

ANIMAL FRIENDS INSURANCE SERVICES LIMITED

TERMS OF BUSINESS

In these Terms of Business, (the “Terms of Business”), where the context admits, the following expressions shall have the following meanings:

1 DEFINITIONS

- 1.1. **Affiliate** means: the person, firm, partnership, limited liability partnership, or body incorporate together with any subsidiaries or affiliates or associated person, firm, partnership, limited liability partnership, or body incorporate, (as the case may be), that is appointed by the Company to carry out the Activities subject to these Terms of Business, (a “Party” and together with the Company the “Parties”);
- 1.2. **Applicable Regulations** means: all applicable laws, enactments, orders, regulations and rules (including for the avoidance of doubt any regulatory guidance) from time to time issued under the FSMA or made by the FCA (including, for the avoidance of doubt, the FCA Handbook);
- 1.3. **Activities**: means the activities for which the Affiliate is authorised to carry out by the Company within Clauses 3.1 and 3.2 of these Terms of Business;
- 1.4. **Company** means: **ANIMAL FRIENDS INSURANCE SERVICES LIMITED**, (Company Number 3630812), whose registered office is at Animal Friends House, No 1 The Crescent, Sun Rise Way, Amesbury, Salisbury, SP4 7QA, (a “Party” and together with the Affiliate the “Parties”);
- 1.5. **Confidential Information**: means any information which is disclosed to the Affiliate by the Company pursuant to, or in connection with the Appointment (whether orally or in writing and whether or not that information is expressly stated to be confidential) or shall otherwise come into the possession of the Affiliate in relation to the Activities and including but is not limited to all and any Corporate Information, Marketing Information, technical information and other information (whether or not recorded in documentary form or on a storage device) to which the Company attaches an equivalent level of confidentiality or in respect of which it owes an obligation of confidentiality to any third party and which the Affiliate shall acquire and or have access to at any time during their appointment with the Company and which is not readily ascertainable to persons not connected with the Company either at all or without a significant expenditure of labour, skill or money.
- 1.6. **Commission**: means the commission payments set out in Schedule 1 of these Terms of Business, and as may be laid down by the Company from time to time;

- 1.7 Corporate Information:** means all and any information (whether or not recorded in documentary form or on a storage device) relating to the business methods, corporate plans, management systems, finances, maturing new business opportunities or research and development projects of the Company;
- 1.8 Customer means:** any person, firm or company that has been supplied with or offered a Product by way of the Activities or that has been in negotiations with the Company for the supply of a Product by way of the Activities;
- 1.9 Financial Promotion:** shall have the meaning as defined in the FCA Handbook;
- 1.10 Force Majeure Event:** means any circumstance beyond the reasonable control of either Party including, without limitation, acts of God, fire, explosion, adverse weather conditions, flood, earthquake, terrorism, riot, civil commotion, war, strikes, work stoppages, or other industrial action, lack of power, acts of government and delays by suppliers or materials shortages;
- 1.11 FCA:** means the Financial Conduct Authority or any successor Regulatory body which may from time to time be recognized under FSMA;
- 1.12 FCA Handbook:** means the provisions of the “FCA Handbook of Rules and Guidance”, as amended, supplemented or replaced from time to time;
- 1.13 FSMA:** means the Financial Services and Markets Act 2000 and any secondary legislation made under it from time to time;
- 1.14 Intellectual Property:** means all patents, inventions, know how, trade secrets and other confidential information, registered designs, copyrights, database rights, design rights, rights affording equivalent protection to copyright, database rights and design rights, semiconductor topography rights, trade marks (including, without limitation, the Trade Name and the Trade Marks), service marks, logos, domain names, business names, trade names, moral rights, and all registrations or applications to register any of the aforesaid items in any country or jurisdiction, rights in the nature of unfair competition rights and rights to sue for passing off;
- 1.15 IPT:** means Insurance Premium Tax as defined within Part III of the Finance Act 1994;
- 1.16 Legislation and Regulations:** means all legislation (including the FSMA) and statutory instruments insofar as they relate to the performance of the various obligations under these Terms of Business or to the regulation of the Parties and the Applicable Regulations;
- 1.17 Marketing Information:** means all and any information (whether or not recorded in documentary form or on a storage device) relating to the marketing or sales of any past, present or future product or service of the Company or any Associated Company including without limitation sales targets and statistics, market share and pricing statistics, marketing surveys and plans, market research reports, sales techniques, price lists, discount structures, advertising and promotional material, the

names, addresses, telephone numbers, contact names and identities of Customers and potential Customers of and suppliers and potential suppliers to the Company or any Associated Company, the nature of their business operations, their requirements for any product or service sold to or purchased by the Company or any Associated Company and all confidential aspects of their business relationship with the Company or any Associated Company;

- 1.18 Month means:** any period of one calendar month commencing on the first day of the month and ending on the last day of the month;
- 1.19 Non-Real Time Financial Promotion:** means a Financial Promotion that is not made in the course of interactive dialogue or by promotions, made by letter, email, newspaper, journal, magazine, the Website, a television or radio programme, or a telex service;
- 1.20 Product:** means any pet insurance product and / or any other insurance product that the Company selects or accepts from time to time as being suitable for promotion to Customers, and that the Company may make available for the Activities;
- 1.21 Regulated Activity:** means as is defined in the FCA Handbook;
- 1.22 Trade Marks:** means the logo and get up used by the Company in connection with the Trade Name;
- 1.23 Trade Name:** means the names "*Animal Friends Pet Insurance*" and "*Animal Friends Insurance Services Limited*" and / or any other name as the Company shall at its absolute discretion from time to time specify for use as part of the Activities;
- 1.24 Web Site[s]:** means the internet site or sites operated, managed and displayed by the Affiliate and used as part of the Activities.
- 1.25** Any reference in these Terms of Business to writing includes, email, fax or similar means of communication.
- 1.26** Any reference in these Terms of Business to any provision of statute or statutory instrument shall be construed as a reference to that provision as amended, re-enacted or extended.
- 1.27** The headings in these Terms of Business are for convenience only and shall not affect its interpretation.
- 1.28** In these Terms of Business, unless the context requires otherwise:
- 1.28.1** Words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include corporations, partnerships and other unincorporated associations or bodies of persons;
- 1.28.2** The words and phrases "other", "including" and "in particular" shall not limit the generality.

1.29 Reference to the person having control of another person, or being controlled by another person, or being under common control with another person shall be constructed as referring to control within the meaning of any sections 416, 767(B) and 840 Income and Corporation Tax Act 1988.

2 **APPOINTMENT**

2.1 Subject to the terms and conditions set out in these Terms of Business, the Company appoints the Affiliate to carry out the Activities, (the “**Appointment** “) and in consideration of the payment of the Commission by the Company, the Affiliate accepts the Appointment and the terms and conditions set out by the Company in these Terms of Business.

3 **RIGHTS GRANTED**

3.1 The Company grants the Affiliate a non-exclusive licence to:

3.1.1 use the Trade Name and Trade Marks subject to any conditions imposed by the Company from time to time;

3.1.2 subject to any conditions imposed by the Company from time to time, use the Intellectual Property of the Company in connection with the Website such use being subject to the terms set out in these Terms of Business and strictly for the proper performance of the Affiliate’s obligations and duties to the Company.

3.2 Under the terms and conditions set out by the Company, the Company authorises the Affiliate to:

3.2.1 display the Trade Name and Trade Marks on the Website; and

3.2.2 display Non-Real Time Financial Promotions on the Website.

3.3 The Affiliate undertakes that it shall not:

3.3.1 commence any Regulated Activity on behalf of any third party without the prior written consent of the Company;

3.3.2 apply to the FCA for further authorisation without the prior written approval of the Company;

3.3.3 it will keep the Activities wholly separate and distinct from any other business that it carries out;

3.3.4 it will not indicate to its Customers that it is regulated by the FCA to carry out any Regulated Activities other than as set out in these Terms of Business and as it may be authorised to perform in relation to any of its other business activities.

4 AFFILIATE'S OBLIGATIONS

4.1 The Affiliate shall:

- 4.1.1 ensure that it and all individuals employed by the Affiliate and all other persons that provide services to the Affiliate under a contract for service comply with the Legislation and the Regulations so far as they apply to the Activities;
- 4.1.2 ensure that it notifies the Company of any complaints received by the Affiliate from any third party in relation to the Activities being carried out by the Affiliate within 24 hours of the complaint being received such notification being forwarded to the Company at: **IAR@animalfriends.co.uk**;
- 4.1.3 not take any action or omit to take any action, which it believes or should reasonably believe would cause the Company to be in breach of the Legislation and the Regulations and the Affiliate further undertakes to inform the Company if it becomes aware:
 - 4.1.3.1 of any breach of these Terms of Business; and / or
 - 4.1.3.2 of any other matter which a reasonable person would consider to be relevant information to be disclosed to the Company by the Affiliate.

5 CONFIDENTIALITY

5.1 During the term of the Appointment and after the Appointment has terminated for whatsoever reason, the Affiliate shall:

- 5.1.1 not use any Confidential Information for a purpose other than in connection with the proper performance of its obligations and duties to the Company;
- 5.1.2 not disclose any Confidential Information to any person except with the prior written consent of the Company; and
- 5.1.3 use its best endeavours to prevent the use or disclosure of any Confidential Information by a party to whom it has lawfully disclosed such Confidential Information pursuant to its obligations and duties to the Company.

5.2 During the term of the Appointment, the Affiliate may disclose Confidential Information to any of its directors, other officers, employees, and sub-contractors (a "**Recipient**") to the extent that disclosure is absolutely necessary for it to meet its obligations and duties to the Company.

5.3 Before disclosure of Confidential Information to a Recipient, the Affiliate shall ensure that the Recipient is made aware of and complies with the Affiliate's obligations of confidentiality to the Company as if the Recipient was a Party under these Terms of Business.

5.4 Clause 5.1 above does not apply to Confidential Information which:

5.4.1 is at the commencement of the Appointment or becomes at any time after that date publicly known other than as a result of the Affiliate's or the Recipient's breach of these Terms of Business.

5.4.2 can be shown by the Affiliate to the Company's satisfaction to have been known by the Affiliate before disclosure by the Company to the Affiliate;

5.4.3 is or becomes available to the Affiliate otherwise than pursuant to the Appointment and free of any restrictions as to its use or disclosure;

5.4.4 is required to be disclosed by law.

6 MARKETING, ADVERTISING, BRANDING AND STATIONARY

6.1 The Affiliate shall not use or display any material including Non-real Time Financial Promotions which has not been supplied or approved by the Company;

6.2 The Affiliate agrees that at all material times all data and information collected and obtained by the Affiliate regarding any Customers recruited in connection with the Activities shall be the property of the Company and the Affiliate shall not use or disclose any of that information for the purposes of marketing other products during the term of its appointment without the written consent of the Company.

6.3 The Parties accept that for the purposes of the Data Protection Act 1998, that the Company shall be considered as the Data Controller and the Affiliate shall be considered as the Data Processor in respect of any personal data of any Customers of the Activities and the Affiliate undertakes that it will take all steps as may be necessary to comply with the provisions of the Data Protection Act 1998 and any applicable regulations or codes of practice as issued from time to time.

7 USE OF TRADE NAME AND TRADE MARKS

7.1 The Affiliate shall:

7.1.1 not use the Trade Name and/or Trade Marks or any derivative of them as part of its company or business name;

7.1.2 not use the Trade Name or any derivative of it in connection with any bank or similar accounts;

7.1.3 not hold itself out as having any relationship with the Company other than as set out in these Terms of Business;

7.1.4 not, at any time, register as a domain name on the internet any of the Trade Name and/or Trade Marks or any part of the Trade Name or Trade Marks or any name or word likely to be confused with or similar to any of the Trade Name and/or Trade Marks or any part of the Trade Name or Trade Marks;

- 7.1.5 not register any domain name on the internet that is any way related to the Activities;
 - 7.1.6 not, at any time, use any of the Trade Name and/or Trade Marks or any part of the Trade Name or Trade Marks as meta-tags or as part of any source code providing or encouraging linkage to any website of the Affiliate;
 - 7.1.7 promote and preserve the goodwill and reputation associated with the Trade Name and/or Trade Marks;
 - 7.1.8 not sell, assign, transfer, charge or sub-licence the Trade Name and/or Trade Marks or any part of the Trade Name or Trade Marks;
 - 7.1.9 not sell any product or provide any service which conflicts with the standards associated with the Trade Name and/or Trade Marks or of which the Company does not approve;
- 7.2 The Affiliate further undertakes:
- 7.2.1 not, in the sole opinion of the Company and whether by any act or omission, bring or risk bringing the Company or the Trade Name and/or Trade Marks into disrepute; and
 - 7.2.2 not, in the sole opinion of the Company and whether by any act or omission, damage or bring itself into conflict with the interests of the Company.

8 INTELLECTUAL PROPERTY

- 8.1 The Affiliate acknowledges that nothing in the Appointment to carry out the Activities on behalf of the Company shall operate to vest any right, title or interest in the Trade Marks, Trade Names and / or the Company's Intellectual Property or other Intellectual Property connected to the Appointment, in the Affiliate.
- 8.2 The Affiliate acknowledges that the goodwill and all other rights in and associated with the Trade Marks, Trade Names and the Company's Intellectual Property vest absolutely in the Company and that it is the intention of the Parties that all rights will at all times and for all purposes remain vested in the Company and in the event that those rights at any time accrue to the Affiliate by operation of law or howsoever otherwise the Affiliate will at its own expense immediately on demand execute all documents as the Company shall deem necessary to vest those rights absolutely in the Company.
- 8.3 In the event that a registration is obtained for any of the Company's Intellectual Property subsequent to the date of the Appointment, the Affiliate shall be entitled to any like rights under that registration as are granted by these Terms of Business.
- 8.4 The Affiliate shall, if the Company so requests, assist the Company in registering any Trade Marks or other Intellectual Property, but shall not obtain registration as the proprietor unless expressly authorised to do so by the Company in writing.

- 8.5 If the Affiliate becomes aware of any infringement or suspected infringement of the Trade Marks or the Trade Name or any of the Company's Intellectual Property or other Intellectual Property connected to the Activities the Affiliate shall notify the Company immediately;
- 8.6 The Affiliate acknowledges that the Company shall have control over and, at its own cost, shall conduct any such proceedings in such manner as it shall determine and the Affiliate shall provide all reasonable assistance as the Company may require from time to time.

9 MANAGEMENT OF ACTIVITIES

9.1 The Affiliate shall:

- 9.1.1 at all times perform its duties and functions in relation to the Appointment with reasonable skill and care and with due diligence;
- 9.1.2 conduct the Activities in accordance with the Legislation and Regulations;
- 9.1.3 use its best endeavours to display the Trade Marks and / or Trade Name with reasonable skill and care at all times;
- 9.1.4 not issue any document that mentions the Company without the Company's prior written consent;
- 9.1.5 for the purposes of the Data Protection Act 1998, permit the Company to contact Customers and / or policy holders related to the Activities concerning the standard of service being provided by the Affiliate;
- 9.1.6 comply with all statutes, bye-laws, regulations and requirement of any government or other competent authority relating to the Affiliate and the conduct of the Activities;
- 9.1.7 not incur nor act in a way which might incur obligation, liability or expenditure on behalf of the Company, nor pledge the credit of the Company;
- 9.1.8 make itself readily available for meetings with the representatives or affiliates of the FCA as reasonably requested;
- 9.1.9 co-operate openly and fully with the FCA in the discharge of its functions under the FSMA and answer truthfully, fully and promptly all questions which are reasonably put to the Affiliate by any representatives of the FCA;
- 9.1.10 permit any auditor appointed by the Company in respect of its own business interests access at all times to the information, data, accounts and records held by the Affiliate to which the Company is entitled to have access and to give such auditor such information and explanations as he shall reasonably consider necessary for the proper performance of his duties as an auditor of the Company;

9.1.11 not commence proceedings against a Customer or policy holder of the Company unless the Company has given its written approval; and

9.1.12 to the extent that the Affiliate conducts business other than on behalf of the Company, the Affiliate agrees not to act in any manner so as to suggest or to indicate to any third party that it is conducting such business on behalf of the Company or that the Company has in any way approved, is liable for or is in any way connected with that business.

9.2 The Affiliate shall ensure that all of its employees, officers, directors, agents and staff possess the necessary knowledge, understanding, skills and attributes necessary for the proper performance of the Affiliate's duties and obligations under these Terms of Business and that the performance of the Affiliate's employees, officers, directors, agents and staff are properly supervised and monitored.

10 REGULATORY MATTERS

10.1 The Affiliate shall provide the Company with such information in respect of itself (or its employees, agents, sub-contractors and delegates) as the Company may require from the Affiliate (or its employees, agents, sub-contractors and delegates) in order to comply with the Applicable Regulations.

10.2 The Affiliate shall (and shall ensure that each of its employees, agents, sub-contractors and delegates shall) deal with the FCA in an open and co-operative way in connection with the discharge by the FCA of its functions in respect of the Company.

10.3 The Affiliate shall (and shall ensure that each of its agents, sub-contractors or delegates shall) grant the FCA access to such of its employees, records, premises or other sources of information as the FCA may require.

10.4 The Affiliate shall ensure that it has adequate arrangements, which meet the requirements of the FCA Handbook, and any guidance issued by the FCA from time to time in respect of the training and competence of its employees.

10.5 The Affiliate shall not hold any money on behalf of the Company that is connected to the Activities.

10.6 The Affiliate shall provide such assistance as the Company may require to effect and maintain professional indemnity insurance as may be required by the Applicable Regulations from time to time in respect of the Activities and such assistance shall include full co-operation with the Company and/or its appointed agent in relation to any claim made arising out of the Appointment.

11 FEES AND PAYMENT

Commission Rate

11.1 The Company shall pay to the Affiliate Commission in accordance with the terms and conditions set out in Schedule 1 of these Terms of Business. The Affiliate agrees that the terms and conditions of the Commission payable may be varied by the Company from time to time.

Deductions from Commission

11.2 The Affiliate shall re-pay to the Company or at the Company's option, the Company may deduct from any Commission or other amounts otherwise due to the Affiliate:

11.2.1 any Commission previously paid to the Affiliate in relation to the purchase of any Product which has since been cancelled, withdrawn or otherwise terminated; and / or

11.2.2 any amounts incorrectly paid by the Company to the Affiliate together with any Interest thereon, and paid as a result of the Affiliate failing to comply with its duties and obligations to the Company and as are set out in these Terms of Business.

11.3 The Company may at any time apply and set off any amounts owed by the Affiliate to the Company against any amounts owed to the Affiliate by the Company.

12 INTEREST

12.1 In the event that any amounts payable to the Company in relation to the Appointment accrue Interest, the Parties agree that the Interest is the property of the Company.

12.2 In the event that any amounts due to the Company are not paid by the Affiliate on the relevant due date, those amounts shall, on a daily basis, bear interest at a rate to be determined by the Company.

13 TERMINATION OF APPOINTMENT

13.1 The Company and the Affiliate may terminate the Appointment by serving 1 (one) Months written notice of the termination.

13.2 The Company shall be entitled to terminate the Appointment with immediate effect at any time if:

13.2.1 the Affiliate commits any material breach of these Terms of Business or its duties and obligations to the Company and if such breach is capable of remedy, shall fail within a period of 30 days of receipt of notice served by the Company requiring it to make good any such breach; provided that the

Company shall not be obliged to give that notice in the case of a persistent breach, being one which has occurred more than twice in a six month period; or

- 13.2.2 the Company reasonably believes that, for whatsoever reason that the Company thinks fit, the Affiliate is no longer suitable to carry out the Activities; or
 - 13.2.3 it is in the Company's reasonable opinion necessary for the Company to comply with its requirements under the FSMA or with its obligations to the FCA.
 - 13.2.4 if the Affiliate, in the sole opinion of the Company, misuses or in any way impairs the goodwill associated with any of the Trade Marks and Trade Names or takes any action to contest with validity or ownership of the Trade Marks and Trade Names;
 - 13.2.5 if the Affiliate purports to affect any assignment of any of the rights or licences granted within these Terms of Business;
 - 13.2.6 if the Affiliate fails to obtain any prior written approval or consent of the Company expressly required by these Terms of Business;
 - 13.2.7 if the Affiliate discloses or permits or suffers the disclosure of any Confidential Information contrary to its duties and obligations to the Company;
 - 13.2.8 if the Affiliate or any officer, director or employee of the Affiliate gives to the Company any false or misleading information or makes any misrepresentation in connection with obtaining the Appointment or at any time during the continuance of the Appointment in connection with the Activities;
 - 13.2.9 if the Affiliate or any officer director or employee of the Affiliate is convicted of any criminal offence with the exception of a minor Road Traffic Offence;
 - 13.2.10 if any regulatory or legislative changes render the Appointment illegal or incapable of performance without contravention of any changes to the Legislation or Regulations.
- 13.3 The Company may terminate the Appointment immediately by notice in writing to the Affiliate in any of the following events:
- 13.3.1 upon breach of these Terms of Business by the Affiliate or in order to comply with Applicable Regulations;
 - 13.3.2 if it is required to do so by the FCA or any other regulator;
- 13.4 The Appointment shall automatically terminate without notice being given to the Affiliate in any of the following events:

- 13.4.1 if the Company ceases to be authorised to carry out Regulated Activities;
- 13.4.2 if the Affiliate (being corporate entity) becomes insolvent by reason of its inability to pay its debts as they fall due or enters into liquidation whether voluntarily or compulsory other than for the purposes of re-construction or amalgamation or makes any arrangement or composition with its creditors or had a receiver appointed of all or part of its assets or takes or becomes subject to an administration order or suffers any similar action in consequence of a debt;
- 13.4.3 if the Affiliate (being a sole trader or any partners of the Affiliate where it is a partnership) becomes insolvent or commits any act of bankruptcy or a petition in bankruptcy is filed in relation to it or makes any arrangement or composition with creditors to take or suffer any similar action in consequence of a debt.

14 Effect of Termination

- 14.1 On termination of the Appointment, the Affiliate shall on the Company's reasonable request make all reasonable efforts to return or destroy all Confidential Information belonging to the Company and shall if so requested provide the Company with a written statement to that effect;
- 14.2 Termination by a Party for whatsoever reason shall be without prejudice to any rights, claims or actions which one Party may have against the other Party in respect of any matters occurring prior to the date of termination. In addition, termination of the Appointment for whatsoever reason shall not affect those provisions within these Terms of Business that are expressed to operate or to have effect after the date of termination.
- 14.3 On termination of the Appointment for whatsoever reason, the Company shall be entitled to continue to deal directly with any Customer that has been referred to the Company by the Affiliate under the terms of the Appointment.
- 14.4 On the termination of the Appointment for whatsoever reason, the Affiliate shall:
- 14.4.1 immediately cease to operate the Activities and shall not from the date that the Appointment is terminated hold itself out in any way as an affiliate of the Company and shall refrain from any action that would or may indicate any continuing relationship between it and the Company;
- 14.4.2 immediately pay to the Company the full amount of all monies due within Clauses 11.2 and 11.3 above, together with any Interest due;
- 14.4.3 immediately cease to use in any way whatsoever any and all of the Trade Marks and Trade Names and other Intellectual Property of the Company;
- 14.4.4 immediately return to the Company or otherwise dispose of or destroy (as the Company shall direct) all signs, advertising material, stationary, invoice forms, specifications, designs, records, data, samples, models,

programmes and drawings pertaining to or concerning the Activities or bearing any of the Trade Marks or Trade Name;

- 14.4.5 within 30 days remove or permanently cover all signs, advertisements and / or banner headings identifiable in any way with the Company and in the event of failure promptly to adequately replace or cover any signs or advertisements or permit the authorised agents access for that purpose;
 - 14.4.6 immediately return all items of equipment, books, papers and other property whether held on loan or hire from the Company provided under the Appointment; and
 - 14.4.7 do all acts and execute all documents as the Company shall require in particular but without limitation, notification of cessation of use of the Trade Marks as is necessary for the purpose for recording the same as the Trade Marks Registry.
- 14.5 The termination of the Appointment shall be without prejudice to the accrued rights of the Parties and any provision of the Appointment which relates to or governs the acts of the Parties subsequent to the termination shall remain in full force and effect and shall be enforceable notwithstanding that termination.
- 14.6 After termination of the Appointment, neither Party shall induce or seek to induce any Customer to cancel, cease or reduce payments, surrender or otherwise dispose of a Product.

15 INDEMNITY

- 15.1 The Affiliate shall indemnify and keep indemnified the Company from and against all losses, damages, demands for IPT payments, bank charges or fees, all other liabilities and legal fees and costs incurred by the Company as a consequence of any breach by the Affiliate of any of its duties and obligations to the Company, including but not limited to any act of negligence or default committed by the Affiliate in relation to its conduct of the Activities.
- 15.2 For the avoidance of any doubt, nothing in these Terms of Business shall exclude or in any way limit the Affiliate's liability for fraud or for death or personal injury caused by the Affiliate's negligence or any other liability to the extent that such liability may not be excluded or limited as a matter of law.

16 ACKNOWLEDGEMENTS BY THE AFFILIATE

- 16.1 The Affiliate agrees and acknowledges that its decision to accept the Appointment and the terms and conditions set out in these Terms of Business has been taken solely on the basis of its own judgement and experience and only after taking its own independent advice and accordingly the Affiliate acknowledges that no representation, warranty, inducement or promise, express or implied, has been made by the Company or relied on by the Affiliate save as may have been notified by the Affiliate to the Company in writing and are annexed to and incorporated to these Terms of Business.

16.2 The Parties agree that Customers acquired as a result of the Appointment are Customers of the Company and all rights including all Intellectual Property rights in any data or any database created by the Company relating to the Customers together with all other information, knowledge or otherwise relating to or derived from or resulting from the Company during the term of the Appointment (the "Data") shall vest in the Company. The Affiliate shall have the right to access copies of the Data solely for the purposes of complying with the Applicable Regulations but not otherwise and for no other purpose.

17 NO PARTNERSHIP OR AGENCY

17.1 The Affiliate shall not pledge the credit of the Company nor represent or hold itself out as being the Company nor an agent, commercial agent, associated company, subsidiary, partner, employee or representative of the Company, nor as having any power or authority to incur any obligation of any nature express or implied on behalf of the Company and nothing in these Terms of Business shall operate so as to constitute the Affiliate as an agent, commercial agent, associated company, subsidiary, partner, employee or representative of the Company.

18 NO WARRANTIES WITHOUT AUTHORITY

18.1 The Affiliate shall make no statement representation or claim and shall give no warranty to any person in respect of the Activities without the prior consent of the Company.

19 GENERAL

Assignment and Delegation

19.1 The Affiliate may not, without the prior written consent of the Company, assign, delegate, transfer or subcontract its rights and obligations set out in these Terms of Business.

Variation

19.2 Subject to Clauses 19.15, 19.16 and 19.17 below, no variation of these Terms of Business or the Appointment shall be effective unless it is recorded in writing and signed by the Parties.

19.3 The Company may vary these Terms of Business by giving written notice to the Affiliate as any time if required to do so by the FCA or on the grounds of any change in the Legislation or Regulations.

Reservations of Rights

19.4 All rights and licences not specifically and expressly granted to and conferred upon the Affiliate by the Appointment are for all purposes reserved to the Company.

Severability

- 19.5 Each of the restrictions and provisions contained in these Terms of Business and in each Clause and Sub-Clause of these Terms of Business shall be construed as independent of every other restriction and provision to the effect that if any provisions of these Terms of Business or the application of any provisions to any person, firm, or company or to any circumstances shall be determined to be invalid and unenforceable then that determination shall not affect any other provisions of these Terms of Business or the application of that provision to any person, firm, company or circumstance all of which other provisions shall remain in full force and effect.
- 19.6 In the event that any provision of these Terms of Business shall be held to be invalid or unenforceable by a court of law or other competent authority in a way which in the sole opinion of the Company materially adversely affects the right of the Company to receive payment of any amounts owed within Clause 11 above, or other remuneration set out in these Terms of Business then and in that case the Company may without liability terminate the Appointment by notice in writing to the Affiliate to that effect, and in those circumstances the Parties agree that the provisions of Clause 14 above will apply.

Force Majeure

- 19.7 If a Party (the "**Affected Party**") is prevented, hindered or delayed from or in performing any of its obligations under these Terms of Business by a Force Majeure Event:
- 19.7.1 provided that the Affected Party complies with Clause 19.8 below its obligations under these Terms of Business shall be suspended while the Force Majeure Event continues and to the extent that it is prevented, hindered or delayed;
- 19.8 As soon as reasonably possibly after the start of the Force Majeure Event, the Affected Party shall notify the other Party (the "**Non-Affected Party**") in writing of
- 19.8.1 the Force Majeure Event;
- 19.8.2 the date on which the Force Majeure Event started; and
- 19.8.3 the effects of the Force Majeure Event on its ability to perform its obligations under these Terms of Business.
- 19.8.4 the Affected Party shall make all reasonable efforts to mitigate the effects of the Force Majeure Event on the performance of its obligations under these Terms of Business.
- 19.8.5 as soon as reasonably possible after the end of the Force Majeure Event, the Affected Party shall notify the Non Affected Party in writing that the Force

Majeure Event has ended and resume performance of its obligations under these Terms of Business.

- 19.9 If the Force Majeure Event continues for more than 6 months the Non Affected Party may terminate the Appointment by giving not less than 30 days' notice in writing to the Affected Party.

Waiver

- 19.10 No failure of the Company to exercise any power given to it pursuant to these Terms of Business or to insist upon strict compliance by the Affiliate with any obligation or condition of these Terms of Business and no custom or practice of the Parties at variance with the terms of these Terms of Business shall constitute a waiver of any rights of the Company pursuant to these Terms of Business.
- 19.11 No waiver by the Company of any particular default by the Affiliate shall affect or impair the Company's rights in respect of any subsequent default of any kind by the Affiliate nor shall any delay or omission by the Company to exercise any rights arising from any default affect or impair the Company's rights in respect of the said default or any other default of the Affiliate under these Terms of Business. Subsequent acceptance by the Company of any payments by the Affiliate shall not be deemed a waiver of any preceding breach by the Affiliate of any of the terms covenants or conditions of these Terms of Business.

Exclusions of Third Party Rights

- 19.12 A person that is not a Party shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Terms of Business. This Clause 19 does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

Notices

- 19.13 A notice or other communication given under or in connection with the Appointment (a "**Notice**") shall be:
- 19.13.1 in writing;
- 19.13.2 in the English language;
- 19.13.3 sent by the Permitted Method to the Notified Address.
- 19.14 For the purposes of this Clause 19 the "**Permitted Method**" means any of the methods set out in the first column below, the second column setting out the date on which a Notice given by the Permitted Method shall be deemed to be given provided the Notice is properly addressed and sent in full to the Notified Address:

(1)	(2)
Permitted Method	Date on which Notice deemed given
Email	When received by the recipient
Personal delivery	when left at the Notified Address
First class pre-paid post	two business days after posting
Fax transmission	on completion of transmission
Email	on date of receipt

19.15 The “**Notified Addresses**” of each of the Parties is as set out at the start of these Terms of Business or other Notified Address as any Party may, by written notice to the other Party, substitute for their Notified Address.

Entire Agreement

19.16 These Terms of Business (together with all the documents which are required by its terms to be entered into by the Parties or any of them which are referred to in these Terms of Business and all those terms of any other documents which these Terms of Business expressly preserves) constitute the whole and only agreement and understanding between the Parties.

19.17 For the purpose of this Clause 19, “**Pre-contractual Statement**” means a draft agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing and whether implied or otherwise, relating to the Appointment or any of the above made or given by a Party to any agreement or any other person at any time prior to the commencement of the Appointment.

19.18 Each Party acknowledges that it has not agreed to these Terms of Business or any of the on the terms set out in these Terms of Business in reliance on any Pre-contractual Statement which is not expressly set out in these Terms of Business and that these Terms of Business supersedes and extinguishes any prior Pre-contractual Statement.

19.19 The Parties agree that they shall have no right of action against the other Party arising out of or in connection with any Pre-contractual Statement except in the case of fraud or dishonesty or wilful concealment.

Applicable Law

19.20 The Appointment and these Terms of Business and all rights and obligations of the Parties shall be governed and construed in accordance with the Law of England and the Parties irrevocably submit to the exclusive jurisdiction of the English Courts.

SCHEDULE 1

1. INTERPRETATION

Without prejudice to the forgoing, in this Schedule, where the context admits, the following expressions shall have the following meanings:

- 1.1 **Affiliate Account:** means an account set up by the Company in the name of the Affiliate;
- 1.2 **Cancelled:** means a Product that is cancelled for whatsoever reason after the date that it was accepted by the Company under the Validation Requirements;
- 1.3 **Company's Website:** means the internet site or sites operated, managed and displayed by the Company including at: www.animalfriends.org.uk;
- 1.4 **Cookie:** means a data file that is automatically generated from the Company's Website to track activity and browsing;
- 1.5 **Minimum Balance:** means a balance of the Affiliate Account equivalent to £50;
- 1.6 **Multi Policy:** means a single transaction to a single Customer for the purchase of more than one Product;
- 1.7 **Policy Wording Documents:** means those documents contained on the Company's Website and that set out the Terms and Conditions of each Product;
- 1.8 **Renewed:** means any Product that is renewed under the same terms and conditions on completion of its initial term;
- 1.9 **Validation Period:** means a period of 90 days from the date that the Company accepts the purchase of a Product under the Validation Requirements;
- 1.10 **Validation Requirements:** means those requirements set out in Clause 3 of this Schedule.

2. COMMISSION

- 2.1 The Company shall, within 30 days of the commencement of the Appointment, set up the Affiliate Account.
- 2.2 The Company shall, subject to Clause 11 of this Agreement and Clause 3 of this Schedule pay any Commission payments payable to the Affiliate in relation to a Product purchased through the Website, within 28 days of the completion of the relevant Validation Period.

2.3 Each Month the Company shall raise a statement of the Affiliate Account on the Affiliate’s behalf, showing the balance of the Affiliate Account and any Commission payments that are payable to the Affiliate and the Affiliate agrees that it will not raise its own invoices in relation to any Commission payments that it considers to be payable under these Terms of Business.

2.4 The Affiliate must notify the Company immediately if :

2.4.1 there is any changes to the Affiliate’s Value Added Tax, (“VAT”) and /or taxation status and the Affiliate shall provide the Company with such information in respect of its VAT and taxation status that the Company may reasonably require; and / or

2.4.2 there are any changes in its ownership or status that may reasonably be considered to effect the Parties ability to perform their obligations under these Terms of Business.

2.5 The Affiliate is responsible for the payment of all tax and National Insurance contributions payable on any payments made to the Affiliate by the Company and the Affiliate accepts that it will be responsible for the payment of any tax and National Insurance contributions (including, without limitation, any interest, penalties or fines in connection therewith) imposed by any competent authority in respect of any payments made to the Affiliate by the Company.

2.6 The Company shall pay Commission to the Affiliate at the rates set out in Table 1 below;

Table 1

Product Type*	For between 1 and 49 Products purchased per Month	For between 50 and 99 Products purchased per Month	For over 100 Products purchased per Month
Accident Only	£5 per Product	£5 per Product	£5 per Product
Rider Only	£5 per Product	£5 per Product	£5 per Product
Basic	£10 per Product	£12 per Product	£15 per Product
Horse	£25 per Product	£27 per Product	£29 per Product
All Others	£20 per Product	£22 per Product	£24 per Product

***the terms and conditions of each Product Type are as set out in the Policy Wording Documents**

2.7 The Affiliate agrees that the Commission rates set out in Table 1, may be varied by the Company from time to time.

- 2.8 Commission for a Multi Policy shall be paid at a rate of 50% of the rates set out in Table 1.
- 2.9 VAT shall be added to Commission payments payable within Clause 2 of this Schedule where applicable and where the Company has been provided with the written details of the Affiliate's VAT registration details and number.
- 2.10 Commission will be paid by bank transfer to an account nominated by the Affiliate and will be paid in GBP (Pounds Stirling) and for Commission payments payable to an account that is not held within the United Kingdom, the exchange rate used will be the Bank of England exchange rate as at the day of payment;
- 2.11 The Affiliate shall be solely responsible for any and all bank charges, losses and / or fees, in relation to any payment made to the Affiliate by the Company including any charges, losses and / or fees as a result of late payments being made or as a result of incorrect banking details provided to the Company by the Affiliate.
- 2.12 Commission payments will only be paid to the Affiliate where the balance of the Affiliate Account is greater than the Minimum Balance.
- 2.13 In the event that the balance of the Affiliate Account accrues interest, the Parties agree that the interest is the property of the Company.
- 2.14 Commission shall not be payable for a Product that is Renewed;
- 2.15 Commission shall not be payable for a Product that is Cancelled;
- 2.16 The Affiliate shall pay to the Company or at the Company's option, the Company may deduct from any monies otherwise due to the Affiliate, any Commission previously paid to the Affiliate in relation to the purchase of a Product that is subsequently Cancelled for whatsoever reason;
- 2.17 The Company may at any time apply and set off any amounts owed by the Affiliate to the Company against any amounts owed to the Affiliate by the Company.

3. VALIDATION REQUIREMENTS

- 3.1 The Company shall pay Commission to the Affiliate within Clause 2 of this Schedule, where the Validation Requirements set out in this Clause 3 of this Schedule have been complied with in full and to the Company's satisfaction.
- 3.2 The Affiliate acknowledges and agrees that no Commission shall be payable or shall be considered due in respect of a transaction for the purchase of a Product unless and until the Validation Period has been completed.
- 3.3 Commission shall not be payable for a Product that is held void, cancelled, terminated or withdrawn by the Company within Clause 3.6 of this Schedule, before the end of the Validation Period.

- 3.4 The Company shall, within 30 days of the commencement of the Appointment set up a source code that is unique to the Affiliate and that will allow the Company to identify any activity on the Company's Website that has originated from the Website.
- 3.5 The Company shall track the originating source of all transactions for the purchase of any Products from the Company's Website by use of a Cookie that is automatically activated by a Uniform Resource Locator whenever activity takes place on the Company's Website. A Cookie that is automatically activated will remain valid for a period of 30 days from the date that it is first activated and Commission will only be paid for Products that are purchased from the Company's Website, where:
- 3.5.1 The Company's normal tracking procedures have identified that the Product has been purchased from the Company's Website and that there is a valid Cookie showing that the transaction is clearly linked to the Affiliate's source code and originated from the Website; and
- 3.5.2 The transaction complies with the Company's acceptance requirements as set out in the Policy Wording Documents.
- 3.6 Notwithstanding Clause 3.1 of this Schedule, the Company retains and reserves the right at any time, to void, cancel, terminate or withdraw a Product purchased by way of the Activities where in the Company's reasonable opinion:
- 3.6.1 the information provided to the Company has been found to be in any way false or misleading or to constitute a misrepresentation; or
- 3.6.2 the Customer has been found to have committed any material breach of the relevant Policy Wording Documents; or
- 3.6.3 the Customer is considered to be no longer suitable to hold or purchase the Product; or
- 3.6.4 it is necessary to comply with the requirements of the FSMA or with the Company's obligations to the FCA; or.
- 3.6.5 a regulatory or legislative change has rendered the purchase of the Product illegal or incapable of performance without contravention of the Legislation or Regulations.