

TERMS OF BUSINESS

Everitt Boles Limited is registered No: 3222604 in the United Kingdom at 63 Mansell Street, London E1 8AN as an independent insurance intermediary. With effect from 14th January 2005, we are authorised and regulated by the Financial Services Authority (FSA) under FSA number 306756 and we are permitted to arrange general insurance contracts. You can check these details on the FSA Register by accessing their website on <http://www.fsa.gov.uk/register> or by contacting them on +44 (0) 845 606 1234. We trade as Everitt Boles Motorsport Insurance Management and we have several trading divisions, including MORIS (Motorsport Race&Rally Insurance Services), Pit and Paddock Insurance Consultants, Kart Insurance Services and re-action performance bonus.

STATUS

Everitt Boles is a privately owned insurance intermediary. We will advise you of any conflict of interest that we may have with any proposed insurer or of any special arrangement with them which is beyond our normal remuneration.

TERMINOLOGY

In order to avoid repetition of words used in this document, the term "insurance" includes reinsurance and other risk transfer products. The term "Underwriter(s)" includes any insurer, re-insurer or other category or risk bearer, as appropriate to your requirements.

PLACING INSURANCE IN GOOD TIME

Before negotiations with the Underwriter(s) have commenced, we will wish to establish a proper understanding of your requirements for insurance. We will then seek competitive indications or quotations for insurance and seek coverage structures which are, in our opinion, as efficient as possible for the proposed policyholder.

We will take diligent and timely steps to implement your instructions and, subject to available insurance market, place all required insurance before the intended date of inception, renewal or extension of insurance cover, confirming to you prior to such date the coverage which is in place. If any inability to fulfil your instructions becomes clear to us, we will bring this to your immediate attention.

CLIENT DOCUMENTATION

Upon completion of the insurance arrangement(s) on your behalf, we will advise you by facsimile, e-mail, letter or other agreed communication medium. We will then forward by mail appropriate documentation to provide you with formal confirmation of the insurance which we have arranged and the amount of premium payable in respect thereof.

1. Cover Note (sometimes referred to as "Schedule of Insurance")

The Cover Note provides confirmation of (1) the terms of the insurance contract we have arranged and (2) the Underwriter(s) with whom it has been placed. You should check the Cover Note and satisfy yourselves that it is entirely in accordance with your understanding and instructions (your demands and needs). The review of the Cover Note should include checking that use of the Underwriter(s) is acceptable having regard to local taxation as permitted by the relevant regulatory authorities. Anything at variance with your understanding and instructions should be advised to us immediately and any correspondence should quote the Cover Note reference; if you have your own contract reference, you should advise it to us at the earliest opportunity to enable us to quote it on the subsequent documents which we send to you. For certain types of business, a certificate or policy of insurance issued by or on behalf of the Underwriter(s) may be forwarded in lieu of our Cover Note.

2. Debit Note (sometimes referred to as our Invoice)

The Debit Note will show the gross premium, any commission or discount to you and the net amount of premium payable to us. Where relevant, any tax(es) to be remitted to appropriate authorities through ourselves and/or tax(es) which may be deducted from the premium payable will also be shown on the Debit Note. If tax(es) are deductible, you should ensure that these tax(es) are remitted to the appropriate authority.

3. Insurance Policy

We will seek to obtain as soon as practicable the execution by the Underwriter(s) of any insurance policy wording(s) which may be required. Following agreement to such wordings by both the Underwriter(s) and where required yourselves, we will promptly seek to obtain formally signed policy documents incorporating such agreed wordings.

4. Amendments

Any amendment to the insurance contract will be confirmed by issuance of an Addendum to the Cover Note or endorsement to the certificate or policy of insurance, unless such amendments are already reflected within the issued documentation.

CANCELLATION

In the event of a mid-term adjustment that results in a return of premium or of cancellation we will refund any return premium net of our full commission or fees and any charge made by insurers. This also applies to policies where the premium is payable by instalments.

TERMS OF PREMIUM CREDIT

In order for us to meet the premium payment terms of the underwriter(s), premiums must be settled to us by the payment date(s) specified in our Debit Note allowing 10 days for funds to clear. In certain circumstances, the Underwriter(s) will stipulate special premium payment terms or warranties which, if not met, may affect the validity of the insurance contract. We will advise you when these circumstances arise.

METHODS OF PAYMENT

Insurance contract monies should be and normally are settled on an individual Debit Note or Credit Note basis. Statements of Account are issued periodically where there are monies due for payment to us and we may have monies in account which are owing to you. All payments should be made in the same currency in which they have been invoiced to you.

1. Wire Transfer

All payments to us should be made preferably by wire transfer to our appropriate Client Accounts together with written remittance showing the item(s), our transaction number(s) and the amount(s) being paid. This will enable us to identify upon receipt of the payment to which Underwriter(s) we are to remit funds. Wire transfers should be payable to **Everitt Boles Limited** and designated to "Client Account" with the relevant bank account number quoted.

2. Cheques / Bankers Drafts

Where wire transfer is not appropriate or available, a cheque or bankers draft, made payable to **Everitt Boles Limited** (Client Account), should be sent to:

Everitt Boles Limited
1st Floor
63 Mansell Street
London E1 8AN

The cheque/draft should be accompanied by written remittance details as stated above.

HOW WE HANDLE CLIENT MONEY

Our client bank accounts with HSBC have been set up in accordance with the strict rules laid down by the FSA. All client money is kept separate from our money. We may use the services of other intermediaries who are regulated by the FSA and your premium may be passed to these intermediaries for payment to insurers. We will retain any interest or exchange gains derived from holding your money.

CLAIMS PROCEDURES

Details of claims notifiable to the Underwriter(s) under the terms of the arranged insurance contract must be advised to us without any delay. Where applicable we will provide you with written confirmation of the acceptance of the amount of the claim by the Underwriter(s) before issuing a claim payment to you and remitting monies direct to the appropriate party. You should be aware that we may perform a limited service for the Underwriter(s) in relation to insurers claims advisors (e.g. Surveyors, Adjusters and Lawyers) by relaying instructions; disseminating reports and collecting fees or other disbursements, where we consider this should not create a conflict of interest. If we consider a conflict of interest may arise, we will refrain from performing any (further) service for the Underwriter(s) unless otherwise agreed.

USE OF SUB-AGENTS

Where we consider it to be appropriate and for your benefit, it may be necessary for us to request another more localised or specialist insurance broker or intermediary to act as our sub-agent and assist us in the placement of an insurance contract. For example, many countries require the use of local intermediaries to access local insurance markets. In such cases, we will provide specific instructions to such sub-agents so as to meet your insurance requirements.

CONFIDENTIALITY & SECURITY OF INFORMATION

Any information which you provide to us will not be used or disclosed by us to other parties except in the normal course of negotiating, maintaining or renewing a contract of insurance on your behalf, or for handling any claims thereunder, unless we have obtained the necessary consent from you or we are required to disclose the information by a court of competent jurisdiction or government or regulatory body having the requisite authority over us, or the information is already in the public domain or has been received by us from a third party not under any duty of confidentiality. We will take appropriate steps to maintain the security of your confidential documents and information which are in our possession.

SOLVENCY OF UNDERWRITERS

We will only place insurance with Underwriters who are supported by the general London Insurance Market. While the information on which Everitt Boles relies is obtained from sources considered to be reliable and it uses all reasonable endeavours to review accurately that information in order to protect the interests of our clients, predictability of solvency cannot be guaranteed. The financial standing of any Underwriter(s) can, of course, change after the insurance contract has inception. The subscribing insurers' obligations under this policy are several and not joint and are limited solely to the extent of their individual subscriptions. A subscribing insurer is not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

THE DUTY OF DISCLOSURE

In common with all insurance intermediaries there is a legal obligation upon us to ensure that policyholders and intermediaries alike are made aware or reminded of the duty of disclosure and the consequences of its breach. The duty of disclosure under United Kingdom law is a duty to pass on to Underwriters all material information relating to the risk under consideration. "Material" in this context refers to all information which a prudent Underwriter (not necessarily the Underwriter in question) would wish to take into consideration when considering whether or not to accept the risk and, if so, upon what terms and at what price. Material information does not necessarily have to actually increase the risk. The duty of disclosure continues up until the insurance contract has been concluded, but then resurrects itself at the time of proposed renewal or extension of, or any amendment to, the insurance contract. It may also be that the terms of the insurance contract include specific ongoing disclosure warranties. Therefore, in addition to providing all of the basic information necessary to enable the risk to be placed, the proposed policyholder and his agent(s) must ensure compliance with the duty to disclose material matters relating to the risk. In particular, they must be satisfied as to the accuracy and completeness of the information provided to the Underwriter(s) and ensure that all information is provided that an Underwriter needs to take account of in considering whether or not to accept the risk and, if so, upon what terms and at what premium. In the event that there is a breach of the duty of disclosure, the Underwriter(s) may have the right to avoid the insurance contract from its commencement. Under such circumstances, the Underwriter(s) would be entitled to seek recovery of any claims already paid by them under the contract, although at the same time the Underwriter(s) would generally be obliged to return paid premiums. The duty of disclosure and the consequences of its breach may vary to a limited degree from the foregoing dependent upon the law(s) applicable to the insurance contract. If you are in any doubt as to the ambit of the duty of disclosure you should have no hesitation in contacting us.

REMUNERATION & OTHER INCOME

Our two principal methods of remuneration for insurance intermediary services are by way of brokerage, being a proportion of the premium paid which is allowed to us by Underwriter(s), and/or an agreed fee basis. Other sources of income include that derived from interest earned on bank balances or certain credit charges and expense allowances by Underwriters for managing and administering certain lineslips, covers, binding authorities and other similar facilities, including claims which may arise thereunder, all of which we believe enable more efficient service and competitive terms to be provided to those clients for whom we consider the use of such facilities appropriate. The Underwriter(s) with whom we effect insurance on your behalf may, on occasions, in turn request us to purchase facultative reinsurance for their account. This reinsurance is a separate and distinct contract(s) for which remuneration may be paid separately by the Underwriter(s) or reinsurer(s). Some Underwriters may allow us incentive commissions in addition to fees or brokerage which we receive. Such incentive commissions can be based on profitability, premium income volume and/or growth. Incentive commissions can also be payable to reflect administrative efficiencies across a portfolio of business placed with an Underwriter. Notwithstanding efficiencies of incentive commissions, we recognise that our overriding responsibility is to promote the best interest of the policyholder in the selection of Underwriters.

COMPLAINTS

It is always our intention to provide a high standard of service at all times. If you should wish to make a complaint, we will do our best to ensure that it is handled fairly and promptly by a senior and independent member of staff. We operate a formal complaints procedure which complies with the FSA requirements which we will send to you upon request.

Please address your complaint to the Compliance Officer at the above address in writing.

If we are unable to address your complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR or telephone +44 (0) 845 080 1800.

FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

We are covered by the FSCS. You may be entitled to compensation under the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Full details and further information on the scheme are available from the FSCS, Lloyds Chambers, Portsoken Street, London E1 8BN or telephone +44 (0) 20 7892 7300.

DATA PROTECTION

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

LAW AND JURISDICTION

These terms of business shall be governed by and construed in accordance with English law.

EMAIL

We recognise that communicating by e-mail on a "desk-to-desk" basis is a very desirable method of conducting business and that e-mail is fast replacing facsimile as the preferred method of communication. However, if you choose to communicate with us by e-mail, we do have some specific concerns to its use which we would like to share with you:

Integrity & Receipt

There is no certainty of all completeness, accuracy or even the receipt of a message or data file sent by e-mail. As an insurance intermediary, we are concerned that using e-mail as part of a contractual process creates an exposure for our clients and ourselves as their agent or professional advisor (e.g. in such areas as misrepresentation or non-disclosure of information and the offer and acceptance process of insurance contract terms, where corruption of data during transmission or missing data file attachments may not be immediately obvious to the recipient). For important messages, we may ask for a confirmation of receipt and we will acknowledge or respond to those messages that we receive. Hard copies of messages may also be requested or sent where we consider it appropriate.

Confidentiality

By unavoidably having to use third party service providers to "deliver" e-mails, confidentiality is outside of the sender's control.

Appropriateness

Where receipt of a message by a given time/date is critical or the subject matter is of an important nature, such message should be communicated by facsimile or courier to ensure that it is received and can be acted upon. Many contracts of insurance have provisions which require notice in writing in order to ensure compliance, particularly in relation to claims advices. The use of e-mail in such circumstances is clearly inappropriate.

Legality

In the absence of any formal contract setting out the terms of communicating by e-mail, it may be questioned in certain jurisdictions as to whether such communications are or will be legally admissible as evidence in any dispute without considerable supporting evidence as to checks having been made on receipt, security and integrity of the communication.

Viruses

With knowledge of the potential damage which computer viruses can cause, e-mail users should use their best endeavours to ensure that they do not transmit harmful viruses to other parties.