

BROKER AGREEMENT

SHORE

This Broker Agreement (“Agreement”) made this _____ day of _____, 20____, by and between:

_____ (“Broker”), a corporation with its main office address at:

- and -

SHORE Underwriting Ltd. (“Company”), a corporation with its main office address at 8 King Street East, Suite 105, Toronto, Ontario, M5C 1B5.

In consideration of the mutual covenants and agreements herein, the parties hereto agree as follows:

SECTION I - SCOPE OF AGREEMENT

This Agreement applies with respect to each policy of insurance negotiated and placed by the Broker with the Company.

SECTION II - BROKER'S AUTHORITY

- A. The Broker is authorised to solicit insurance for the Company and shall submit all applications to the Company.
- B. The Broker has no authority to act on behalf of the Company or to bind the Company on any risk without the prior written approval of the Company.
- C. Without limiting the generality of the foregoing, the Broker has no authority to make, alter, vary or discharge any policy contract, to extend the time of payment of premiums, to waive or extend any policy obligation or condition or to incur any liability on behalf of the Company. The Broker shall not institute or defend any legal proceedings on behalf of the Company.
- D. The Broker shall not publish or distribute any advertisements, circulars or other materials referring to the Company or containing the Company's name other than acknowledging its relationship with the Company, without the Company's prior written approval.
- E. The Broker's relationship with the Company is as an independent contractor. The Broker is not an employee of the Company and nothing in this Agreement shall create an employer-employee relationship between the Broker and the Company.
- F. This Agreement shall in no way constitute a joint venture, partnership or entity of any kind, or any obligation to form such relationship or entity between the Company and the Broker.

SECTION III - COMPLIANCE AND RESPONSIBILITIES

- A. The Broker represents and warrants to the Company that:
 - 1. it is duly incorporated or organised, validly existing and in good standing under the laws of its place of incorporation or registration; it is properly qualified where qualification is necessary for the conduct of its business; and it has adequate corporate or other power to enter into and perform this Agreement;
 - 2. this Agreement has been duly executed and delivered by it and (assuming the due authorisation, execution and delivery hereof by the Company) is a valid and binding obligation of the Broker, enforceable against it in accordance with its terms; and
 - 3. the performance by it of all obligations set forth in this Agreement will not infringe upon or violate the right of any third party or violate any laws.

- B. The Broker warrants that as of the effective date of this Agreement, it is competent to perform the services required under this Agreement, it is in good standing with applicable insurance regulatory authorities and has in effect in each of the jurisdictions in which it conducts its business any required Licences, certificates of authority, registrations, permits and other authorisations applicable to its business and its authorisations hereunder and that it will maintain in force during the term of this Agreement any such required licences, certificates of authority, registrations, permits and other authorisations. The Broker will advise the Company immediately if any such required licences, certificates of authority, registrations, permits, or other authorisations are terminated, suspended, or not renewed.
- C. The Broker will provide the Company with a copy of its insurance licence or certificate of authority upon request from the Company from time to time.
- D. Broker will act in conformity with all applicable insurance regulatory requirements, including privacy and anti-money laundering legislation, any code of ethics contained in applicable provincial legislation, and in accordance with the professional guidelines as adopted by insurance regulators or relevant professional organisations.
- E. The Broker will perform its obligations to the Company and to its policyholders honestly and in good faith.
- F. The Broker will maintain the privacy and confidentiality of all policyholder and policy related information in accordance with the laws of Canada and industry guidelines. The Broker will not disclose any confidential information owned by the Company to any person or entity without prior written consent of the Company unless such disclose is required by law and the Broker first gives the Company reasonable notice to allow the Company to seek a protective order or other appropriate remedy. The Broker shall immediately notify the company of any unauthorised use or disclose of personal or confidential information and shall cooperate with the Company in every reasonable way possible to help the company regain possession of the information and prevent it from being further used in an unauthorised manner.
- G. The Broker shall report all claims or potential claims to Company and its insurers, or its designated representative, as soon as practicable upon notice. The Broker understands that prompt reporting of claims protects the interests of all parties. Furthermore, the Broker agrees to cooperate fully with the Company and its insurers or designated representatives in the investigation and adjustment of any claim.

SECTION IV - PREMIUM COLLECTION AND ACCOUNTING

- A. The Broker is responsible for collecting all premiums (including additional premiums due to the Company as a result of endorsements, audits, retrospective or other premium adjustments) on insurance produced by the Broker and accepted by the Company.
- B. All premiums received by the Broker on behalf of the Company, whether received before or after the termination of this Agreement, are the Company's property, will be identified in the Broker's books and record as being the property of the Company, and will be held to the credit of the Company as trust funds in a bank account or premium trust account specifically established for the purpose and will be held by the Broker in a fiduciary capacity until delivered to the Company, and will be promptly remitted to the Company as provided in this Agreement.
- C. The Broker will remit the net premium (gross premium less authorised commission), due to the Company so as to reach the Company's office by the end of the month following the month in which the account was bound.

SECTION V - COMPENSATION

- A. As full compensation for business placed by the Broker with the Company under this Agreement, the Broker will be entitled to Commission on business submitted to the Company by the Broker that the Company accepts. Unless otherwise agreed to in writing, commissions will be paid on a per policy or per account basis. The commission rate will be 15% across all lines of business, unless otherwise agreed.
- B. The Broker will promptly refund to the Company commissions on all return premiums at the same rate as originally paid to the Broker. If there is any adjustment reducing premiums required to be paid by an insured, the commission paid or payable to the Broker in respect of such policy will be reduced by an equivalent proportion.
- C. Provided that all premium due to the Company has been fully paid pursuant to this Agreement, the Broker shall retain full ownership and control of all expirations.

SECTION VI - PROFESSIONAL LIABILITY INSURANCE

- A. The Broker warrants that it has in effect, and will maintain during the term of this Agreement, professional liability insurance coverage for errors and omissions with limits of the greater of (a) not less than \$5,000,000 and (b) the amount required by applicable laws, regulations, or guidelines. The Broker will provide a certificate of insurance or evidence of professional liability insurance upon request from the Company from time to time.
- B. The Broker agrees to defend, indemnify and hold harmless Company and its insurers, their respective affiliates and subsidiaries and officers, directors, and employees from any damage and against any liability for loss, cost, expenses, fines, penalties, including punitive or exemplary damages and all cost of defence:
 - 1. arising from any error or omission, whether intentional or unintentional, by the Broker and/or its officers, directors or employees, related to or arising out of the business covered by this Agreement.
 - 2. arising from any breach by the Broker of any warranty, requirement, agreement, condition, responsibility, undertaking or any other obligation under this Agreement.
- C. Company agrees to defend, indemnify and hold harmless the Broker and its insurers, their respective affiliates and subsidiaries and officers, directors and employees from any damage and against any liability for loss, cost, expenses, fines, penalties, including punitive or exemplary damages and all cost of defence:
 - 1. arising from any error or omission, whether intentional or unintentional, by Company and/or its officers, directors, employees, and its sub producers, related to or arising out of the business covered by this Agreement.
 - 2. arising from any breach by Company of any warranty, requirement, agreement, condition, responsibility, undertaking or any other obligation under this Agreement.

SECTION VII - AGREEMENT TERM AND TERMINATION

- A. This Agreement will become effective on the date first set out above and will continue until terminated.
- B. This Agreement may be terminated upon 30 days' notice to the other party.
- C. This Agreement will terminate automatically upon the death of the Broker (if an individual), upon the winding-up, dissolution or bankruptcy of the Broker, or upon the Broker ceasing to have all necessary, permits, approvals, licences of registrations required of it.
- D. The Company may terminate the Agreement immediately if the Broker is convicted of an offence under the Criminal Code of Canada or it commits an act of fraud against the Company or any of its policyholders.
- E. Termination of this Agreement shall not relieve the Broker of its continuing duty to collect premiums due and to remit to the Company any premiums, in accordance with the terms of this Agreement.

SECTION VIII - MISCELLANEOUS

- A. This Agreement is non-assignable and neither party may assign or delegate any of its rights, interest, or obligations under this Agreement.
- B. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated and it is hereby declared the intention of the parties thereto that they would have executed the remaining portion of this Agreement without including therein any such part, parts, or portion which may, for any reason, be hereafter declared invalid.
- C. Broker hereby agrees to submit the jurisdiction of the courts of the Province of Ontario and appoints the Secretary of the Province of Ontario as Broker's agent for all purpose of service of process. The validity, interpretation and construction of this Agreement shall be governed by the laws of the Province of Ontario.



BROKER AGREEMENT

D. This Agreement may be executed simultaneously in any number of counterparts and sent via email to the parties, each of which when so executed and delivered shall be taken to be an original, but such counterparts shall together constitute but one and the same document. Email transmissions of any executed original counterpart signature page to this Agreement and/or retransmission of any executed email transmissions shall be deemed to be the same as the delivery of an executed original and the parties may not claim any defect based upon the other parties' inability to produce a "hard" signature copy.

As evidence by the signature of the authorised representatives named below, this Agreement is executed on the day on which the last party executes this agreement as indicated below.

Company

Broker

SHORE Underwriting Ltd.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Shore Underwriting

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