

Terms of Business (Version March 2023)

Sun Flower Insurance Brokers Limited 新華保險顧問有限公司 ("Sun Flower", "we", "us" "our") aims to provide you with insurance products and services that protect and enhance your personal &/or business needs. To help us achieve this, it is important to understand what we do as your insurance broker.

These Terms of Business ("Terms of Business"), together with the Engagement Letter, set out the basis upon which we agree to provide services to you.

These Terms of Business shall apply to you and your Related Parties. You warrant that you have authority to agree and enter into these Terms of Business on behalf of your Related Parties.

For your own benefit and protection you should read these Terms of Business carefully and ensure that you understand each of them. If you have any questions about these Terms of Business, please raise them with us immediately.

Dealing with us in the usual course of business (including but not limited to the provision of instructions to us, the acceptance of policy documents from us, the payment of any invoice that we render to you or otherwise) constitutes your acceptance of all of these Terms of Business.

In these Terms of Business:

"Engagement Letter" means the document/ email enclosing or referring to these Terms of Business and recording our engagement by you for the purpose of delivering the Services, and as may be amended by you and Sun Flower in writing together with any subsequent document/ email that (with the agreement of the parties) supplements or varies the provisions of the first-mentioned document/ email;

"Insurance" includes references to "reinsurance" (as appropriate);

"Insurer" includes an insurer, reinsurer or underwriting agency; and

"Related Parties" means other parties (including natural persons) who are beneficiaries or recipients of the Services provided by us.

1 Our Services

1.1 The services ("Services") that we will provide you are those services which we have agreed in writing with you and such additional services as we may further agree with you in writing from time to time.

1.2 We will

- (a) perform the Services with reasonable care and skill; and
- (b) in our dealings with you, comply with all applicable laws and regulations.

1.3 We reserve the right, at our sole discretion, to assign, transfer or sub-contract any part or the whole of our rights and obligations (including the performance of the Services or any part thereof) hereunder to any other entities of Sun Flower.

2 Our Relationship with You

As an independent insurance intermediary we act for you as an agent and we are subject to the law of agency.

3 Information Obligations

3.1 You must provide accurate, complete and timely information to enable us to perform the Services and to make a fair presentation of the risk to your insurers. You must comply with your legal duty to disclose all material facts when entering into a contract of insurance. You accept full responsibility for the accuracy of the information provided and appreciate that we will rely on the accuracy and completeness of the information you provide in providing the Services and arranging your insurances. Failure to provide all relevant information as described herein (collectively, "Relevant Information") may prejudice your rights under a contract of insurance.

3.2 You must carefully review all documents we give you (including policies and endorsements) and advise us immediately if you notice any mistakes of fact or believe the contents do not address your needs.

3.3 Should a circumstance, event or loss occur which could result in you making a claim, you should advise us of the details ("Claims Information") as soon as possible and within the time required under your contract of insurance. Failure to advise an insurer of such a circumstance, event or loss could prejudice your rights under your contract of insurance.

4 No Insurer Guarantee

As your broker, we are not the insurer of any risk and we cannot guarantee the availability or price of insurance for your particular risks. We do not in any way guarantee the solvency of insurers. The final choice of insurer remains with you.

5 No Sun Flower Liability for Third Party Intermediaries

If, at your request, an intermediary that is not affiliated with Sun Flower is also used any way in arranging any insurance you agree as follows:

5.1 Sun Flower has no liability for any failure or refusal by that intermediary to disclose any remuneration;

5.2 Sun Flower has no liability for any act, error or omission by that intermediary or its directors or officers; and

5.3 remuneration earned by that intermediary is separate from and in addition to remuneration earned by any Sun Flower entity

6 Premium and Other Payments

6.1 Unless otherwise agreed in writing, you must pay all premium, fees, charges, our reasonable out of pocket expenses and any other sums to which we are entitled to be paid in respect of the provision of the Services, including any taxes payable on any of the foregoing, before the inception of your insurance policy.

6.2 We will advise you if insurers have imposed a premium payment warranty or condition which may give the insurer the right to cancel your insurance policy if you fail to pay within the time specified. Please contact us immediately if you are unable to comply with a premium payment warranty or condition.

7 Incorrect Premium Calculations

We make every effort to correctly determine the premium and (if applicable) statutory charges that apply to your insurance. However, occasionally errors can occur, for example, where we make an unintentional error or because a third party advises us of the wrong amount. Please note that we retain the right to correct any such error and you agree, to the extent permitted by law, not to hold Sun Flower responsible for any loss you may suffer as a result of the error and its correction.

8 Selected Products

As a local insurance broker, we have many clients in similar businesses and situations with similar risks, needs and interests. For these groups, we periodically

review, select, design and/or develop products which we believe are suited to cater to the general risks, needs and interests of clients falling within these groups ("Selected Product"). In each case, we undertake an assessment to ensure that we provide the most appropriate solution for the insured. Therefore, where we believe a Selected Product is suitable for you, we will recommend only that product, rather than survey the market for alternative insurance products. Whilst we believe our Selected Products will, in most cases, offer additional benefits to our selected clients, Sun Flower cannot and does not guarantee that in each and every case, the Selected Product will offer the best possible terms for every client for whom it is selected.

9 Self-Satisfaction of Suitability for Selected Products

You should only apply for and obtain a Selected Product if you decide it is suitable taking into account your own risks and needs. Accordingly, you should consider carefully whether the Selected Product in questions is suitable for you. Your agreement to proceed to purchase a Selected Product shall constitute your consent and confirmation that the Selected Product is suitable for our risks and needs and that you understand that the Selected Product is designed and selected to suit the general attributes of a particular group to which you belong.

10 Binding Authority

In some cases, we enter into agreements ("Binders") with insurers where we have binding authority from them to arrange insurance policies between you and them on pre-agreed terms or according to pre-agreed criteria with such insurers. We may in some cases also be granted authority under such Binders to settle or process certain insurance claims that you make, on behalf of the insurers. Where we do have such claims settlement authority, our authority would normally be limited by the value of such claims. We would also ensure that the Sun Flower staff who handles claims for the insurer will be kept separate from the team that provides the services to you. This is to ensure that the team that provides the services to you acts in your best interests at times. We believe that these arrangements, in most cases, provide benefits to our clients by facilitating a more efficient insurance broking and, where relevant, claims handling process. If we intend to recommend to you insurance placed under such a Binder, we will on the first occasion of such recommendation provide you with prior written notice of our association with the relevant insurer(s) under such a Binder. Please note that our arrangements with insurers who have given us binding authority do not in any way compromise our ability to provide you with impartial advice.

11 Conflicts of Interest and Confidentiality

11.1 Honesty and fairness

We treat our clients honestly and fairly. In circumstances where conflicts of interest arise, we manage such conflicts so that they do not materially affect the quality of the Services we provide to you. We do this in a variety of ways including the following:

- (a) We maintain clear separation between different parts of our business where association could lead to conflicts arising.
- (b) We strongly promote our values, which include openness, trust, and integrity.
- (c) We have staff dedicated to monitoring compliance.

11.2 Confidential information

We will keep all information received from you confidential, and use it solely for the purpose of performing the Services. However, our confidentiality obligation does not apply:

- (a) where you have given permission for us to disclose the information;
 - (b) where disclosure is required to satisfy legal obligations or regulatory requirements;
 - (c) where disclosure is reasonably required to carry out the Services (for example providing information to current or prospective insurers);
 - (d) where such information is in the public domain; or
 - (e) where the information is lawfully in our possession at the time it is communicated to us.
- We will put in place such arrangements as we see fit in order to ensure that the confidentiality of the information is maintained.

11.3 Other Clients

Provided we keep your information confidential in accordance with these Terms of Business, you agree that we (and any other company in Sun Flower) may act for your competitors and for other clients whose interests are or may be opposed to yours.

In addition, you agree that we will not be under any obligation to disclose to you any information in respect of which we owe a duty of confidentiality to another client.

11.4 Clients Involved in Competitive Situations

We have an extensive client base which means that there are often situations where two or more clients may be competing for the same project or acquisition or one client may be a seller and another client a buyer or bidder. Where this is or could become the case, we deal with each client in a way that ensures that our service is not in any way impaired and that each client's confidential information is kept strictly confidential. We will put in place such arrangements as we see fit in order to ensure that the confidentiality of your information is maintained.

12 Remuneration

12.1 You acknowledge and understand that Sun Flower and other entities within Sun Flower may earn and retain remuneration in connection with insurance which we place for you

12.2 Where we are remunerated by commission, the following provision shall apply in respect of insurance transactions undertaken pursuant to these Terms of Business.

12.3 Sun Flower is remunerated for its services by the receipt of commission paid by insurers. Your agreement to proceed with this insurance transaction shall constitute your consent to the receipt of commission by Sun Flower.

12.4 Remuneration to Sun Flower may include commissions paid by insurers based upon factors such as premium volume, underwriting profitability, administrative expense reimbursements and/or fees.



- 12.5 Sun Flower may also charge you fees for placing the insurance for you. Any such fees will be contained in the quotation slip provided to you in respect of the relevant placement.
- 12.6 If you have any queries or require further details in relation to any aspect of our remuneration, please contact your Sun Flower Technical Representative at any time.
- 13 Personal Information Collection Statement
- 13.1 Sun Flower makes use of the personal information collected about you in connection with the Services. The information we collect about you may include the following:
- (a) Basic personal details (name, address, date of birth, age, gender, nationality);
 - (b) Family, lifestyle and social circumstances;
 - (c) Employment and professional qualifications;
 - (d) Information on account opening forms;
 - (e) Identification and verification data (including images of ID card or passport);
 - (f) Financial details, including credit card details;
 - (g) Information about shareholdings where relevant to the insurance;
 - (h) Insurance details (type and amount of insurance, details of claim); and
 - (i) Medical history where relevant to the Services.
- 13.2 In addition to collecting personal information from you directly, we may also collect personal information about you from third parties, such as your company or employer (including Human Resource or Finance departments), insurers, underwriters, reinsurers, credit reference agencies, medical professionals, government bodies, claimants, vetting and data validation agencies and other professional advisory service providers. You agree that these third parties are validly acting on your behalf for the collection, use or disclosure of your personal information, and you have consented or deemed to have consented for the disclosure of your personal information by these third parties to us for the purposes stated in Clause 13.3. In this regard, you are deemed to consent to the collection of your personal information by us for the purposes stated in Clause 13.3. This information may be sourced prior to and during the course of providing the Services to you.
- 13.3 We will use the information we collect about you in connection with the Services, including but not limited to:
- (a) assess your application to receive the Services;
 - (b) evaluate risks relating to your prospective or existing insurance policy;
 - (c) offer, administer and manage the Services provided to you, including providing initial and renewal quotations and client care information;
 - (d) process your payment for the insurance premium and any mid-term adjustments;
 - (e) investigate and settle claims or complaints in relation to insurance policies and/or the Services provided;
 - (f) trace debtors and recover any outstanding debt in connection with the Services provided;
 - (g) fulfil legal and regulatory obligations and monitor compliance with the same, and
 - (h) transfer books of business to successors of the business in the event of a sale or reorganization.
- 13.4 We will also share your personal information with relevant third parties, such as insurers, underwriters, reinsurers and government bodies where necessary to enable us to offer the Services to you and/or administer and manage insurance claims.
- 13.5 Further details on how we use your personal information can be found the Privacy and Data Protection Policy on our website at www.sunflowervip.com/index/pics.html Please read the full Privacy Statement to ensure you understand how we collect and use your personal information.
- 14 Collection and Use of Client Information
- 14.1 Sun Flower gathers data containing information about its clients and their insurance placements, including, but not limited to names, industry codes, policy types, premium and policy expiration dates, as well as information about the insurance companies that provide coverage to its clients or compete for its clients' insurance placements.
- 14.2 This information is maintained in one or more databases, including Sun Flower's platform, developed by Sun Flower to process the affairs of clients in the execution of insurance broking services, these databases may be accessed by Sun Flower affiliates for other purposes.
- 15 Sun Flower's File Retention Policy
- 15.1 We hold paperwork and correspondence regarding your risk and insurance matters for at least seven years, or longer if you instruct us to do so in writing. After this period we will arrange for the file to be destroyed. Please note that we will not consult you before destroying this information.
- 15.2 Please tell us in writing before the end of the seven-year period if you want us to keep our files for a longer period. We will extend the time as requested but may charge you a reasonable storage and administration fee.
- 16 Third Parties
- 16.1 Any advice, report or information that we (including any other member(s) of Sun Flower) provide is given solely for your benefit and cannot be given to or relied upon by any third party (including your Related Parties in their own capacities) without our prior written consent.
- 16.2 The Services are solely for your benefit and nothing herein shall be construed as conferring any rights upon or duties toward any other person or entity (including your Related Parties in their own capacities).
- 16.3 If you are obliged to procure insurance to meet a contractual obligation, you must take your own legal advice whether the insurance that we recommend satisfies that obligation. Sun Flower cannot give such legal advice and you irrevocably warrant that you will not seek or rely upon any advice from Sun Flower on such matters for any purpose at any time.
- 16.4 These Terms of Business do not create or confer any rights or benefits enforceable by any person not a party to it within the meaning of the Contracts (Rights of Third Parties) Ordinance except as expressly provided herein and except entities of Sun Flower and persons who are permitted successors or assignees of the rights or benefits of these Terms of Business may enforce such rights or benefits.
- 17 Limitation of Liability
- 17.1 We will provide the Services with reasonable care and skill.
- 17.2 All representations (whether express or implied) and all other implied conditions, warranties and terms as to the provision of the Services are otherwise excluded to the extent permitted by law.
- 17.3 To the extent permitted by law, we and the other entities within Sun Flower will not be responsible or liable for:
- (a) any consequential, incidental, indirect or special damage or loss of any kind.
 - (b) the supply, by you or others on your behalf, of incorrect or incomplete information (including information that we may use to calculate the premiums and other charges relevant to your insurance);
 - (c) the failure by you or others on your behalf to supply appropriate, relevant or timely information, including Relevant Information and Claims Information;
 - (d) a failure by you or others on your behalf to act on our advice or to respond promptly to any communications from us or any insurer; or
 - (e) the default, negligence, or lack of care on the part of any person other than ourselves.
- 17.4 Our liability (including interest and costs) and the liability of other entities within Sun Flower in respect of any claim howsoever arising under or in connection with these Terms of Business, the Services or our business relationship, shall be limited (to the extent permitted by law) to HK\$70,000 in the total aggregate or such other amount as may be expressly agreed between us in writing.
- 17.5 For the avoidance of doubt, the single total aggregate liability limit of HK\$70,000 also applies to (a) claims and liabilities asserted by your Related Parties against Sun Flower; (b) claims and liabilities asserted by your Related Parties against Sun Flower; and (c) claims and liabilities asserted by you against Sun Flower, so that the total of all such claims combined cannot exceed HK\$70,000.
- 17.6 We do not limit our liability in respect of fraud or intentional misconduct by us.
- 17.7 To the fullest extent permitted by law, where any claim or loss arises partly due to an error or omission by us and partly due to an error or omission by you (including one of your Related Parties), you will indemnify us for all damage and loss arising from the error or omission by you (including your Related Parties)
- 18 Intellectual Property
- 18.1 We retain current and future rights and title in all copyright, patents, trade marks or rights in databases, inventions or trade secrets, know-how, trade and business proprietary rights relating to intellectual property and applications for any of those rights (where such applications can be made) capable of protection in any relevant country of the world including without limitation intellectual property rights in our knowledge, ideas, concepts, materials, programmes, documentation, models, studies and methodologies and technology used, acquired or developed in the course of providing the Services ("Intellectual Property Rights").
- 18.2 You acknowledge that we are in the business of providing similar services to other clients and that we may be utilising the Intellectual Property Rights in servicing other clients. Notwithstanding the foregoing we will keep your confidential information confidential accordance with these Terms of Business.
- 19 Reviewing Documents
- You are responsible for reviewing all contract documents, endorsements and other insurance documents. You must notify us as soon as possible of anything that you believe is not in accordance with your instructions or coverage needs.
- 20 Coverage Summaries
- When we provide coverage summaries or quotations or reports, these are for your information only. Coverage summaries, quotations and reports (however called) do not include all relevant terms of your insurance cover. You should always review the actual insurance contract documents. We do not provide any translations of insurance contracts and/or documents. Any translation will attract an additional fee and we will not be liable for the accuracy or completeness or appropriateness of any translations we agree to procure or provide. Any translations provided by us are for your reference and information only.
- 21 Selecting Sums and Limits
- You are responsible for selecting and checking sums insured, contract terms and contract limits. You must ensure that these are sufficient to meet your requirements. You must let us know in writing if you would like to increase or modify your insurance cover in any way.
- 22 No Legal Advice
- We are not responsible for providing or recommending any legal, accounting, taxation, regulatory, or other specialist advices. You must assess whether you require such specialist advices and seek them from appropriate professionals if you do.
- 23 No responsibility for Work Done by Other Brokers/ Service Providers
- Unless specifically agreed in writing, we are not responsible for and will not review insurance policies we did not place for your or other work done before we became your insurance broker.
- 24 Your Insurance Arrangements
- 24.1 We offer access to products from a wide range of Hong Kong insurers. The selection of insurers is based on our knowledge and experience of the market as well as consideration of insurance contracts we have previously arranged in each market sector. We will normally arrange cover for you and provide advice, products or information on the basis of analysis of the market by considering a sufficient number of insurers that we feel are appropriate to underwrite the insurance cover you are seeking.
- 24.2 We may also recommend a policy for you on the basis of a particular arrangement with insurers if we feel this provides the most suitable product for you.
- 24.3 We will advise and make a recommendation on cover for you after we have made an assessment of your insurance needs based on the information you make available to us. For some classes of insurance, you may be asked to complete a proposal form. We will be happy to give you advice on the form but we cannot complete it for you.
- To avoid misunderstandings, it is helpful if you provide written instructions by

- letter, fax or e-mails. In urgent cases, we will of course take verbal instructions and followed by written confirmation.
- 24.4 Once we have your instructions, we will arrange your insurance and keep you informed of the progress of negotiation. We will also advise you if we are unable to obtain cover to satisfy any part of your insurance requirements or instructions.
- 25 **Mid-term Changes to Your Policy**
If you need to make any changes or modifications to your insurance cover during the period of your policy (mid-term changes), you must let us know in writing if you would like to change or modify your insurance cover in any way so that we can notify your insurer and obtain their underwriting approval. The revised terms and conditions shall be finalised and confirmed by you.
- 26 **Renewal of Your Insurance**
We will approach you for renewal information in good time before expiry of your policy to be able to approach existing or alternative insurers. We will then provide the renewal offer for your review.
- 27 **Change of Terms of Business**
We may, at any time, vary, modify, add or delete the terms and conditions of these Terms of Business without notice and will supersede any Terms of Business previously in force. Please contact us immediately if there is anything in the Terms of Business that you do not understand or with which you disagree.
- 28 **Force Majeure**
We are not liable for failure or delay where it is due to causes outside our reasonable control.
- 29 **Termination and Policy Cancellation**
- 29.1 Either party can terminate these Terms of Business by providing the other party with 60 days' written notice of termination.
- 29.2 You agree that:
- (a) we shall have earned the entire remuneration to be earned by us for each annual period (or such other period agreed in writing between us) of the term of these Terms of Business as of the date of commencement of the Services and that such remuneration shall be due and payable to us notwithstanding any termination of the Services and/or these Terms of Business prior to the expiry of the term of these Terms of Business (or as agreed in writing between us);
- (b) we are entitled to retain all our commission, fees and other remuneration in full in the event of any termination of our Services, these Terms of Business and/or any mid-term cancellation of a policy or future downward adjustment of premium, and we will not refund to you any remuneration received by us; and
- (c) the insurer(s) and us are entitled to offset such remuneration from any premium refund you are entitled to.
- 29.3 In the event these Terms of Business are terminated for any reason, unless otherwise agreed in writing, all outstanding claims will be transferred to you for your management from the date of termination. If you request us to manage your claims from the date of termination and we agree, we will charge additional fees at our standing rates for the management of such claims.
- 30 **Duration**
These Terms of Business shall be effective for a period of three years from the date of the Engagement Letter sent to you, and may be renewed at any time for a further three years by us sending to you a further Engagement Letter with applicable Terms of Business
- 31 **Entire Agreement**
These Terms of Business, together with the Engagement Letter, constitute the complete agreement between us with respect to the Services and supersede all prior agreements made between us in relation to the Services and no other duties or obligations will be implied
- 32 **Dispute Resolution and Proceedings**
- 32.1 These Terms of Business shall be governed by and construed in accordance with the laws of Hong Kong.
- 32.2 Each party irrevocably agrees that the courts of Hong Kong shall have exclusive jurisdiction to settle any disputes or claims (including non-contractual disputes or claims) arising out of or in connection with these Terms of Business.