

Title	2018 Market Charges
Purpose	Notification of 2018 charges, contributions, subscriptions and payment dates
Type	Scheduled
From	John Parry, CFO Contact details: +44(0)20 7327 5129 john.parry@lloyds.com
Date	8 December 2017

The purpose of this bulletin is to summarise Lloyd's 2018 Market Charges.

1. **Headline Charges for 2018 (as previously advised)**

- Members' subscription reduced by 10% to 0.36% of gross written premium (GWP) (2017: 0.40%, 2016: 0.45%);
- No change in Central Fund contributions (0.35%), Market Modernisation (0.09%) and Overseas Operating Charges (see Market Bulletin Ref Y5123);
- Elective service charges (formerly called "User Pays charges") revised to transition members' subscription from mandatory across the board subscription levels to direct fees for services consumed.

2. **Corporation Operating Fees and Charges**

2.1 **Members' Subscriptions**

2.1.1 The rate for all underwriting Members' subscriptions for 2018 will be 0.36% of GWP. The first instalment at 0.18% is due on 5 January 2018 and the second instalment of 0.18% due on 1 June 2018. The first and second instalments shall be calculated by reference to the Members' syndicate forecast GWP for 2018. In October 2020 the charge will be adjusted to actual GWP following receipt of audit review June 2020 syndicate returns. Members' subscriptions for 2018 are exempt from VAT as per Market Bulletin Y2870 issued on 13 September 2002.

2.2 Elective Service Charges

2.2.1 Following a review of the current Corporation charging structure, the income generated from Members' subscriptions and elective service charges is being reweighted towards elective service charges.

2.2.2 Elective service charges have been extended where appropriate to ensure fees are charged for services directly consumed wherever possible, whilst ensuring that the overall effect on the market is cost neutral. Areas where charges have been reviewed include Room Charges and fees for Market Services, Tax, Complaint Handling Charges and Treasury. In setting the elective service charges, we have considered the competitiveness and value for money of these services.

2.3 Overseas operating charges

2.3.1 The Overseas levy will continue to be charged on Overseas GWP (i.e. excluding UK and Channel Islands) to cover the overseas operating costs.

2.3.2 The levy rates to be applied in 2018 are unchanged: Direct Business (overseas) 0.40%, Reinsurance business (overseas) 0.14% and Coverholder business 0.60%.

2.4 Market Modernisation

2.4.1 The charge of 0.09% of GWP is maintained in 2018 to support the London Market Target Operating Model, including all market modernisation initiatives.

2.4.2 The charge will be collected on 19 January, 20 April, 20 July and 19 October. The exclusion for UK 100% Motor business lines in respect of this class will be extended into 2018 in view of the work streams planned for 2018.

3. Capital Charges

3.1 New Central Fund contributions

3.1.1 Given the strength of the Central Fund, it is considered appropriate to keep the annual contribution rate payable by all members (other than new corporate members) for the 2018 year of account at 0.35% of a Member's GWP in respect of each syndicate of which it is a Member.

3.2 New corporate members

3.2.1 New corporate members pay contributions at 1.4% of written premiums for each of their first three years of operations. A new corporate member is one which joins Lloyd's in 2016, 2017 or 2018 and establishes or participates on one or more new syndicates thereby immediately accessing the Lloyd's brand, reputation and accumulated value of the Central

Fund. It should be noted that if that member writes on a mix of existing and new syndicates, then the higher rate will only be payable in respect of its participations on new syndicates.

3.2.2 Where a newcomer to the Lloyd's market chooses to participate by purchasing an existing corporate member that has reinsured to close all its liabilities, that corporate member will be treated as a new member and will be required to pay the higher contribution in respect of its participations on new syndicates.

3.2.3 Within the category of new corporate members the increased charges will not apply to conversion vehicles which meet the current definition of a "successor corporate member" in the Membership (Entrance Fees and Annual Subscriptions) Byelaw – i.e. in broad terms, any vehicle which is 85% owned by converting Names.

3.3 **Callable contribution**

3.3.1 The callable contribution remains equal to 3% of capacity, valued according to the USD / GBP mix of business.

3.4 **Payment date**

3.4.1 The annual New Central Fund contribution for 2018, including that payable by new corporate members, will be collected on 3 April 2018, calculated by reference to the member's syndicate forecast GWP for 2018. In October 2020 the charge will be adjusted to actual gross written premiums following receipt of audit review June 2020 syndicate returns.

3.4.2 Syndicates will be given the option to make payments for contributions in US dollars. No VAT is levied on New Central Fund contributions.

3.4.3 If a mid-year pre-emption or a new syndicate is approved after 1 April 2018 the due date for the on account payment of the contribution will be the later of the date of approval or invoiced date.

Schedule 1

Overseas Operating Charges

All charges set out below are to be paid by the relevant members of the Lloyd's community.

1.1 Overseas operating charges

Overseas operating charges will continue to be charged based on a percentage of gross overseas

(i.e. excluding UK and Channel Islands) premiums. The rates to be applied in 2017 are shown below. In all cases, the charge is calculated per £ of gross overseas premium.

	Charge
Direct Business – overseas	0.40%
Reinsurance business - overseas	0.14%
Coverholder business supplement	0.60%

Collections will be made from syndicates on a quarterly basis based on the previous quarters' premiums, with an adjustment in the following year to the actual gross overseas premiums written during the calendar year. This might result in amounts being repaid to individual syndicates or further collections being made. In making any adjustments, the coverholder supplement will remain at 50% of the overseas operating charge on direct business.

1.2 Other charges

An additional charge of 0.75% of gross written premiums is levied on business which is administered through the Lloyd's Italian office, reflecting the additional services provided locally.

1.3 General Elective Service Charges

Elective Services Charges will apply for costs incurred on behalf of specific syndicates or work requested by specific market customers where that work requires substantial additional effort and has resulted in extra cost. These charges will normally be on a time and materials basis and, where applicable, the cost implications will be made clear to the syndicate before proceeding with the work.

Further information

All queries on Overseas Operating Charges should be referred to:

Mark Outten	020 7327 6087 / mark.outten@lloyds.com
Shanthy Gobalakrishnan	020 7327 5141 / shanthy.gobalakrishnan@lloyds.com
Lloyd's International Trading Advice (LITA)	020 7327 6677 / LITA@lloyds.com

Schedule 2**Charges in respect of Syndicates in Run-off**

Agents with syndicates with years of account in run-off bear a run-off charge at a flat rate of £1 per £1,000 of reported net insurance liabilities, assessed by reference to the most recent audited accounts of the syndicate for each year of account in run-off. For this purpose a run-off syndicate means a syndicate which no longer accepts new or renewal insurance business (other than the variation or extension of risk previously underwritten or reinsurance to close off an earlier year of account of that syndicate). This charge is unchanged from 2017.

In this context, net insurance liabilities means the amounts retained by each syndicate in run-off, in respect of each year of account in run-off, to meet all known and outstanding liabilities carried forward as at 31 December 2017. If the relevant audited financial statements are unavailable and their production appears likely to be significantly delayed, an interim charge (to be adjusted if necessary on subsequent publication of the relevant audited accounts) may be assessed by reference to the most recently submitted quarterly monitoring return (QMR) made by the run-off managers to Lloyd's for the syndicate for the relevant years of account. Any payment of this charge not made by the due date will attract an interest charge at 5% over the National Westminster Bank PLC base rate.

Point of contact: Abdul Rahim 020 7327 5764

Email: abdul.rahim@lloyds.com

Schedule 3

Capacity Markets

All charges set out below are to be paid by the relevant members of the Lloyd's community and are exempt from VAT. Capacity Markets charges in 2018 are set out below.

Type of charge	Charge
Approval of capacity offer by means of announced auction offer	£2,300
Approval of formal capacity offer (cash only)	£6,000
Approval of formal capacity offer (with shares or a share alternative)	£7,500
Approval of conversion scheme (with interavailability)	£11,500

An additional fee may be charged to sponsors to cover, for example:

- additional costs incurred in processing particularly complex schemes, especially where features not directly necessary to the scheme are included; and
- the reimbursement of any external legal (or other professional) fees incurred by Lloyd's in developing a particular scheme. An example of this is where bespoke trust deeds are prepared for reverse interavailability schemes.

Every effort will be made to make promoters/sponsors aware of the possibility of an additional charge at an early stage in the process.

Point of contact: Paul Thornton 020 7327 6281

Email: paul.thornton@lloyds.com

Schedule 4

Finance and Market Services**1.1 Foreign Exchange Dealing Fees**

The Treasury & Investment Management Department (LTIM) makes a charge for undertaking foreign exchange activity on behalf of Lloyd's market participants. As a result of the large volumes of foreign exchange business transacted by LTIM, it is able to obtain competitive dealing rates from its counterparties. This means that the exchange rates achieved are generally advantageous when compared to retail rates.

Foreign exchange dealing instructions may be received directly from managing agents or indirectly in connection with other activities, including the Lloyd's Currency Conversion Service.

Charges may be up to 0.05% of the value of transactions and are exempt from VAT. Charges are levied by adjusting the exchange rate at which deals are transacted, by reference to the relevant market rate. No separate charge is made.

Point of contact: Tony Cullum 020 7327 6130
Email: tony.cullum@lloyds.com

1.2 Provision of Schedule 3 Information to Corporate Members

Introduction

Corporate members of Lloyd's are required to prepare their accounts in accordance with Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Market Finance offers a "central facility" to provide corporate members with the data that they need in order to be able to prepare their accounts in accordance with Schedule 3. Market Finance is able to provide this facility by advising on the data requirements, collecting the syndicate data in the relevant format from managing agents, processing it and providing outputs in the Schedule 3 format for each subscribing member. If the central facility was not available, it would be necessary for individual corporate members to contact the managing agent of each syndicate on which they participate in order to negotiate arrangements to obtain this information, which would not be otherwise provided by managing agents. It is likely that the cost to a corporate member of having to obtain the data this way would be greater than the fees charged for the Lloyd's facility.

Fees

Each corporate member that wishes to subscribe to this service is required to pay a fee as prescribed under the Syndicate Accounting Byelaw (No. 8 of 2005) as amended. This fee is calculated by reference to the highest overall premium limit (OPL) of the corporate member concerned and number of syndicates (disregarding syndicate years of account for this purpose) in which the corporate member participates.

The prescribed fees for the December 2017 facility are set out below and vary with respect to the size (in terms of OPL) of the corporate member.

OPL for member*	Fee per syndicate participation** (excl VAT)	Maximum fee** (excl VAT)
£15,000,001 or greater	£145	£4,350
£10,000,001 to £15,000,000	£120	£3,600
£5,000,001 to £10,000,000	£85	£2,550
£2,000,001 to £5,000,000	£50	£1,500
£2,000,000 or less	£50	£1,000
Members participating on 2014 or prior run-off years only	£50	£1,000

* OPL is defined as the highest OPL written for any year of account within the last three years of account.

** Fees are calculated per syndicate (not syndicate year) participation.

Key assumptions

The fee structure for 31 December 2017 Schedule 3 reporting has been prepared on the assumption that the level of subscription to the central facility and Market Finance's costs incurred in providing this facility, do not change materially from those relating to the 2016 exercise.

Other significant matters

No established alternative source in order for corporate members to obtain this data currently exists. As noted above, however, the cost incurred by corporate members making their own arrangements to obtain the information directly from managing agents is likely to be somewhat higher.

Point of contact: Nadia Yakoob 020 7327 6317

Email: nadia.yakoob@lloyds.com

1.3 Corporate Interavailable FAL

Corporate groups may wish to rationalise their Lloyd's operations and reduce the number of underwriting subsidiaries. Lloyd's has developed a mechanism and the documentation to deal with the provision of Funds at Lloyd's to support both the business being run off by the ceasing corporate members and the increased level of underwriting by the continuing corporate member.

A fee is payable by those corporate groups seeking to consolidate and make their individual corporate members' FAL interavailable. This charge seeks to recover costs incurred by Lloyd's in respect of such consolidations. The fee is £10,000 (excluding VAT) per ceasing member subject to a maximum £50,000 per corporate group consolidation.

Point of contact: Kevin Nethersell 020 7327 6253

Email: kevin.nethersell@lloyds.com

1.4 Premium Tax Administration

The Tax department administers the collection and payment of UK insurance premium tax and various foreign insurance premium taxes and makes a charge to cover the administration costs of this activity. The charge which is levied on a flat basis for all syndicates has now been incorporated into the standard charge within the tax operations charge for all syndicates. The collection of the 2017 charge will take place in January 2018 and thereafter will be collected as part of the tax operations charge to syndicates during 2018 in respect of 2018

Points of contact: Mary O'Brien +44 20 7327 6852 / Nick Marman +44 20 7327 6727
Email: mary.obrien@lloyds.com / nick.marman@lloyds.com

1.5 Market Services and Tax Operations

Market Services charges members and agents for admitting new members and third party funding providers, changes of control within corporate members, maintaining FAL and distribution of profits.

Tax Operations charges both members and managing agents for the provision of tax information and the filing of various tax returns on behalf of all members of Lloyd's.

The charges previously levied have been consolidated resulting in fewer itemised charges for both members and syndicates. The specific charges can be found on the schedules below showing both Market Services and Tax Operations charges for 2018.

In setting the charges for 2018, feedback from members' agents has been taken into account and flexibility has been offered on a case by case basis where the cumulative effect over the different charges inequitably outweighs the subscription reduction benefit for any member. Charges will continue to be monitored during 2018 to ensure these remain fair and reasonable.

Point of contact Market Services charges: Nikki Hopper 01634 392780
Email: market-services-charges@lloyds.com

Point of contact for Tax charges: Christine Allcott +44 1634 392433
Email: christine.allcott@lloyds.com

MARKET SERVICES' AND TAX OPERATIONS CHARGES 2018
INDIVIDUAL (IND), CORPORATE (CORP) AND DIRECT CORPORATE (DCP) MEMBERS

Annual Charges	2018 Charges			Charging Basis
	IND	CORP	DCP	
Trustee / Regulatory Services	£500	£2,800	£13,500	Services for members underwriting on the current year, or with open participation or whose last remaining participation was closed at previous year-end
Tax Operations including Sutherland Taxation Services*	£610	£818	£2,345	Calculation and provision of UK, US, Canadian, Singapore and Japan tax return data and Sutherland charge for filing US tax return on behalf of the member. For members underwriting on the current year, or with open participation or whose last remaining participation was closed at previous year-end
Tax Operations – US Resident/Controlled Foreign Corporation (CFC)*	£628			Provision of US Tax data to assist with US Tax Return and Sutherland charge for provision of guidance to Lloyd's in the preparation of the Return where a report is issued in the current year
Lloyd's Japan*	JPY 40,000			Charge for filing a tax return if the member participates on syndicates underwriting in Japan included in the current year's return (2016/2017)
Tax Operations and Sutherland Charges – SLP/LLP with 2 or more partners*	N/A	£270 per partner		Provision of US tax information to Sutherland at partner level for those partners participating on an SLP/LLP at the commencement of the current year and the work undertaken for dealing with the data at partner level to process the US return for the partnership
Third Party FAL Providers (TPFP)	N/A	£200 per TPFP		Administration of funds at Lloyd's provided by a Third Party
Interavailable Recipient Monitoring Charge – per Donor	N/A	£500		Per donor charge for administration of funds at Lloyd's made interavailable to Corporate Member
Interavailable Recipient Monitoring Charge – per Finalised Donor	N/A	£2,500		Per donor charge for administration of funds at Lloyd's made interavailable to Corporate member
Cash Service Charge	Up to 0.135%			Charge for administration of cash held. Subject to reduction to avoid negative return to members
Coming into Line Extension Request	£250 per day per £5m £500 per day per £5m over 10 working days			Granting an extension to the coming-into-line deadline and subsequent monitoring of the extension
Complex issues*	From £120 per hour			Complex/bespoke transactions, investigation of proposals outside the scope of existing trust, regulatory and policy obligations. Dependant on level of seniority involved

MARKET SERVICES' AND TAX OPERATIONS CHARGES 2018 MEMBER APPLICATION & CORPORATE MEMBER CHANGES

Charges	2018 Charges
Corporate Member Application – Non Private Capital	£50,000 per application
Corporate Member Application – Private Capital Simple	£5,000 per application
Corporate Member Application – Private Capital – Complex (Containing a Trust or >2 non-individual entities)	£10,000 per application
Change of Control Application – Simple	£1,000 per application
Change of Control Application – Complex (Containing a Trust or > 2 non-individual entities)	£5,000 per application
Approval of New Third Party Funding Provider – Simple (known entity)	£500 per third party
Approval of New Third Party Funding Provider – Simple (new entity)	£2,500 per third party
Approval of New Third Party Funding Provider – Complex (new entity)	£10,000 per third party
Recommendation of Underwriting – no changes	£500
Recommendation of Underwriting – Simple change of structure	£5,000
Recommendation of Underwriting – Complex change of structure	£10,000
Extension/Late/Breach/Non-submission fee incl. Declaration of Compliance, PTF trustees	£500

SYNDICATES AND MEMBERS' AGENTS

Charges	2018 Charges
Results & Stamp Processing – Simple (Aligned)*	£5,000 per syndicate
Results & Stamp Processing – Complex (Spread)*	£15,000 per syndicate
Auction – buy/sell capacity	0.06% per successful bid
Provision of systems to members' agents*	£22,000 per members' agent
Tax Operations UK Canada US Illinois support of LJI including the premium tax charges including closures at prior 31 December, per syndicate*	£24,000 main £10,000 SPS
Singapore per syndicate*	£2,500
Sutherland NA Charge (advice to market fixed fee \$600,000)*	Allocated pro-rata on USD premium

Notes:

- All fees are Outside the scope of VAT except those charges marked with an asterisk (*) which are Standard Rated
- Where third party costs are incurred by Market Services in providing a service, these will be charged to the member concerned (e.g. bank charges for holding Euros)
- A member that commences underwriting mid-year will attract pro rata charges
- Market Services may, at its discretion, reduce the application charges payable for the early submission of member applications or where more than one member applies for membership with the same corporate structure
- Where a Corporate Member Application or Change of Control Application is submitted and all entities fall under the Advance Consent Regime, then the application fee will be reduced by 10%.
- For Corporate Member Applications seeking consent for an 'on the shelf' vehicle, 20% of the application fee will apply to complete the first stage. The final balance of the application fee will be payable when the applicant completes the second stage.
- Where third party costs are incurred with Eversheds-Sutherland LLP., for example, for providing additional services such as dealing with Changes of Ownership and Reinsurance adjustments, calculation of potential tax liabilities for release of FAL, these will be charged to the member concerned.

Schedule 5

Complaint Handling Charges 2018

Complaints Handled by Complaints team

UK Complaints	
Administration fee for UK complaint	£145
Additional fee for full investigation – UK complaint – Tier 1 (claim reserve of £500 and under)	£222
Additional fee for full investigation – UK complaint – Tier 2 (claim reserve £501- £10,000 and all underwriting issues)	£636
Additional fee for full investigation – UK complaint – Tier 3 (claim reserve of £10,001 - £25,000)	£954
Additional fee for full investigation – UK complaint – Tier 4 (claim reserve above £25,001)	£1,272
International Complaints	
Administration fee for International complaint	£254
Additional fee for International complaint	£127
Additional fee for full investigation – International complaint	£509
Australian and New Zealand Complaints	
Fee for full investigation – Tier 1 (claim reserve of £500 and under)	£222
Fee for full investigation – Tier 2 (claim reserve of £501- £10,000 and all underwriting issues)	£636
Fee for full investigation – Tier 3 (claim reserve of £10,001 - £25,000)	£954
Fee for full investigation – Tier 4 (claim reserve of above £25,001)	£1,272
All Complaints	
Additional Administration Fee	£64
Failure to Meet Performance Metrics	£2,000

Complaints Handled by Lloyd's Australia

Administration fee for complaint (Charged for matters managed at FOS.	A\$260
Fee for full investigation – Tier 1 (claim reserve of A\$900 and under)	A\$400
Fee for full investigation – Tier 2 (claim reserve of A\$901- A\$18,000 and all underwriting issues)	A\$1150
Fee for full investigation – Tier 3 (claim reserve of A\$18,000 – A\$45,000)	A\$1720
Fee for full investigation – Tier 4 (claim reserve of above A\$45,001)	A\$2300
Additional Administration Fee	A\$115

Financial Ombudsman Service

Recovery of UK Financial Ombudsman Service (FOS) case fee	FOS revises their case fee on the 1st April each year. 2017/2018 charge fixed at £550
Recovery of External Dispute Resolution Fees (including UK FOS)	Levy is recovered from relevant syndicates
Australian FOS case fee payable by coverholder / TPA	Charges ranges from AU\$1,500 to AU\$7,950 dependent on resources required

Notes

1. The Administration Fee levied will be determined by the date the Complaint was received however the Full Investigation fee will be calculated on the date the file is closed.
2. Any fees levied by external authorities (for example mediation fees levied by the authorities in the USA pursuant to the emergency statutes implemented in the wake of hurricanes) and collected via the Complaints team will be paid by the Complaints team and collected from the appropriate syndicates on a case by case basis.
3. Complaint Handling charges are not subject to VAT.
4. The charges for complaints handled by Lloyd's Australia have been translated into AUD using the average exchange rates since the charges were first introduced in order to provide linkage to the underlying costs.

Point of contact
 – Complaints team
 Jenny Laverty 01634 392320
 Email: jenny.laverty@lloyds.com

Point of contact
 – Lloyd's Australia Charges
 Tracey Bryan +61 (0) 2 8298 0782
 Email: tracey.bryan@lloyds.com

Schedule 6**Information Technology Group**

Lloyd's Information Technology Group will shortly begin the 2018 annual billing process by asking market firms to confirm their continuing requirement for managed infrastructure service. These services cover voice/telephone communications, associated cabling and Black Box Park usage. Following agreement of the requirements, invoices will be issued in early 2018.

Ongoing Service Prices

In alignment with the Corporation policy to reweight fees towards elective service charges IT has applied an increase to the charges relating to Cabling, Black Box Park & Voice Service for 2018. Note: in line with current contracts, price increases for Black Box Park services will be effective from 1 April 2018. All other price increases will be effective from 1 January 2018.

Ongoing Service Prices

Following the review of the LIN service in 2017 the charges for this service are no longer applicable and have been removed from the schedule.

Set-up Service Charges

Please note that the set-up of services will primarily be charged on a time and material basis. The manpower hourly rates are: in hours £115 and out of hours £155.

Point of contact: Sam Baker 020 7327 5963
Email: Samantha.Baker@lloyds.com

IT GROUP - 2018 MARKET CHARGES

CABLING SERVICES			
Cabling within the Lloyd's building - Provide	Per cable	Manpower Hourly Rate Plus Materials	Installation of cabling within the Lloyd's building
Fibre Optic Cable – Support	Per Fibre Pair	£912	Rental and support of fibre infrastructure
Block Wiring	Per Pair	£21	Charge for use of BT block wiring to support private PBX's (price per pair)
Fibre Installation	Per Unit	£474	One-off charge for provision of fibre to an U/W box or office
BLACK BOX PARK (BBP1) SERVICES			
Black Box Park 1 (BBP1) Rack Space - 1 unit	Per Unit	£348	Rental of 1 unit rack space in a Lloyd's cabinet
BBP1 Rack Space - 10 units	Per Unit	£1,896	Rental of a lockable portion of a Lloyd's cabinet (10 units)
BBP1 Rack Space - 20 units	Per Unit	£3,744	Rental of a lockable portion of a Lloyd's cabinet (20 units)
BBP1 Floor Space	Per Unit	£7,392	Rental of floor space in Black Box Park 1 for customers own comms. cabinet
BBP1 Cross Connect installation	Per Unit	£134	One off charge to install cross-connect from Carrier Meet Me Room to customer location in BBP1
VOICE SERVICES			
Installation of Voice Services	Per Unit	Manpower Hourly Rate	
Standard Extension	Per Extension	£612	Rental for Lloyd's extension number and a Lloyd's supplied analogue handset
Digital Telephone Handset	Per Handset	£135	Additional rental for a digital handset
Digital Add-on Unit	Per Handset	£166	Rent for a digital add-on unit, which supplies extra programmable keys
Additional Telephone Socket	Per Socket	£83	Rental of an additional analogue handset of an existing analogue extension
Voicemail	Per Unit	£118	Rental of a voice mailbox
Fax / Modem Line	Per Line	£288	Rental of a fax/modem link on a Lloyd's extension number
Support for IPT Infrastructure	Per Unit	£690	
Rental of an IP Conference Unit	Per Unit	£249	

Schedule 7

Corporate Real Estate**Market Services**

2017 Room Rental charges have been increased compared to the 2017 levels. This follows the decision to reweight income away from Subscription charges towards elective service charges.

Security Passes

The charges for security passes remain at the 2017 level of £30, the charge for NUWM passes will increase from the 2017 level of £83 to £100 in 2018.

Tenants' Service Charge

The office accommodation on Galleries 4-10 attracts a service charge for the provision of all day-to-day services. Apart from telephone and data charges, tenants have a fully inclusive service charge covering their needs. Service charges will decrease by 10.8% from the 2017 level following cost reviews carried out in 2017.

Tenants' Insurance Charge

2018 charges will increase by 2.2% compared to the 2017 level.

Contact Names for Queries

Darren Cox 020 7327 6636 (email darren.cox@lloyds.com)
Kimberley Barnes 020 7327 6714 (email kimberley.barnes@lloyds.com)

**CORPORATE REAL ESTATE
2018 MARKET CHARGES**

Chargeable Item	Customer	Means of Collection	Unit of Charge	2018 Price per Unit
Room Rent Charges for underwriting space on the Ground Floor to Gallery 4. This is charged on a net footprint area of the space occupied by the underwriting boxes. 6 Month break.	G1, G2, G3 & G4	Invoice Annually in Advance	Per sq. ft.	£529
	Ground Underwriters			£794
Company Market Rent Charges for Company Market leases on Gallery 2 to Gallery 4. This is charged on a net footprint area of the space occupied by underwriting boxes. New entrants pay additional 50% of first year annual rental.	G2, G3 & G4 Company Market	Invoice Quarterly in Advance	Per sq. ft.	£1,058 Index linked
Security Passes The charge for security passes where applicable.	Market wide Non-u/w working members	Invoice	Per pass	£30 £100
Tenant Service Charge Tenants on Galleries 4-10 of the 1986 building have a fully inclusive service charge based on square footage occupied.	Tenants 1986 Building	Invoice Quarterly in advance	Per sq. ft.	£19.31
Tenant Insurance Charge Tenants on Galleries 4-10 of the 1986 building pay this on the square footage occupied.	Tenants 1986 Building	Invoice Quarterly in advance	Per sq. ft.	£1.79

Schedule 8

Admissions - Underwriting Agent/Syndicate Applications

Ref	Chargeable Item	2018	VAT Status
1	Change in Controller of an underwriting agent (see note 1)	£50,000	Outside Scope
2	New Underwriting Agent (see note 2)	£300,000	Outside Scope
3.	New Syndicate (see note 2)	£200,000	Outside Scope
4.	New Special Purpose Arrangement (see note 2)	£75,000	Outside Scope
5.	Syndicate merger or Transfer of Management of a syndicate	£5,000	Outside Scope
6.	New Accredited Broker	£10,000	Outside Scope

Notes

- 1) Fee is payable when a voting &/or equity interest of 50% or more is to be acquired
- 2) The new underwriting agent, syndicate, special purpose arrangement charge is payable when a proposal is presented to the Franchise Board or its designee for 'in principle' approval.
- 3) VAT is not currently chargeable on application fees

Points of contact: Umron Ahmed 020 7327 5460 / Nigel Williamson 020 7327 6415
 Email: umron.ahmed@lloyds.com / nigel.williamson@lloyds.com