

APHA Scientific – Animal and Plant Agency

Fee Services Agreement 2022



LOCKTON®

Broking done *differently*

Fee Services Agreement

This Agreement is made and effective the 01st day of October 2021

Between

- 1) **APHA Scientific – Animal and Plant Health Agency** whose registered address is at Woodham Lane, Addlestone, Surrey, KT15 3NB. (“**Client**”)

and

- 2) **Lockton Companies LLP**, whose registered address is at The St Botolph Building, 138 Houndsditch, London EC3A 7AG, registered in England and Wales under company number OC353198 (“**Lockton**”)

The Client and Lockton shall collectively be referred to as the “**Parties**”

This Agreement is subject to tacit acceptance in accordance with clause 6.13 below.

Whereas:

1. The Client wishes to procure certain insurance broking and related Services (as defined below) from Lockton and in consideration of the Fee (as defined below) Lockton has agreed to render such Services to the Client in accordance with the requirements of the Rules (in all material respects) and Lockton’s Business Principles.
2. This Agreement formalises the arrangements and establishes in writing the basis on which the Services will be provided by Lockton.

Definitions:

Effective Date: The date of this Agreement as stated above or the date that this Agreement is deemed to have been entered into by the parties as set out in clause 6.13.

Fee: The remuneration set out under clause 2 of this Agreement payable by the Client to Lockton or receivable by Lockton as consideration for the Services.

Rules: The rules, codes and requirements issued by those bodies (whether parliamentary, governmental or otherwise) who have power of supervision or regulation over Lockton (such as but not limited to the Financial Conduct Authority in the UK or equivalent in other jurisdictions) as amended, modified or varied from time to time.

Services: The Services listed in Appendix 1 as included and such other Services as the Client and Lockton may agree from time to time.

1. Term

- 1.1. This Agreement will be effective for a period of one (1) year from the Effective Date (“the Period”) and shall renew annually thereafter unless terminated in accordance with the provisions of Clause 4 of this Agreement.
- 1.2. In the event this Agreement is terminated either before or at the expiration of the Period and the parties do not execute a new Agreement, all Services performed by Lockton will be discontinued as at the date of termination of this Agreement, provided however that Lockton shall use all its reasonable endeavours to complete all Services commenced prior to such termination.
- 1.3. From time to time, it may be necessary for Lockton to amend or supersede these terms by new terms. Where this is the case, Lockton shall notify the Client of the proposed changes and, unless Lockton hears from the Client to the contrary within 28 days after such notification, the amendments or new terms will come into effect from the end of that period. Lockton reserves the right to terminate the Agreement immediately should the Client choose not to accept the terms.

2. Remuneration

- 2.1. Fees: All Services listed as included in Appendix 1 associated with placing the lines of insurances specified in Appendix 2 will be performed by Lockton for remuneration in the form of a fee in the amount of **£7,000.00** for each year of the period.

This Fee may be adjusted in future annual service periods by mutual written agreement of the Parties.

- 2.2. Commission: All Services listed in Appendix 1 associated with placing the lines of insurances specified in Appendix 2 will be performed by Lockton for remuneration in the form of commission payable by the Client’s insurers.

- 2.3. The Fee stated in Clause 2.1 will be paid based on the following payment terms:

Annually commencing – **15th January 2022**

- 2.4. Payment of all invoices submitted under this Agreement will be made immediately upon receipt by the Client. Where permissible under local law, Client grants Lockton a right to set off any amounts Lockton owes to the Client against any unpaid fees the Client owes to Lockton.
- 2.5. Insurance Premium: The Client is responsible for all insurance premiums due and any applicable taxes including Insurance Premium Tax (“IPT”) for insurance coverage placed by Lockton. If the Client fails to pay any premium or any applicable taxes in full by the due date indicated on the premium invoice, the coverage may be subject to cancellation by the insurers and such non-payment, in addition to any non-payment of fees due to Lockton under this Agreement shall be considered a material breach of this Agreement.
- 2.6. For the avoidance of doubt the fees and commissions payable to Lockton under this Agreement does not include any fees or commission payable to other third parties involved in the arranging of your insurances.

3. Other Services

3.1. The Remuneration set out in Clause 2 above is intended to compensate Lockton for placement of the line(s) of insurance indicated and to provide the services listed in Appendix 1. In the event the Client:

3.1.1. requests that Lockton place coverage on any line(s) of business not indicated in Appendix 2; or

3.1.2. requests that Lockton provide other services beyond those set out in Appendix 1; or

3.1.3. makes an acquisition or otherwise experiences growth such that the level and/or scope of the services needed by the Client shall exceed the level of Services as contemplated at the inception of this Agreement; or

3.1.4. Lockton has to dedicate more time or incurs costs for exceptional or significant claims handling or major losses.

the Client and Lockton agree to review in good faith the additional services required and increase the Fee set forth herein or agree to other compensation (such as commissions on additional placements) in addition to the Fee. Such additional compensation shall be set out in a written and signed addendum to this Agreement.

3.2. When, in Lockton's professional judgment, it is necessary or appropriate, Lockton may utilise the services of foreign or domestic intermediaries to assist in the servicing, marketing and/or placement of the Client's insurance/risk management programs. However, this may only be done after consultation with and prior approval by the Client. Lockton will advise the Client whether any proposed intermediary is affiliated with Lockton. Any such intermediary shall be compensated by commissions earned on placement of the Client's policies handled by that intermediary, or by payment of a separate fee agreed to by the Client and the intermediary if commissions are not properly payable on the Client's placements. Such commissions and fee may be in addition to the compensation paid to Lockton as described herein or in some case on a fee share basis with the intermediary.

4. Termination Of Services

4.1. Either party may terminate this Agreement for any reason by providing thirty (30) days written notice to the other party save that the Client shall not be able to terminate this Agreement prior to the end of the Period.

4.2. However, should the Client designate a broker other than Lockton as its broker of record ("BOR") in relation to the lines of business set out in Clause 2 at any time after the end of the Period for any reason, this Agreement shall terminate on the date that Lockton receives notice of the BOR rather than at the conclusion of the thirty (30) day notice period referenced in Clause 4.1. above. In the event that the Client terminates this Agreement, either by BOR or by the thirty (30) days written notice reference in Clause 4.1. above, all Services will be discontinued on the effective date of termination and Lockton shall be deemed to have earned the entire fee upfront for the period in question unless otherwise agreed in writing with the Client.

- 4.3. In addition to any termination payment owed pursuant to Clause 4.2. above, should some or all of the insurance coverage's described in Clause 2 be assigned to another broker through a BOR letter prior to the effective date of a renewal of such coverage but after Lockton has commenced services relating to that renewal, the Client will also reimburse Lockton for its reasonable costs, including the time, charges and expenses incurred in providing the renewal services through the date the broker of record letter was received by Lockton.

5. Confidentiality

- 5.1. Lockton and the Client acknowledge that the nature of Lockton's relationship with the Client is one in which the Client may disclose to Lockton certain of the Client's information ("Information"), some of which may be of a confidential or proprietary nature, to enable Lockton to provide the services contemplated under this Agreement.
- 5.2. For the purposes of this Agreement, Information shall mean any and all non-public information provided to Lockton, which may include the Client's product, marketing, pricing or financial strategies; customer information; proprietary business processes or technologies; financial information and/or trade secrets.
- 5.3. Any Information that the Client provides to Lockton will not be used or intentionally disclosed outside of the Lockton group except in the normal course of negotiating, maintaining or renewing the insurance, or for handling any claims unless:
- 5.3.1. Lockton has obtained the necessary consent from the Client;
- 5.3.2. Lockton is required to disclose the Information by a court or competent jurisdiction or governmental or regulatory body having the requisite authority over Lockton; or
- 5.3.3. The Information is already in the public domain or has been received by us from a third party not under any duty of confidentiality.
- 5.4. At the Client's written request, Lockton shall return to the Client any and all records or documents constituting the Information, except that Lockton shall be permitted to retain an archival copy of the Information pursuant to its record retention and regulatory and legal compliance requirements.

6. General Conditions

- 6.1. The Client shall provide Lockton with reasonable cooperation and assistance necessary for Lockton to fulfil its responsibilities to the Client pursuant to the terms of this Agreement, including, without limitation, copies of all documents reasonably requested by Lockton and the cooperation of and access to certain of the Client's personnel.
- 6.2. Neither party shall assign any rights or duties herein set forth without the prior written consent of the other party and such consent shall not be unreasonably withheld.
- 6.3. The Client understands and agrees that Lockton is not the insurer of any risk and whilst every effort will be made by Lockton to ensure that Lockton acts at all time in the Client's best interests, Lockton

cannot guarantee either the availability of any form of insurance, nor the financial security or solvency of any (re)insurer.

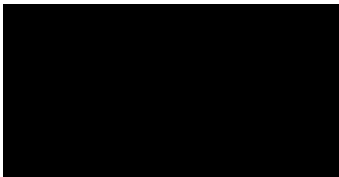
- 6.4. This Agreement relates solely to the Services specified in Appendix 1 and Lockton shall have no responsibility for or involvement with any other aspect of the Client's insurance or risk management programme unless this Agreement is specifically extended in writing to cover such matters.
- 6.5. The Client recognises and agrees that Lockton shall provide the Services in reliance on the information and data provided by the Client. Lockton shall be under no obligation to investigate or verify the accuracy or completeness of any information or data provided by the Client relating to the Services and shall have no liability for any errors or deficiencies in the Services arising out of or based on any such inaccurate or incomplete information or data.
- 6.6. **FOR POLICIES GOVERNED BY UK LAW**, the Client confirms that it has read and understands its duty of fair presentation of risk in respect of:
- a. any commercial (Re)insurance contracts governed by UK law and incepting or renewing on or after 12 August 2016; and
 - b. any amendments made to any commercial (Re)insurance contracts governed by UK law (whenever incepted) after 12 August 2016, as set out in the correspondence and documentation received by the Client.
- 6.7. **FOR POLICIES GOVERNED BY FOREIGN LAWS**, the Client confirms that it has read and understands its duty of disclosure in respect of policies governed by laws other than UK law, as set out in the correspondence and documentation received by the Client.
- 6.8. The Client confirms that it has and will disclose to Lockton all material information in accordance with the relevant duty set out above.
- 6.9. Any notice to be given pursuant to this Agreement shall be in writing addressed to Lockton at the registered office or trading address of the Client or Lockton set out in this Agreement or as otherwise adopted by the relevant party from time to time and either sent by fax or by first class post. Any such notice shall be deemed to have been received the next working day if sent by fax or on the third working day following despatch if sent by first class post.
- 6.10. If any provision of this Agreement shall be determined to be void by any court of competent jurisdiction then such determination shall not affect other provisions of this Agreement, all of which shall remain in full force and effect.
- 6.11. If any provision of this Agreement shall be capable of two constructions, one of which shall render the provision valid and the other of which shall render the provision void, it is the intention of the parties hereto that the proper construction shall be that which renders the provision valid.
- 6.12. This Agreement including the Appendices and Lockton's Business Principles, previously provided and any Addendums constitutes the entire Agreement between the Parties and supersedes all proposals, prior discussions and representations, oral or written between the Parties relating to this Agreement.

In the event of a conflict between this Agreement and Lockton's Business Principles, the terms of this Agreement shall prevail.

- 6.13. Notwithstanding the signature clause below, this Agreement and its terms will become binding on the Parties on the earlier of (a) seven days after the Client receiving this Agreement unless the Client queries or suggests amended terms in writing up to and including the seventh day from its receipt of this Agreement or (b) the day that an insurance policy is inceptioned on behalf of the Client after the date this Agreement is signed by Lockton.
- 6.14. No amendment to this Agreement shall be valid unless made in writing and signed by the Parties, other than as allowed for at Clause 1.3.
- 6.15. No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.
- 6.16. This Agreement shall be governed by and construed in accordance with English Law and any dispute arising out of or in connection with this Agreement shall be submitted to the exclusive jurisdiction of the English courts.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the above date.

Signed, for and on behalf of Lockton Companies LLP by:-

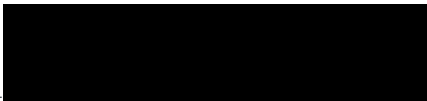
Signed:  _____

Name:  _____

Title:  _____

Date: 04th January 2022 _____

Signed, for and on behalf of **APHA – Animal and Health Plant Agency** by:-

Signed:  _____

Name:  _____

Title:  _____

Date: 10th January 2022 _____

Appendix 1: Services

Services Included

Day to Day Support

- Risk identification and evaluation including uninsured areas.
- Management of alterations/adjustments to the insurance programme.
- Liaison with insurers.
- Liaison with other divisions of Lockton and/other specialised resources.
- Market analysis
- Completion of client customer insurance questionnaires.

Renewal Process

- Lockton Team internal pre renewal strategy meetings
- Client pre renewal strategy call(s) to review cover requirements.
- Collection, collation and analysis of renewal information.
- Preparation of broking submission for the market.
- Negotiations with insurers.
- Obtain and review quotations, negotiate terms and conditions.
- Access to specialist markets including other Lockton divisions as required.
- Preparation of renewal report.
- Presentation of renewal terms and alternatives.
- Renewal call(s) with the Client.
- Review premium payment methods and provide premium finance options.
- Placement and confirmation of covers.
- Production and issue of invoices.
- Technical review of all insurer documentation upon receipt.
- Issue of insurer documentation including statutory certificates and cover notes.
- Production of To Whom It May Concern Letters and/or Certificates.

Claims Activities

- Claims administration procedures and service requirements agreed via Lockton

For The Avoidance of Doubt The Following is Not Included

Day to Day Support

- Provision of insurance guidelines, administration handbooks, manuals or the like for the Client's internal use.
- Investigations into past liability insurance history.

Renewal Process

- Statistical analysis, loss projections and simulations.

Claims Activities

- Major / complex losses requiring investigation over and above normal claims handling procedures

- Consultancy services in respect of complex claims.
- Benchmarking against industry sector.

Risk Management Consulting

- Risk management /Health & Safety strategic advice.
- Total cost of risk profiles and analysis.
- Risk Management training and workshops.
- Occupational health & Safety assessments.
- Business Continuity Planning.
- Disaster Recovery Planning.
- Fire Risk Assessments.

Mergers and Acquisitions

- Due diligence review.
- Estimated insurance costs for inclusion in bids and acquisition costs.
- Additional visits including site visits of newly acquired locations.

Appendix 2 – Lines Of Insurances

For remuneration in the form of a fee all Services listed in Appendix 1 will be performed by Lockton in relation to the placement of the following lines of insurances:

Policy
Professional Indemnity

For remuneration in the form of a commission all Services listed in Appendix 1 will be performed by Lockton in relation to the placement of the following lines of insurances:

None

Our mission

To be the worldwide value and service leader in insurance brokerage, risk management, employee benefits and retirement services

Our goal

To be the best place to do business and to work



Lockton Companies LLP.

Authorised and regulated by the Financial Conduct Authority. A Lloyd's broker.
Registered in England & Wales at The St Botolph Building, 138 Houndsditch,
London, EC3A 7AG. Company No. OC353198.

www.locktoninternational.com