SCHEDULE 2: INTERCHANGE AGREEMENT

This version of Schedule 2 to the PPL/Platform User Market User Agreement is dated November 18th 2019. It replaces any previous version of this Schedule 2 to the Market User Agreement entered into by each Market User (including Platform User) with effect from December 9th 2019 and shall continue to apply to such Market User Agreement unless and until it is further updated in accordance with the terms of the PPL Market User Agreement. Any such updated versions shall be made available to Platform User via the Platform and Platform User acknowledges and agrees that its continued use of the Platform following the issue of this or future updated versions shall be deemed as acceptance of such updated version on behalf of itself, its Client(s) and/or any Insured or Insurer on whose behalf or in whose name the Platform User is directly or indirectly acting when using the Platform.

Solely for the purposes of this schedule 2, the following definitions shall apply:

"Ad Hoc Message" means a Message (as defined in the Market User Agreement) which is sent or received through the Platform otherwise than via the on-screen Firm Order, subjectivities and endorsement processes provided for the purpose of arranging, negotiating, entering into, administering or varying, cancelling or terminating any contract of insurance (and includes, in particular, such a Message sent via the Ad Hoc Messaging function on the Platform);

"Firm Order" means an offer made by or on behalf of an Insured to an Insurer to enter into a contract of insurance with the Insurer, including for the purposes of cancelling an existing contract of insurance entered into or concluded via the Platform and (as applicable) entering into a new contract of insurance pursuant to the Cancel & Replace functionality on the Platform, on the terms and conditions specified and which offer or proposal (as applicable) is set out using the on-screen Firm Order process provided for this purpose on the Platform and communicated to the Insurer via the Platform in a Firm Order Message;

"Firm Order Acceptance Message" means a Message sent by an Insurer in response to a Firm Order Message by using the Firm Order processes provided for this purpose and therein selecting the on-screen option either to 'accept' that Firm Order or 'accept with subjectivities'; and

"Firm Order Message" means a Message which contains a Firm Order and which is sent by or on behalf of an Insured to an Insurer using the on-screen Firm Order process provided for this purpose.

"Message" means a Message (as defined in the Market User Agreement) which is not an Ad Hoc Message.

In addition, references in this schedule 2 to "contract of insurance" (and the plural thereof) shall include contract(s) of reinsurance, binding authorities, line slips, and other similar facilities and arrangements.

Platform User acknowledges and agrees on behalf of itself, its Client(s), and/or any Insured or Insurer on whose behalf or in whose name the Platform User is directly or indirectly acting when using the Platform, that:

1.   its and/or its Individual User's use of the Platform and the Services to arrange, negotiate, enter into or conclude any contract of insurance is not and shall not be intended to create legally binding relationships between:

1.1   Platform User and/or its Client(s) and/or any Insured or Insurer; and

1.2   any other Market User and/or its Client(s) and/or any Insured or Insurer,

before such time as:

1.3   a Firm Order Message has been sent by or on behalf of the Insured to the Insurer; and

1.4   in response, the Insurer has sent a Firm Order Acceptance Message which either:

> 1.4.1   indicates that the Insurer unconditionally accepts the Firm Order, by which step the Insurer shall communicate its intention to be bound to the contract of insurance;
>
> or
>
> 1.4.2   indicates that the Insurer's acceptance of the Firm Order is subject to the terms of such subjectivities and/or other conditions which it specifies in its Firm Order Acceptance Message; and
>
> 1.4.3   such subjectivities and/or conditions have been unconditionally accepted by or on behalf of the Insured by a further Message returned via the Platform to the Insurer, by which step the Insured shall communicate its intention to be bound to the contract of insurance, subject to the terms of the subjectivities and/or conditions applying to the contract of insurance which have been proposed by the Insurer.

2.   Where an Insurer offers to accept a Firm Order with subjectivities in accordance with paragraph 1.4.2:

2.1   if the Insurer indicates in its Firm Order Acceptance Message that it does not require the right to confirm that the subjectivities have been satisfied and/or complied with before a deadline specified by it, the Insurer intends to be on risk under the contract of insurance from the commencement date of the period of insurance specified in the contract of insurance, unless the contract of insurance, including any subjectivities, states otherwise, provided always that the Insurer retains the right to require evidence of compliance with the subjectivity (subject to its terms) at a later date, for example, if a claim is presented;

2.2   if the Insurer indicates in its Firm Order Acceptance Message that it requires the right to confirm that the subjectivities have been satisfied and/or complied with before a deadline specified by it, the Insurer shall also specify in its Firm Order Acceptance Message by selecting the appropriate on-screen option whether it intends that it shall be:

> 2.2.1   'on cover from inception'; or
>
> 2.2.2   'off cover'.

3.   If the Insurer's proposed subjectivities and/or conditions have been unconditionally accepted by or on behalf of the Insured in accordance with paragraph 1.4.3 above, then subject to the terms of the contract of insurance including any subjectivities:

3.1   where paragraph 2.2.1 above applies:

> 3.1.1   the Insurer shall come on risk under the contract of insurance from the commencement date of the period of insurance specified in the contract of

insurance, unless the deadline which has been agreed for the Insurer to confirm via the Platform that the subjectivities have been satisfied expires:

3.1.1.1   prior to the commencement date of the period of insurance; and

3.1.1.2   the deadline having expired, the Insurer takes the step by way of a Message of removing its line from the contract of insurance;

in which case the Insurer's participation in the risk under the contract of insurance shall be terminated immediately or otherwise upon terms specified in the Insurer's Message;

3.1.2   if, once the Insurer has come on risk from the commencement date of the period of insurance, then subject to the terms of the contract of insurance including any subjectivities, the Insurer shall remain on risk unless and until the following events occur:

3.1.2.1   the deadline which has been agreed for the Insurer to confirm via the Platform that the subjectivities have been satisfied subsequently expires before the Insurer has so confirmed in response to a Message sent by or on behalf of the Insured to the Insurer indicating that the subjectivities have been satisfied; and

3.1.2.2   the deadline having expired, the Insurer takes the step via the Platform of removing its line from the contract of insurance by way of a Message;

in which case the Insurer's participation in the risk under the contract of insurance shall be terminated immediately or otherwise on terms specified in the Insurer's Message sent via the Platform; or

3.1.2.3   the contract of insurance and/or the Insurer's participation in the risk is otherwise lawfully cancelled or terminated.

3.2   where paragraph 2.2.2 above applies, the Insurer intends that it shall only come on risk under the contract of insurance if:

3.2.1   a Message has been sent by or on behalf of the Insured to the Insurer indicating that the subjectivities have been satisfied; and

3.2.2   in response, the Insurer has confirmed via the Platform before the expiry of the deadline which has been agreed for such confirmation that the subjectivities and/or conditions have been satisfied;

in which case the Insurer shall come on risk under the contract of insurance from the commencement date of the period of insurance specified in the contract of insurance, and this shall be the case whether or not the Insurer's confirmation pursuant to this paragraph 3.2 is provided before or after such commencement date;

3.3   where the deadline which has been agreed for the Insurer to confirm via the Platform that the subjectivities have been satisfied expires before the Insurer has so confirmed

in response to a Message sent by or on behalf of the Insured to the Insurer to this effect, the Insurer may take the step by way of a Message of removing its line from the contract of insurance, in which case the Insurer's participation in the risk under the contract of insurance shall be terminated immediately or otherwise on terms specified in the Insurer's Message.

3.4   in any case where the deadline which has been agreed for the Insurer to confirm via the Platform that the subjectivities have been satisfied expires before the Insurer has so confirmed in response to a Message sent by or on behalf of the Insured to this effect, the Insurer may, as an alternative to removing its line from the contract of insurance, send a further Message offering to extend the deadline for its confirmation that the subjectivities have been satisfied.

3.5   further to paragraph 3.4 above, the Insurer should give reasonable consideration to whether to offer such an extension in the following circumstances:

3.5.1   where a Message is sent, prior to the deadline which has been agreed for the Insurer's confirmation that the subjectivities have been satisfied, by or on behalf of the Insured to the Insurer stating that the subjectivities have been satisfied; and

3.5.2   the deadline subsequently expires before the Insurer confirms in a Message whether or not it agrees that the subjectivities have been satisfied;

and, having reasonably considered in the above circumstances whether or not to offer such an extension, if the Insurer decides not to do so, before the Insurer takes the step by way of a Message of removing its line from the contract of insurance, it shall first notify the Insured either by way of a Message or some other communication via the Platform or otherwise that it intends to take that step to remove its line.

3.6   if the Insurer extends the deadline for its confirmation, it may also, if it chooses, offer to:

3.6.1   amend or withdraw the subjectivities previously agreed; and/or

3.6.2   propose additional subjectivities;

3.7   if the Insurer takes any of the steps referred to in paragraph 3.4 to 3.6 above, such steps are not and shall not be intended to create a legally binding variation of the contract of insurance, including the subjectivities, before such time as such variation has been unconditionally accepted by or on behalf of the Insured by a further Message returned to the Insurer, by which step the Insured shall communicate its intention to be bound to the contract of insurance, subject to its revised terms as proposed by the Insurer.

4.   A Platform User's and/or its Individual User's use of the Platform and the Services to arrange, negotiate, enter into or conclude any endorsement of or to a contract of insurance which has previously been concluded via the Platform is not and shall not be intended to create a legally binding variation of the contract of insurance in the terms of the endorsement before such time as:

4.1   a Message has been sent by or on behalf of the Insured to the relevant Insurer containing the terms of the proposed endorsement/variation; and

4.2   in response a Message has been sent by the Insurer indicating that the Insurer unconditionally accepts the proposed terms of the endorsement/variation.

5.   Where there is more than one Insurer in respect of a Risk which is the subject of a legally binding contract of insurance which is concluded via the Platform, and unless the parties to such contract expressly agree otherwise:

5.1   the liability of an Insurer under such contract of insurance shall be several and not joint with any other Insurer(s) party to the contract or participating in the Risk;

5.2   an Insurer shall be liable only for the proportion of liability or the proportionate share of the Risk it has underwritten;

5.3   an Insurer shall not be responsible for any liability of any other Insurer(s) that may underwrite the Risk;

5.4   in the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an Insurer and paragraphs 5.1 to 5.3 above apply to the position of such syndicate member as Insurer in relation to any other Insurer(s) including members of the same syndicate;

5.5   nothing in this schedule 2 shall preclude one Insurer, for example in a lead underwriter capacity or under a binding authority, from concluding a contract of insurance in respect of a Risk on behalf of itself and/or another Insurer, for example where such other Insurer participates in the Risk in a following underwriter capacity, where that other Insurer is the first Insurer's Client or otherwise has duly authorised the first Insurer to enter the contract on its behalf; and

5.6   where appropriate in light of the above, references in this schedule 2 to "contract of insurance" in the singular should be read as reference to "contracts of insurance" in the plural.

6.   Where a Broker's quotation submission has been made, nothing in this schedule 2 shall prevent or preclude:

6.1   a contract of insurance being entered into or concluded by or on behalf of the relevant parties to that transaction, or some of them where there is more than one Insurer in respect of a contract of insurance, otherwise than via the Platform; and/or

6.2   a contract of insurance which is entered into or concluded via the Platform from including or incorporating or being subject to terms or conditions which are agreed between the relevant parties to the transaction otherwise than via the Platform; and/or

6.3   a contract of insurance which is entered into or concluded via the Platform from being subsequently varied, amended by agreement between the relevant parties to that contract of insurance, or lawfully terminated or cancelled, otherwise than via the Platform.

7.   Where a Firm Order Message has been sent by or on behalf of the Insured to the Insurer for the purpose of cancelling a contract of insurance, or cancelling the Insurer's line or participation on an insured Risk, and in response the Insurer has sent:

7.1   a Firm Order Acceptance Message, which indicates that the Insurer unconditionally accepts the Firm Order, such Firm Order Acceptance Message shall be taken as:

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<tr><td>7.1.1</td><td>the Insurer's agreement to the cancellation of the contract of insurance, or the Insurer's participation on the insured Risk, as the case may be; and</td></tr>
<tr><td>7.1.2</td><td>where the Firm Order also contains an offer to enter into or conclude a new contract of insurance on the terms offered in replacement or substitution of the cancelled contract of insurance, the Insurer's Firm Order Acceptance Message shall also be taken as the Insurer's agreement to enter into or conclude such new contract of insurance on the terms offered; or</td></tr>
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7.2   a Firm Order Acceptance Message, which indicates that the Insurer's acceptance of the Firm Order is subject to the terms of such subjectivities and/or other conditions which it specifies in its Firm Order Acceptance Message, then the provisions of paragraph 2 and 3 of this Schedule 2 shall apply, and the Insurer's participation on the terms of the existing contract of insurance shall continue until such time as the proposed subjectivities and/or other conditions have been unconditionally accepted by or on behalf of the Insured by a further Message returned to the Insurer, by which step the Insured shall communicate its intention to be bound to the new contract of insurance, subject to its revised terms as proposed by the Insurer; or

7.3   a Message rejecting the Firm Order, whether or not such Firm Order also contains an offer to enter into or conclude a new contract of insurance in replacement or substitution of the contract of insurance which is proposed to be cancelled, such Message shall be taken as the Insurer's indication that it does not accept the Firm Order, in which circumstances the Insurer's participation on the Risk shall continue on the terms of the existing contract of insurance as previously agreed by that Insurer.

8.   Where a contract of insurance and/or an endorsement/variation thereof has been entered into or concluded otherwise than via the Platform, and the parties to that contract of insurance, endorsement or variation or their agents are Market Users and enter, post, upload or otherwise submit the contract of insurance or related documentation onto or via the Platform, such entering, posting uploading or submission shall not affect the legal nature or validity of the contract of insurance and/or endorsement/variation and shall be for storage, communication or other purposes only.

9.   Where the information which is in any way provided or communicated by a Market User in a Message is inconsistent with and/or contradicts the information or proposed terms and conditions contained in any proposed Market Reform Contract or equivalent or related document, including an endorsement or proposed endorsement, submitted in support of or in connection with the Message, the information or proposed terms and conditions of the Market Reform Contract or equivalent or related document shall prevail. In such circumstance the information contained in the Message may, where appropriate, be regarded as supplementing the information, terms and conditions contained in the Market Reform Contract or equivalent or related document.