6. Inquiries and Complaints

- 6.1. Your satisfaction is important to us. If you have questions or complaints, please inform the person who handles your business or contact the head of our office. Alternatively, you may call toll free 1-866-704-5115.

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