



## Intermediary Terms of Business: Effective 3 January 2018

These Terms are set out on the basis on which T. Bailey Fund Services Limited conducts business with UK intermediaries. T. Bailey Fund Services Limited is the Authorised Fund Manager/ Authorised Corporate Director of the Funds (as defined below).

TBFS

These Terms come into force on 3 January 2018 (the **Commencement Date**). Intermediaries who conduct Business with T. Bailey Fund Services Limited on or after the Commencement Date are deemed to accept these Terms, and they supersede any previous terms of business in accordance with clause 14.

### 1. Definitions and Interpretation

- 1.1. The terms and expressions given in this clause shall have the meanings set out opposite them for all purposes of these Intermediary Terms of Business, as appropriate.
- 1.2. Words and expressions which are not specifically defined shall have the same meanings as in the Prospectus of the relevant Fund, if applicable.
- 1.3. Any reference in these Intermediary Terms of Business to a law, statute, statutory provision or rules of a designated agency or regulator includes a reference to such statute, statutory provision or rules as modified, restated or replaced from time to time.
- 1.4. A reference in these Intermediary Terms of Business to a person includes an individual, corporation and unincorporated association having legal capacity.
- 1.5. A reference in these Intermediary Terms of Business to: (i) "manufacture" is a reference to the creation, development, issuance or design of the Funds, and "manufacturer" shall be construed accordingly; and (ii) "distribution" is a reference to the offer, recommendation or sale of the Funds, and "distributor" shall be construed accordingly.
- 1.6. Unless the context otherwise requires, words importing the singular shall include the plural, and vice versa and references to any gender shall include all other genders.
- 1.7. Titles in these Intermediary Terms of Business are for reference only and should not be interpreted as part of them.
- 1.8. For the avoidance of doubt, no provision in these Intermediary Terms of Business shall require TBFS to do anything which (in its reasonable opinion) would breach any applicable laws or regulations.
- 1.9. In the case of any inconsistency between these Terms and applicable laws and regulations, including without limitation the Rules or the rules of any applicable DPB, such applicable laws and regulations shall prevail.

**Act** means the Financial Services and Markets Act 2000 and any successor legislation.

**Administrator** means such person as may be appointed from time to time by TBFS to administer the Funds.

**Annex 5-I/1 Form** means the form entitled "Confirmation of Verification of Identity: Private Individual" set out in Annex 5-I/1 to the Guidance Notes for the Financial Sector of the Joint Money Laundering Steering Group.

**Applicable Regulation** means applicable legal or regulatory requirements (including the Rules) and related regulatory guidance in any jurisdiction including, without limitation, the domicile of the Fund, TBFS and the Intermediary and the location of any End Investor invested or intending to invest in the Fund, including, for the avoidance of doubt, PROD.

**Appointed Representative** means a person who has been duly appointed as the appointed representative (as defined in section 39 of the Act) of a person who is an Authorised Person in accordance with applicable law and regulation, including without limitation the Act and the Rules, and for whose activities such Authorised Person accepts responsibility.

**Authorised Distributor** means a firm which offers, recommends or sells financial instruments (including the Funds) or provides investment services to clients and does not act as a Manufacturer.

**Authorised Person** means a person who is authorised pursuant to the Act.

**Business** means arranging investment by a Client in a Fund, whether directly or through an ISA.

**Business Day** means a day on which TBFS is open for business.

**Client** means an investor or potential investor in any of the Funds.

**Client Money** and **Client Money Rules** have the meanings given by the Rules.

**Crucial Events** means events which adversely impact the risk and/or return expectation of a Fund.

**Data Protection Legislation** means the Data Protection Act 1998 or from 25 May 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (**GDPR**), and/or any corresponding UK legislation or equivalent to the GDPR.

**Distributor-Only Information** means such information and/or material made available by TBFS as contemplated by the Terms and which, either: (i) is identified and/or marked as for use and/or dissemination only to distributors; and/or (ii) TBFS, its affiliates and/or a Fund has indicated should not be made available to End Investors.

**DPB** means a Designated Professional Body as defined in the Rules.

**Due Diligence Review** means a review carried out by TBFS in order to check that (i) the Funds remain consistent with the needs, characteristics and objectives of the Target Market defined by TBFS, (ii) that the intended distribution strategy remains appropriate, (iii) that the Funds are being distributed to the Target Market; and (iv) whether the Funds are being sold to End Investors within the Negative Target Market.

**EMT** means the European MiFID Template endorsed by the European Fund and Management Association as of 3 August 2017 (as amended from time to time) completed in respect of each Fund by TBFS, and made available from time to time in accordance with clause 11.4.

**End Investors** means the person or group of persons who are the final clients in the intermediation chain.

**Exempt Professional Firm** has the meaning given by the Rules.

**FCA** means the Financial Conduct Authority or any successor body from time to time.

**Fund** means any FCA authorised unit trust or open ended investment company, including any sub-funds from time to time, operated by TBFS.

**HMRC** means HM Revenue & Customs.

**Intermediary** means a person who is an Authorised Person, an Appointed Representative or an Exempt Professional Firm and who acts on behalf of a Client.

**International Tax Regulations** means all applicable laws and regulations of jurisdictions other than the UK relating to the tax treatment applicable to investment in Funds by Clients and in respect of which TBFS is obliged to collect information, including without limitation the Foreign Account Tax Compliance Act, the Crown Dependencies and Overseas Territories requirements and the Common Reporting Standards.

**ISA** means an account within the meaning of the ISA Regulations which is managed by TBFS, and for the avoidance of doubt shall, where applicable, include a junior ISA account.

**ISA Regulations** means the Individual Savings Account Regulations 1998 and any rules, regulations or guidance issued from time to time by HMRC applicable to the operation of ISAs.

**ISA Terms and Conditions** means the terms and conditions applying from time to time to an ISA.

**KIID** means the UCITS KIID, NURS-KII or PRIIPs KID (as the case may be) from time to time in respect of a Fund, or such other document as may be required from time to time pursuant to applicable law and regulation.

**Management Information** means information in respect of the Funds on sales, the Distributor's Target Market, and complaints received, each as reasonably requested by TBFS.

**Manufacturer** means a firm which creates, develops, issues and/or designs financial instruments (including the Funds), either on its own or in collaboration with another manufacturer.

**MiFID** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and any applicable supporting or implementing law, rule or regulation as amended or restated from time to time, or (if repealed) any successor legislation.

**MiFID Delegated Directive** means Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing MiFID of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients,

product governance obligations and the rules applicable to the provision or reception of fees, commission or any monetary or non-monetary benefits and any applicable supporting or implementing law, rule or regulation

**Money Laundering Directive** means Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as amended, supplemented, replaced or recast from time to time.

**Money Laundering Requirements** has the meaning given in clause 7.1.

**Negative Target Market** means any groups of End Investors for whose needs, characteristics and objectives the Funds or relevant investment service is not compatible.

**NURS-KII** means the current non-UCITS Retail Scheme Key Investor Information in respect of a Fund that is a non-UCITS retail scheme.

**Personal Data** has the meaning attributed to it in Data Protection Legislation.

**PRIIPs KID** means the current Packaged Retail Investment and Insurance-Based Products Key Information Document in respect of a Fund.

**PROD** means the Product Intervention and Product Governance Sourcebook forming part of the Rules

**Prospectus** means the Prospectus of the relevant Fund as amended from time to time.

**Rules** means the rules contained in the FCA's Handbook of Rules and Guidance made by the FCA under the Act.

**Settlement Day** means, in relation to any contract for the sale or redemption of Shares, the date stated in the contract note as the date on which payment of the sale price or redemption proceeds is due under the contract or, if no such date is specified in the contract note, the fourth Business Day following the day on which the contract was made.

**Shares** means units or shares in any of the Funds whether or not held as an ISA investment.

**SID** means the supplementary information document of a Fund, as amended from time to time.

**Sub-Distributor** means any person to whom the Intermediary markets and/or distributes a Fund who is not an End Investor

**TBFS** means T. Bailey Fund Services Limited.

**Target Market** means those End Investors within the target market of the relevant Fund as identified by TBFS and any co-Manufacturer or by the Intermediary (as applicable) from time to time as being the customer population for whose needs, characteristics and objectives the Fund will most likely be compatible, and those customers for whose needs, characteristics and objectives the Fund is not compatible, in accordance with clause 11 and Applicable Regulation.

**Terms** means these Terms of Business as amended from time to time.

**UCITS KIID** means the current key investor information document in respect of a Fund that is an undertaking for collective investment in transferable securities.

## 2. General

- 2.1. TBFS will not accept Business from a person who is not an Intermediary and reserves the right not to accept Business from, or any particular Business proposed by, an Intermediary for any reason.
- 2.2. Subject to clause 2.3, the Intermediary shall notify TBFS immediately if: (i) any of his authorisations, licences, permissions, registrations, exemptions, appointments and consents referred to in clause 18.1a) are withdrawn, suspended, caveated or restricted; or (ii) he is subject to any investigative or enforcement action by the FCA or reasonably believes that he may be subject to such action.
- 2.3. The Intermediary shall not be obliged to make any notification pursuant to clause 2.2 to the extent that to do so would constitute a breach of applicable law or regulation or of any order of any court of competent jurisdiction or any applicable requirement of any regulatory or governmental body.
- 2.4. TBFS is authorised and regulated by the FCA and nothing in these Terms shall be taken as excluding any liability of TBFS arising under the Act and any regulations made under it, including without limitation the Rules.

- 2.5. The Intermediary is the agent of the Client and not of TBFS in relation to all aspects of Business and accordingly has no authority to give a valid receipt on behalf of or otherwise to bind TBFS in any way in relation to the Client or otherwise.
- 2.6. The Intermediary shall at all times carry on its obligations pursuant to these Terms with the utmost integrity and in good faith and comply with all applicable requirements of the Act, the Rules and the rules of any applicable DPB and any other applicable laws, regulations, codes of practice and industry guidance.
- 2.7. These Terms together with the Prospectus constitute the entire agreement between the parties relating to the matters and transactions contemplated by them. The Intermediary has not relied upon any representations other than those expressly set out in these Terms and the Prospectus.
- 2.8. The Intermediary accepts and acknowledges that it shall be its sole responsibility to carry out, and TBFS shall not and shall have no obligation to carry out, any required suitability or appropriateness assessment that is required pursuant to the Rules in respect of any proposed investment by a Client in a Fund.
- 2.9. The Intermediary shall not offer to buy, sell or deliver Shares in any Fund in any country or jurisdiction in which such Fund is not registered for distribution or marketing or otherwise permitted to be distributed or marketed under the applicable laws and regulations of such jurisdiction.

### **3. Commission / adviser charges**

- 3.1. All matters relating to the payment and disclosure of commission or other payments payable by TBFS on Business arranged by the Intermediary shall be governed by these Terms, the relevant Rules and the rules of any applicable DPB.
- 3.2. Subject to clause 3.6, all investments in Funds shall be into Share classes in respect of which no commission is payable.
- 3.3. TBFS will only pay commission to the Intermediary in relation to its Clients' investments in the Funds if the Clients' investments are in a Share class which pays commission, and if the Intermediary is entitled to receive such commission in accordance with the Rules.
- 3.4. If in TBFS's reasonable opinion the Intermediary is not entitled pursuant to the Rules to receive a commission payment or any other payment, and/or TBFS is not permitted to make a commission payment or any other payment, TBFS shall not be obliged to make any such payment and no sums of commission or other payments shall be considered to have accrued for the benefit of the Intermediary unless the Intermediary demonstrates to TBFS's reasonable satisfaction that it is entitled to such payment or that TBFS is permitted to make such payment (as the case may be).
- 3.5. TBFS will assume the following unless the Intermediary notifies TBFS otherwise:
  - any order that the Intermediary places on behalf of a Client to deal in Shares in a Fund is the result of advice the Intermediary has provided to that Client;
  - the Intermediary is dealing on behalf of a Client in the UK; and
  - if the Intermediary has a UK office, the Intermediary is subject to the Rules.
- 3.6. TBFS may at its discretion permit an investment in a Fund to be in a Share class in respect of which commission is payable where the Intermediary confirms in advance in writing to TBFS's reasonable satisfaction that the factors set out in clause 3.5 are not applicable in respect of the relevant investment.
- 3.7. Where the Intermediary is unable in accordance with clause 3.4 to receive and retain any commission payable in respect of an investment in a Fund, the Intermediary shall as soon as possible provide written instructions to TBFS to: (i) carry out a switch of the existing holdings of Shares by the Intermediary's Clients to clean classes of Share in line with the process set out in the relevant Prospectus; or (ii) stop paying such commission to the Intermediary.
- 3.8. The Intermediary shall ensure that it does not receive or continue to receive commission or any other payments where this is in breach of the obligations of the Intermediary or TBFS under the Rules or the Intermediary's agreement with the relevant Client, and will notify TBFS if any such payment is not, or ceases to be, compliant with the Rules or the Intermediary's agreement with the relevant Client. If TBFS has paid or is continuing to pay commission or any other payment to the Intermediary where this constitutes a breach of the Rules or these Terms in relation to a particular Client:
  - TBFS shall be entitled to cease any further payments to the Intermediary in respect of that Client; and
  - TBFS shall be entitled to require the Intermediary to repay on demand the amount of such commission paid in breach.This clause 3.7 shall survive the termination of these Terms.
- 3.9. In accordance with the Rules, any adviser charges to be paid by the Client to an Intermediary for advice will be negotiated between the Intermediary and the Client and TBFS will not have any involvement in any such negotiations.
- 3.10. TBFS may at its discretion facilitate the payment of adviser charges. TBFS shall only facilitate such payment of adviser charges in accordance with the Rules and shall be under no obligation to make any such payment if in TBFS's reasonable opinion to do so would constitute a breach of the Rules.
- 3.11. The Intermediary shall ensure that any adviser charges that are facilitated have been agreed in writing by the Client and shall on demand confirm such written agreement to TBFS's reasonable satisfaction. TBFS reserves the right to withhold payment of such charges to the Intermediary pending investigation should the Client subsequently query such charges prior to payment being made to the Intermediary. Where a Client queries any adviser charges which have been paid to the Intermediary, the Intermediary shall liaise directly with the Client in respect of such query unless TBFS made the payment in error.

- 3.12. TBFS will only credit or pay commission on Business submitted or arranged by an additional Intermediary where the initial Intermediary has assigned its right to the commission in respect of that Business in favour of the additional Intermediary who is party to these Terms and in that event no other person has any valid claim to such commission.
- 3.13. Without prejudice to the payment of commission already accrued, due and payable, TBFS reserves the right to reduce the rate of commission in respect of past and future transactions at any time on giving notice of any such reduction to the Intermediary.
- 3.14. Commission/adviser charges will be paid to the Intermediary at such frequency or frequencies as TBFS shall from time to time determine, and TBFS reserves the right to vary the frequency of payments in respect of future transactions at any time on giving ten business days' notice of any such variation to the Intermediary.
- 3.15. TBFS will pay (or arrange payment of) commission/adviser charges payable to the Intermediary in accordance with these Terms by bank transfer provided the Intermediary has provided full bank details in writing.
- 3.16. Unless operating under a specific agreement with the relevant Client, the Intermediary shall not recommend any transaction in Shares unless the Intermediary and the Client have between them agreed the adviser charge or the Intermediary has made such disclosures to the Client in respect of commission, commission equivalent or other remuneration that will be received by the Intermediary and other matters as, at the relevant time, are required to be disclosed by the Rules or the rules of the DPB applicable to the Intermediary. The Intermediary shall disclose the actual amount of any such commission or other remuneration payable if so required by the Client, and as required by the Rules.
- 3.17. If a Client exercises a statutory right of cancellation, and in the absence of Client instructions to TBFS to the contrary, any commission/adviser charge (including any VAT) paid in respect of the transaction shall forthwith be repaid by the Intermediary to TBFS. All or any amount of commission/adviser charge (and any VAT) otherwise due to be repaid by the Intermediary (whether or not due to the exercise of a right of cancellation) shall forthwith be repaid by the Intermediary to TBFS.
- 3.18. In circumstances where an ISA account is voided pursuant to the ISA Regulations, other than as a result of any breach by TBFS of its obligations as manager of such ISA pursuant to the ISA Regulations, TBFS may reclaim from the Intermediary any commission/adviser charge paid in respect of Shares held through the relevant ISA account.
- 3.19. In the event that TBFS reasonably believes that it has paid commission/ adviser charges or the Intermediary has received commission/adviser charges in breach of applicable laws, rules or regulations or these Terms, TBFS shall be entitled to require the Intermediary to repay on demand the amount of any such commission/adviser charge.
- 3.20. All or any amounts due to the Intermediary by way of commission/adviser charges may be applied by TBFS to reduce or pay any sums of money due to TBFS under these Terms.
- 3.21. TBFS may, at its discretion, cease paying commission/adviser charges to the Intermediary at any time:
  - 3.21.1. upon the occurrence of any of the events referred to in clause 19;
  - 3.21.2. where requested to do so by the relevant Client; or
  - 3.21.3. where TBFS reasonably believes that the Intermediary is not entitled to receive and/or TBFS is not entitled to pay such commission/adviser charges in accordance with the Rules.
- 3.22. TBFS's statement of account (which may be contained in writing, held electronically, or contained in any other method of communication agreed by TBFS and the Intermediary) shall be the prime record of commission/adviser charges due to the Intermediary, save in the case of manifest error or omission.
- 3.23. TBFS shall seek in good faith to resolve any issues notified by the Intermediary to TBFS in relation to the calculation or payment of commission/adviser charges. The Intermediary must notify TBFS of such issues as soon as is reasonably practicable and in any event within two years after the relevant payment is made or the relevant amount is due. The Intermediary agrees that after the expiry of this two-year period such issues shall not be raised by it and accordingly any claims (howsoever arising) cannot be brought and shall be barred and all remedies excluded.
- 3.24. Where any commission/adviser charge has accrued but remains unclaimed by the Intermediary for a period of at least 6 years from the date that payment was due, TBFS may in its discretion transfer such unpaid commission/adviser charge to its own account and the Intermediary shall accordingly forfeit any rights it may have had in respect of that commission/adviser charge.

#### **4. Documentation**

- 4.1. The Intermediary will pass to a Client immediately and without any amendment any documents supplied by TBFS for the information of or completion by the Client and shall pass any completed documents back to TBFS immediately. The Intermediary will draw attention to any facts or matters concerning the Client and the nature of the Business involved which could affect TBFS's decision whether or not to accept the Business.
- 4.2. TBFS is obliged to send certain documents directly to the Client and also reserves the right to send other documents and communications directly to the Client.
- 4.3. The Intermediary shall provide his FCA Firm Reference Number and if appropriate the status of the Client (e.g. execution only, whether resident or non-resident in the UK, etc) on each application/proposal/instruction submitted to TBFS in respect of any Business.
- 4.4. Where appropriate the Intermediary shall, upon reasonable request, submit to TBFS any records, notices or other documents and information which TBFS might require in order to comply with the Money Laundering Requirements.
- 4.5. The Intermediary shall not instruct any purchase of Shares until the Intermediary has provided to the Client the relevant KIID and (where relevant) SID and offered the Client a copy of the Prospectus and the most recent annual

report (and if applicable the most recent half yearly report) in relation to the relevant Fund(s). The Intermediary shall promptly supply the Client (or promptly arrange for TBFS to supply the Client) with the aforesaid documents as the Client requests. TBFS will promptly on request supply the Intermediary with copies of such Prospectuses and annual reports in respect of the Funds as may reasonably be required to enable the Intermediary to carry out the Intermediary's obligations hereunder.

- 4.6. The Intermediary undertakes not to distribute to Clients any material provided by TBFS to the Intermediary which is stated to be for Authorised Persons only or not for distribution to the public, to retail clients or to any End Investor, or which is out of date. For the avoidance of doubt it shall be the responsibility of the Intermediary to ensure that any material it provides to Clients is not out of date and TBFS shall not be obliged to notify the Intermediary of changes to such materials.
- 4.7. The Intermediary shall ensure that information provided to it from time to time by TBFS that is intended to be communicated to End Investors is so communicated in an appropriate manner and in good time.
- 4.8. The Intermediary shall promptly check contract notes and dealing confirmations provided to it and promptly notify TBFS of any errors.
- 4.9. The Intermediary undertakes to promptly provide TBFS with any assistance and co-operation as TBFS shall reasonably require to enable it to comply with its obligations under applicable laws, rules and regulations, in particular in relation to providing information required by regulatory or taxation authorities including without limitation the FCA and HMRC.

## **5. Payments**

- 5.1. The Intermediary must comply with TBFS's rules for dealing which are set out in the relevant Prospectus. Orders for the purchase, redemption, conversion or switch of Shares must be made in accordance with the relevant Prospectus and the ISA Terms and Conditions where relevant.
- 5.2. When placing an order for or arranging the purchase, redemption, conversion or switch of Shares, the Intermediary shall provide all information specified, and the representations required, in the application form of the relevant Fund including information to enable TBFS to reasonably satisfy itself as to whether the order falls within the Rules that govern when commission may and may not be paid by TBFS. Furthermore, TBFS may in its discretion request from the Intermediary such additional information as it may reasonably require to effect the transaction. If such details are not provided, TBFS may, at its absolute discretion, refuse to effect the transaction.
- 5.3. Unless otherwise agreed between TBFS and the Intermediary, payment in respect of any contract effected by or through the Intermediary must be received by the Administrator in cleared funds on or before the Settlement Day. TBFS shall be entitled without giving prior notice to the Intermediary to cancel, in whole or part, any contract in respect of which the amount due remains unpaid after Settlement Day. This provision shall not be affected by any requirement to serve a cancellation notice in respect of the transaction in question.
- 5.4. The Intermediary shall keep TBFS indemnified from all loss resulting to TBFS if the Administrator does not receive due payment by the Settlement Day. Loss shall include without limitation any loss resulting from the cancellation or the closing out of the contract and any other loss or expense caused to TBFS directly or indirectly by a failure of the Intermediary to comply with clause 5.3 above.
- 5.5. Redemption payments shall be paid by electronic transfer to the account of the relevant Client. TBFS may at its absolute discretion accept and carry out written payment instructions issued and signed by all the registered holders.
- 5.6. In accordance with the Client Money Rules the Intermediary shall immediately transfer to such Client Money account as the Administrator shall direct all monies in respect of Share purchases received by the Intermediary from a Client.

## **6. Third Party Payments**

- 6.1. TBFS does not make payments to or accept cash from third parties other than in exceptional circumstances which are documented, reviewed, and approved in accordance with TBFS's Third Party Payments Policy, as amended from time to time. Any payment or receipt of cash may only occur in accordance with the Money Laundering Requirements and subject to such Third Party Payments Policy.
- 6.2. TBFS is not obligated to make payments between Clients, even in circumstances where both parties are known to TBFS and where it has undertaken the required due diligence to verify the parties' identities. TBFS is not obliged to make any payment of cash or transfer any property to anyone other than the named account holder. In addition, TBFS does not offer a service in relation to the transfer of cash.
- 6.3. Unless prior agreement has been sought from TBFS to effect an excepted payment within the terms of its Third Party Payments Policy, the Intermediary shall ensure that all cash for investment is received by TBFS from an account held in the name of the Client and will only be returned to an account held in the name of the Client. Details of the exceptions to these conditions are available from TBFS upon request.

## **7. Identity Verification and Anti-Money Laundering Controls**

- 7.1. The Intermediary undertakes to comply with all statutory and other requirements relating to anti-money laundering, including the Drug Trafficking Act 1994, the Terrorism Act 2000, the Criminal Justice Act 1993, the Proceeds of Crime Act 2002, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations

2017, the Guidance Notes for the Financial Sector of the Joint Money Laundering Steering Group, and any applicable Rules, as amended from time to time (jointly the **Money Laundering Requirements**).

- 7.2. TBFS shall deal with the Intermediary on the basis that the Intermediary is subject to, and compliant with, the Money Laundering Directive and, if resident in the UK, with the Money Laundering Requirements, and that the Intermediary has verified the identity of each of its Clients.
- 7.3. Where the Intermediary asserts that it has verified the identity of a Client, the Intermediary warrants that such verification is based on information that meets the standard evidence set out within the Guidance Notes for the Financial Sector of the Joint Money Laundering Steering Group.
- 7.4. Where the Intermediary expects TBFS to rely on its identity verification processes it will submit a correctly completed Annex 5-I/I Form in respect of a Client prior to placing or arranging any deals in Shares in respect of such Client, and confirms that it consents to TBFS relying on its identification verification procedures in respect of each of its Clients.
- 7.5. The Intermediary acknowledges that, where TBFS has relied on the Intermediary's identification verification procedures, TBFS will undertake regular monitoring of the quality of the due diligence measures taken by the Intermediary and may request supporting documentation from the Intermediary.
- 7.6. If supporting documentation is requested by TBFS from the Intermediary under clause 7.5, the Intermediary undertakes to promptly provide any information it holds about the Client (and any beneficial owner where applicable) obtained by the Intermediary when applying its own due diligence measures.
- 7.7. Where a Client agreement, terms of business letter or similar arrangement exists that constitutes a business relationship between the Intermediary and his Client, the Intermediary undertakes full responsibility for the identification procedures necessary under the Money Laundering Requirements in respect of any transaction with TBFS and shall upon TBFS's request provide documentary evidence of such procedures to TBFS and the Intermediary consents to TBFS relying on such documentary evidence.
- 7.8. Where the Intermediary arranges a transaction or linked transactions in Shares, not covered by arrangements under clause 7.7 above, the Intermediary undertakes to fulfil the identification procedures necessary under the Money Laundering Requirements.
- 7.9. The Intermediary will provide TBFS with all necessary assistance to enable TBFS to comply with its obligations under the Money Laundering Requirements, including without limitation providing to TBFS all documentation and information in its possession or control reasonably requested by TBFS for such purposes.
- 7.10. The Intermediary acknowledges that each Prospectus allows TBFS to reject applications for Shares from Clients who are "US Persons" as defined in Regulation S promulgated under the United States Securities Act of 1933 and the Intermediary shall not apply for Shares or facilitate an application for Shares on behalf of a US Person.
- 7.11. The Intermediary undertakes to provide in a timely fashion all such documentation and information (including without limitation any legal entity identifier (**LEI**) or natural person identifier (**NPI**) relating to the Client) and to promptly take all such action as TBFS may from time to time reasonably require for the purposes of compliance with any regulatory reporting or position reporting obligations to which TBFS may from time to time be subject in providing the Funds.

## **8. International Tax Regulations**

- 8.1. TBFS is required to collect information from individual Clients to determine their classification under International Tax Regulations. The Intermediary acknowledges that TBFS is bound by UK legislation that imposes obligations on the UK financial sector to review and collect details of accounts held by persons that are tax resident elsewhere and report this to HMRC for onward transmission under the exchange of information requirements of those International Tax Regulations to which the UK is party.
- 8.2. The Intermediary shall ensure that all necessary information is supplied by its Clients to enable TBFS to correctly categorise each Client pursuant to applicable International Tax Regulations.
- 8.3. The Intermediary shall promptly inform TBFS of a change to any details that could materially affect Client's tax status, including without limitation changes to a Client's residency for tax purposes.

## **9. Market Timing**

- 9.1. The Intermediary will not permit transactions in Shares where it knows or has reasonable grounds to suspect that a Client is undertaking short-term trading to exploit market timing (**Market Timing**).
- 9.2. The Intermediary shall notify TBFS as soon as reasonably practicable if it knows or reasonably suspects that a Client is engaged or intends to engage in Market Timing.

## **10. Trade Marks**

The Intermediary will not use any trademarks, logos or other intellectual property of which TBFS is the registered proprietor unless it shall first have obtained TBFS's written permission to do so. For the avoidance of doubt this clause shall not apply in respect of the distribution to the Intermediary's Clients of materials supplied by TBFS for this purpose. All advertising material which refers to TBFS or its products shall be subject to the prior approval of TBFS.

## **11. Product Governance**

- 11.1. For the purposes of this clause 11, TBFS acts as the Manufacturer of the Funds only.

- 11.2. For the purposes of this clause 11, the Intermediary agrees that, in respect of the Funds, it acts as an Authorised Distributor.
- 11.3. The Parties each acknowledge and agree that they have not collaborated, and shall not collaborate, in the creation, development, issue and/or design of the Funds.
- 11.4. In respect of the Shares in the Funds distributed by the Intermediary, TBFS shall make available to the Intermediary each completed EMT on request. TBFS shall update the EMT from time to time at such frequency as it considers appropriate.
- 11.5. TBFS shall ensure that the information provided under clause 11.4 is of an adequate standard to enable the Intermediary and any Sub-Distributor appointed by the Intermediary from time to time to understand the Fund properly.
- 11.6. TBFS shall provide such additional information about the Shares or TBFS's product approval process as the Intermediary or any Sub-Distributor, in their reasonable opinion, may deem necessary in order to understand the Fund properly and/or to distribute the Fund in accordance with the Terms.
- 11.7. The Intermediary shall not distribute the Funds unless it is satisfied it has:
- 11.7.1. the necessary expertise to understand (i) the characteristics and risks of the Funds, (ii) the investment services provided by the Intermediary, and (iii) the needs, characteristics and objectives of the Funds' Target Market as identified by TBFS (the **Funds' Target Market**);
  - 11.7.2. has the necessary information, understanding and knowledge of the Funds to distribute the Funds in accordance with the needs, characteristics and objectives of the Distributor's Target Market; and
  - 11.7.3. meets the relevant knowledge and competency standards set out in MiFID.
- 11.8. The Intermediary undertakes to TBFS that, pursuant to PROD, it shall (or it shall procure that its Sub-Distributors or other delegates):
- 11.8.1. determine its own Target Market for each Fund (the **Distributor's Target Market**), such target market to be within the Funds' Target Market;
  - 11.8.2. at all times, have in place adequate product governance arrangements for the purposes of PROD;
  - 11.8.3. identify and assess the needs of the Clients which the Intermediary intends to focus on to ensure that their interests are not compromised as a result of commercial or funding pressures;
  - 11.8.4. identify any Negative Target Market, and take all reasonable steps to ensure that no Fund is sold or distributed to End Investors within such Market except as provided for under Applicable Regulation;
  - 11.8.5. have procedures and measures in place to ensure that it complies with all Applicable Regulation when determining (i) the Distributor's Target Market, and (ii) the investment products, services and/or Funds to be distributed to such Target Market;
  - 11.8.6. undertake product governance reviews in a manner and timing consistent with all Applicable Regulation;
  - 11.8.7. promote and market the Funds solely to End Investors domiciled in countries where each Fund is registered for sale; and
  - 11.8.8. notify TBFS as soon as reasonably practicable (i) of any material changes to the Intermediary's product governance procedures which are relevant to the distribution of the Funds, and (ii) if the Intermediary becomes aware that a Fund has been marketed and/or sold to an End Investor outside of the identified Target Market.
- 11.9. The Intermediary shall provide (and procure that its Sub-Distributors provide) Management Information to TBFS in order to enable TBFS to undertake a Due Diligence Review of the Shares of each Fund. Management Information shall be provided at least annually or on a frequency separately agreed in writing.
- 11.10. Notwithstanding clause 11.9, the Intermediary agrees to provide (and procure that its Sub-Distributors provide) any other information or documents, in relation to the subject matter of the Terms, which is reasonably requested by TBFS from time to time to fulfil its regulatory or contractual obligations.
- 11.11. TBFS agrees to provide any other information or documents, in relation to the subject matter of the Terms, which is reasonably requested by the Intermediary from time to time to fulfil its regulatory or contractual obligations.

## 12. Data Protection

- 12.1. As part of the Intermediary's obligation to arrange investment by a Client in a Fund under this agreement, the parties envisage that the Intermediary will provide TBFS with the following Personal Data concerning each Client: name, email address, residential address, phone number(s), other details necessary to process and administer a Client's investment, other contact details necessary for communication between TBFS and the Client and any other Personal Data the parties agree in writing from time to time (**Relevant Personal Data**).
- 12.2. The parties agree that Relevant Personal Data may be shared by the Intermediary to TBFS, to the extent necessary, to enable TBFS to fulfil its obligations under this Agreement. TBFS shall act as a Controller in respect of any Relevant Personal Data shared by the Intermediary in connection with the services provided under this Agreement.



- 12.3. Each party shall, comply with its obligations under Data Protection Legislation, including without limitation ensuring that there is a lawful basis on which to process any Relevant Personal Data and TBFS shall process any personal data provided in accordance with clause 12.2 pursuant to TBFS's Privacy Policy (as set out at [www.tbaileys.co.uk/privacy-policy](http://www.tbaileys.co.uk/privacy-policy)) as amended from time to time.
- 12.4. TBFS may provide the Intermediary with information (in writing, by email or by telephone) about other products or services which might be of interest to the Intermediary, including those offered by other companies approved by TBFS, provided that the Intermediary informs TBFS that he wishes to receive such information and is given the opportunity to opt out of receiving such information at any time.
- 12.5. TBFS may monitor and/or record all telephone conversations and electronic communications with the Intermediary and (if applicable) with any Client, although it will not be obliged to do so.

### **13. Confidentiality**

- 13.1. Subject to clause 13.2, TBFS and the Intermediary undertake to each other that they shall keep any information of a confidential nature belonging to the other party confidential and secure and not disclose it to a third party without the prior written consent of the other party.
- 13.2. Either party may disclose the confidential information of the other party:
  - a) which is at the date of these Terms, or at any time after that date, publicly known other than as a result of the disclosing party's breach of these Terms or of any other obligation of confidentiality to which that party is subject;
  - b) which is known to the receiving party prior to it being disclosed;
  - c) which is required to be disclosed pursuant to applicable law or regulation, including without limitation the Rules, or by a court or tribunal of a competent jurisdiction or any competent governmental, official or regulatory body; or
  - d) with the prior written consent of the other party.
- 13.3. For the avoidance of doubt, TBFS shall be entitled to disclose any information provided by the Intermediary under clause 7.11 for the purposes of compliance with any regulatory reporting obligations to which TBFS is subject.

### **14. Variation**

- 14.1. These Terms shall supersede any previous terms of business between TBFS and the Intermediary. Any variation to the Terms will be included in a revised document which can be provided on request.
- 14.2. TBFS reserves the right to vary these Terms but, except in so far as required by the Act or any regulations made thereunder including without limitation the Rules:
  - a) no variation shall affect contracts for transactions in Shares made prior to the effective date of the variation; and
  - b) not less than ten days' prior notice shall be given to the Intermediary of the variation. Such notice may be given via TBFS's website ([www.tbaileys.co.uk](http://www.tbaileys.co.uk)). The Intermediary should review TBFS's website on a regular basis to ensure that it has a copy of the most up-to-date Terms.
- 14.3. The Intermediary shall not be entitled to sub-contract or otherwise transfer any of his rights and obligations hereunder without the prior written consent of TBFS.
- 14.4. TBFS may at any time delegate, sub-contract, assign, novate or otherwise transfer its rights and obligations under these Terms to any person upon providing written notice to the Intermediary. For the avoidance of doubt, and without limitation, the Intermediary acknowledges and agrees that TBFS may appoint third parties to provide certain services to TBFS, including providing and receiving information exchanged between TBFS and the Intermediary as contemplated by the Terms.

### **15. Notice**

Any notice to be given by the Intermediary to TBFS should be sent to the Head of Transfer Agency, T. Bailey Fund Services Limited, 64 St. James's Street, Nottingham, NG1 6FJ or such other address to be notified to the Intermediary as being TBFS's administration centre from time to time.

### **16. Complaints**

- 16.1. The Intermediary is responsible for handling all complaints relating to its advisory services.
- 16.2. Where the Intermediary receives a complaint regarding any product or service provided by TBFS the detail and substance of that complaint should be relayed to TBFS for the attention of the Head of Transfer Agency at the earliest possible opportunity. Subsequently, the Intermediary may have a right to refer a complaint to the Financial Ombudsman Service on behalf of a Client.

## **17. Record keeping**

17.1. The Intermediary shall:

- 17.1.1. keep such records of the Business conducted under these Terms as may be required to show at any time that it has complied with the requirements of applicable law and regulation, including without limitation the Rules; and
- 17.1.2. promptly provide to TBFS on request copies of such records in such format as TBFS may reasonably require, provided always that TBFS shall be responsible for the Intermediary's reasonable costs in complying with any such request.

## **18. Warranty**

18.1. The Intermediary warrants, represents and agrees that at the date these Terms of Business come into effect and on an ongoing basis until terminated:

- a) and shall on request confirm to TBFS in writing, that it has all necessary authorisations, licences, permissions, registrations, exemptions, appointments and consents required by applicable laws, rules and regulations, including without limitation the Act and the Rules, to enable it to conduct the activities provided for under these Terms in accordance with all such applicable laws, rules and regulations;
- b) it has the power and authority to act on behalf of the Client;
- c) it is not and shall not represent itself or hold itself out as an employee or agent of TBFS;
- d) it shall not do anything which may render TBFS liable under applicable law or regulation, including without limitation the Act or the Rules;
- e) it shall procure that all its employees, directors, officers and agents comply with these Terms;
- f) shall adhere to the Rules including the Treating Customers Fairly regime and any related guidance from the FCA in all of its dealings with the Client; and
- g) it shall refer all complaints about TBFS to the Head of Transfer Agency in accordance with the Rules.

## **19. Termination**

19.1. Either party may terminate these Terms by providing not less than thirty days' prior written notice to the other.

19.2. TBFS may terminate these Terms immediately on written notice to the Intermediary:

- a) if the Intermediary ceases to be an Authorised Person, an Appointed Representative or an Exempt Professional Firm or the Intermediary's authorisation is suspended or any authorisation, licence, permission, registration, exemption, appointment or consent required to carry out its activities pursuant to these Terms is withdrawn, caveated or restricted; or
- b) if the Intermediary or any of its directors or partners (as applicable) is convicted of an offence of fraud or other dishonesty; or
- c) if the Intermediary is subjected to an investigation under section 167 of the Act or (where applicable) under the rules of the Intermediary's DPB; or
- d) in respect of any transaction for a person for whom the Intermediary has ceased to be the agent; or
- e) if the Intermediary dies, becomes bankrupt, compounds with or assigns his estate or effects for the benefit of his creditors, has his goods seized in execution or, where the Intermediary is a company, goes into liquidation or receivership or is subject to an administration order; or
- f) if TBFS reasonably considers the Intermediary to be in breach of these Terms.

19.3. Without prejudice to any other rights or remedies conferred on TBFS under the Terms, TBFS may:

- a) terminate the Terms in relation to the relevant Fund (either in whole or in any part); or
- b) require the Intermediary to suspend the introduction of new investments in respect of any Fund, including without limitation any switches into any such Fund; immediately upon written notice to the Intermediary where it considers, in its sole and absolute discretion that a Crucial Event in respect of that Fund has arisen. For the avoidance of doubt such termination or suspension shall only be in respect of the relevant Fund and the Terms shall continue in full force and effect in respect of the remaining Funds notwithstanding such termination or suspension.

19.4. Termination of these Terms shall be without prejudice to any transaction in Shares instructed or arranged by the Intermediary prior to the effective date of such termination.

## **20. Indemnity**

20.1. The Intermediary shall fully indemnify TBFS against all losses, costs, expenses, damages, liabilities, actions, proceedings, claims and demands arising in connection with:

- a) any breach by the Intermediary of any of the provisions of these Terms or of applicable laws and regulations, including without limitation the Act and the Rules;
- b) the provision to TBFS by the Intermediary, whether on its own behalf or that of any of its Clients, of incorrect or incomplete information; and
- c) any breach by the Intermediary of the warranties set out in clause 17.

**21. Third Parties**

TBFS and the Intermediary do not intend that any of these Terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person other than TBFS and the Intermediary and their permitted transferees, successors and assigns.

**22. Severability**

If any provision of these Terms shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable this shall not affect the other provisions of these Terms which will remain in full force and effect.

**23. Governing Law**

These Terms shall be governed and construed in accordance with English Law.

**Issued by T. Bailey Fund Services Limited. Authorised and regulated by the Financial Conduct Authority No 190293.**

Registered Office: 64 St. James's Street, Nottingham NG1 6FJ.

Registered in England & Wales No: 3720363.

Telephone: **0115 988 8200**

Website: [www.tbaileys.co.uk](http://www.tbaileys.co.uk)