

## W&I – PROCESS

STAGE	ACTIONS
<b>W&amp;I Requirement Identified</b>	<p>Once the need for W&amp;I is identified, you can submit a request for insurance via your insurance broker. Please contact us if you have any questions.</p> <p>In order to consider offering W&amp;I insurance we require the latest draft share purchase agreement and details regarding how much financial cover is required. However, it is also helpful to provide an information memorandum (if available) regarding the target business' operations.</p> <p>We appreciate that the information provided is sensitive and can enter into confidentiality agreements as required.</p> <p>Let us know if you have any other specific coverage requests and we will consider whether we can accommodate these. For example, we can offer a synthetic tax covenant to a buyer if the seller has not offered a tax covenant (see our website (<a href="http://www.brockwellcapital.com">www.brockwellcapital.com</a>) for details).</p>
<b>Submission Review</b>	<p>Obtaining a quote costs nothing.</p> <p>We will aim to revert with a non-binding indication of insurance terms (<b>NBI</b>) or a declinature within 48 hours of receipt of the above information.</p>
<b>NBI</b>	<p>If we are able to, we will provide an NBI which will include:</p> <ul style="list-style-type: none"> <li>• premium quotes for each financial limit of liability requested (and any excess options)  <i>We charge a single, up-front premium which is payable once we have gone on risk. Our minimum premium is typically £70,000 (or equivalent).</i></li> <li>• details of our fixed external costs  <i>If appointed to underwrite, we would engage external counsel to assist us with our review. Our external expenses vary according to the complexity/size of the risk and the scope of work required. Typically, our external expenses are £10,000 - £20,000 (or equivalent).  See Appointment below.</i></li> <li>• our proposed exclusions  <i>See our website (<a href="http://www.brockwellcapital.com">www.brockwellcapital.com</a>) for more details.  We will proactively look for opportunities to assist with risk management and may be able to offer cover for a 'high quantum : low likelihood' risk on a standalone basis with a tax or contingent policy.</i></li> <li>• any key assumptions we have made for the purposes of offering terms</li> </ul> <p>If we are unable to offer terms, we will give an explanation for our declinature. Please see our website (<a href="http://www.brockwellcapital.com">www.brockwellcapital.com</a>) for details of our risk appetite and restrictions on what we can offer.</p>
<b>Appointment</b>	<p>If you would like to proceed on the basis of our NBI then we will issue an expense agreement for the insured person (or whoever is paying for the policy) to sign which covers our external costs. We will then commence underwriting.</p>

	<p>If we have provided a range of quotes, you do not need to confirm which quote you require until the policy is nearly finalised unless it is material to our underwriting.</p>
<p><b>Underwriting Process</b></p>	<p>Typically, our underwriting process for a buy-side policy commences with a review of all of the transaction documents, due diligence (we can enter into hold harmless / non-reliance letters in order to facilitate this), together with data room access and an initial round of Q&amp;A. We then circulate further Q&amp;A based on our review of the due diligence to clarify any material outstanding items.</p> <p>For a sell-side policy, we would only require transaction documents, Q&amp;A, and data room access.</p> <p>To the extent necessary once we receive responses to Q&amp;A we then hold an underwriting call with the policyholder and their advisers in order to gain a better insight into any risks we have identified. Following this we finalise the policy terms.</p> <p>We can deliver a finalised policy within five business days of receipt of a signed expense agreement and all relevant documentation. If there is commercial pressure to achieve a certain deadline, it may be possible to meet an even more challenging timetable.</p>

If you have any questions please contact us and we would be happy to assist.

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