

# TERMS OF BUSINESS

## 1. SCOPE OF THESE TERMS

- 1.1 These Terms of Business set out the terms and conditions on which the Prudential Group of Companies (meaning any UK or Republic of Ireland based insurance or life assurance company (the "Company") which has Prudential plc as its ultimate holding company and Prudential Lifetime Mortgages Limited) will accept business from an Independent Financial Adviser or Financial Adviser Firm (each a "FA") authorised under the Financial Services and Markets Act 2000 ("FSMA"). The "Company" does not include Prudential Health Limited for which separate terms of business apply.
- 1.2 The Company reserves the right, at its discretion, not to accept business from a FA. Under normal circumstances, and subject to the need to respect confidentiality and to comply with applicable law and regulation, reasons for such a refusal will be given by the Company. The Company will not accept business from a FA which ceases to be authorised under FSMA or which does not, or ceases to, hold the appropriate Part IV FSMA permission(s) granted by the Financial Services Authority ("FSA") to provide clients with services which are regulated under FSMA and/or any other services (the "Regulated Services") and introduce business to the Company in accordance with applicable law and regulation and these Terms of Business. Where a FA commits a material breach of any of these Terms of Business, the Company reserves the right (in its absolute discretion) to terminate these Terms of Business on written notice to the FA.
- 1.3 The FA acts as the agent of the client in relation to all aspects of the business it introduces to the Company except where it is necessary to give effect to the personal responsibilities of the FA to the Company as set out in these Terms of Business.

## 2. COMMISSION

- 2.1 Unless instructed otherwise by the FA, the Company will credit or pay commission on business introduced to the Company by the FA and accepted by the Company by transfer to the bank account notified by the FA to the Company (an exception to this is the commission paid on business accepted by Prudential Unit Trusts Limited where commission payments will be made by cheque). The Company will also credit or pay commission to the FA on business introduced by another FA where that other FA has relinquished his right to the commission in respect of that business in favour of the FA and no other person has any valid claim to such commission. All commission will be paid by the Company to the FA, and the FA shall disclose the level of all such commission payments to its clients in accordance with applicable law and regulation (in particular the provisions of the FSA Handbook of rules and guidance (the "FSA Rules")). With the agreement of the Company, on the instruction of the FA commission can be paid to a firm that is not a FA on terms which will be set out from time to time in an addendum to these Terms of Business.
  - 2.1.1 Subject to the provisions of Paragraph 2.1, for the avoidance of doubt the following will apply:
    - (A) The Company will pay commission to the servicing FA in respect of increments to existing policies received directly by the Company from clients unless the Company is instructed not to do so by any client.
    - (B) The Company reserves the right not to pay commission to the servicing FA on the vesting of existing pension contracts. Commission will be paid if the Company receives evidence that advice was given to the client by the servicing FA.
    - (C) The Company will not commute future renewal, level or fund related commission payments.

- (D) For any renewal, level or fund related commission to be paid, the policy must be in force on the day the commission is due. No proportionate payments will be made in respect of the time the policy is in force if the policy is terminated for any reason (including a claim on the policy) prior to the commission payment becoming due.
- (E) The Company will pay renewal commission where applicable for the ongoing servicing of the business introduced.
- (F) The Company reserves the right not to pay commission on policies that were originally sold by the Company's Direct Sales Force and the Company has subsequently received notification from the client that the client has changed his servicing adviser to a FA.

- 2.2 Commission will be credited or paid at the rates published by the Company from time to time. The published rates of commission may be amended from time to time. Any amendment will be notified by the Company to the FA in writing.
- 2.3 If any commission is credited or paid on the basis that a premium or premiums has been, or will be, received by the Company and that premium or those premiums are not received, or are received, but are subsequently returned by the Company, the relevant portion of commission credited or paid will be due to the Company from the FA. The Company reserves the right not to pay commission to the FA in respect of, and to reclaim from the FA commission paid on, any policy where the relevant client has surrendered, partially surrendered, lapsed or taken a withdrawal from a similar policy sold by the Company or has a similar policy in arrears with the Company. With respect to single premium policies, if the amount invested into the new or existing policy is greater than the surrender or withdrawal payment made, commission will be paid on the amount by which the

amount invested exceeds the surrender or withdrawal payment made by the Company. The Company also reserves the right not to pay commission to the FA in respect of, and to reclaim from the FA commission paid on, policies that are surrendered or partially surrendered within 12 months of the policy being issued or in respect of increments to existing policies within 12 months of the increment being accepted by the Company. This period of 12 months may be altered by the Company for specific products, details of which will be published from time to time.

- 2.4 The Company's statement of account (which may be contained in writing, tape, direct on line communication to computer terminal or any other method of communication determined by the Company) shall be the conclusive proof of commission due to the FA, in the absence of manifest error.
- 2.5 If the Company receives notification, either from the client or the previous financial adviser of the client (the "Original FA"), that the client has changed his servicing adviser, the following will apply (for the purposes of this paragraph 2.5 an increment to an existing policy shall be treated as a new policy):
  - 2.5.1 For business commenced by the Company (excluding Prudential International products) on or after 17 July 2005, any outstanding initial or fee based commission will be paid to the Original FA. All other commission will be payable to the new servicing FA. For this purpose the first five years' commission payable on the Company's Premium Option range of pension products will be treated as initial commission. For Prudential International products, in respect of business commenced by the Company on or after 17 July 2005, any outstanding initial commission will be paid to the Original FA. All other commission will continue to be paid to the Original FA for a period of five years from commencement. Thereafter it will be paid to the new servicing FA.

2.5.2 For products which were sold through the Prudential Group of Companies prior to the rebranding of Scottish Amicable, subsequently rebranded to Prudential and commenced by the Company prior to 17 July 2005:

- (A) Any level or fund related commission and any outstanding initial commission will continue to be paid to the Original FA unless instructed otherwise by the Original FA.
- (B) All other commission will be payable to the new servicing FA.

2.5.3 For products which were sold through the Scottish Amicable Group of Companies prior to the rebranding of Scottish Amicable and subsequently rebranded to Prudential:

- (A) Any renewal, level or fund related commission on policies effected after 30 June 1995 but prior to 17 July 2005 which is payable in the first five years of the policy (and any outstanding initial commission) will continue to be paid to the Original FA with the exception of all commission on new business, and increases to existing business, for unit trusts, PEPs and ISAs (including transfers of any such products) effected after 12 July 2002, fund-related commission on Flexible Retirement Portfolios and renewal, level and fund related commission on Premier pension policies.
- (B) Any renewal commission on non-pension policies effected before 1 September 1992 will continue to be paid to the Original FA owing to pre-existing terms of business from that time, which guarantee this continuation.
- (C) All other commission will be payable to the new servicing FA.

(D) For the avoidance of doubt, the practice set out in Paragraphs 2.5.3. (A), 2.5.3. (B) and 2.5.3. (C) shall also apply in respect of the relevant products (including Prudential International products) even where such products were sold after the rebranding of Scottish Amicable and subsequently rebranded to Prudential.

2.5.4 In the event of the FA ceasing to hold the appropriate Part IV FSMA permission(s) required by the FSA in order to provide Regulated Services to clients and introduce business to the Company in accordance with applicable law and regulation, the Company may, at its sole discretion, terminate these Terms of Business on written notice to the FA.

2.5.5 In the event a FA or a client notifies the Company that the FA is no longer to be the agent of the client or in any other circumstances where the FA is no longer able to act for the client in its dealings with the Company and/or to advise on the Company's products, the Company reserves the right to cease paying renewal, level and fund related commission to the FA.

2.6 Where indemnity commission terms have been requested and agreed, this paragraph 2.6 sets out the terms on which the Company is prepared to make such commission payments:

2.6.1 The full amount of such commission shall be due and owing to the FA upon receipt by the Company of the first premium due in relation to business introduced by the FA and accepted by the Company.

2.6.2 Indemnity commission is calculated by discounting the corresponding commission which would have been payable on non-indemnity terms.

2.6.3 If an agreement is terminated, other than because of a valid claim on the policy, by reason of failure to pay a premium, the Company will require prompt repayment of commission from the date of termination to the date on which the premium or other sum in respect of which commission was paid would have been due had the agreement not been terminated. The discount rate for this purpose is the discount rate as at the date the agreement was made or the date the increase in premiums became payable. No discounting shall be applied in respect of fee based commission. "Termination" in this context means termination of the agreement as originally made and includes reductions in premiums and policies being made paid-up. Any such repayment will be due upon notice being given to the FA by the Company that the premium has not been paid. The Company shall give such notice as soon as is reasonably practicable after becoming aware that a premium has not been paid when due.

2.6.4 If the FA is a partnership and that partnership is dissolved, the FA shall notify the Company immediately. As at the date of dissolution, at the Company's sole discretion:

- (A) the indemnity commission arrangement shall cease;
- (B) agreements in respect of which indemnity commission has been agreed shall be deemed to have been terminated in accordance with paragraph 2.6.3;
- (C) the partners of the FA immediately before dissolution shall owe and shall promptly repay the Company commission calculated in accordance with paragraph 2.6.3 (such liability shall be joint and several); and
- (D) the Company will consider its agency account with the FA to be closed and will no longer accept further business from the FA in accordance with these Terms of Business.

2.6.5 The FA shall notify the Company immediately upon any insolvency proceedings being taken against the FA, or against any of its directors or partners. As at the date of receipt of such notification by the Company, at the Company's sole discretion:

- (A) the indemnity commission arrangement shall cease;
- (B) agreements in respect of which indemnity commission has been agreed shall be deemed to have been terminated in accordance with paragraph 2.6.3;
- (C) the FA shall owe and shall promptly repay the Company commission calculated in accordance with paragraph 2.6.3; and
- (D) the Company will consider its agency account with the FA to be closed and will no longer accept further business from the FA in accordance with these Terms of Business.

2.6.6 The Company reserves the right not to pay indemnity commission terms for identified policies from time to time, and in particular, policies on the lives of the principals, directors, partners or associates of the FA.

2.7 If commission is credited to an account held in respect of the FA, the Company shall arrange payment of any amount due by the FA by debiting that account with the amount due. If this results in a debit balance, the FA will be required to pay the Company the balance due. If the FA is a branch or subsidiary of a FA, the Company will require payment of any amount due from the parent FA in the event of the branch or subsidiary not making such payment. The Company charges interest from the outset on debit commission balances which have been outstanding for three months and notifies the FSA and any other relevant regulatory body of any such outstanding balances in accordance with applicable law and regulation. The interest rate applicable may vary and any variations will be notified to the FA by the Company as appropriate.

- 2.7.1 Where the FA holds more than one account with the Company, the Company reserves the right to deduct the amount due from any account held by the FA.
- 2.7.2 Where commission payments are split between more than one party or paid to another party the FA is responsible for any debts owing to the Company.
- 2.8 The commission payable for the Company's Lifetime Mortgage range of products will consist of one payment (at a rate which will be published from time to time) which will be made when the initial advance is made under an agreement. This payment will not be subject to clawback. Commission will not be payable when additional sums are drawn down by the client during the lifetime of the agreement.

### **3. DOCUMENTATION AND INTELLECTUAL PROPERTY**

- 3.1 The FA acknowledges that it must pass on immediately without amendment any documentation which is either supplied by the Company for the benefit of, or completion by, the client, or is provided by the client in relation to an agreement (whether existing or prospective) between the client and the Company. In addition, the Company may from time to time supply the FA with marketing or other promotional material in relation to its products and services which the FA shall pass on to its clients in a timely manner without amendment. The addition of the FA's name and address to any such documentation or material shall not constitute an amendment.
- 3.2 The FA shall not, on the Company's behalf, vary any plan, policy, application form, endorsement, contract note, certificate of receipt or any other document relating to an agreement with a client unless the Company has previously given the FA written permission to do so.
- 3.3 All correspondence, documentation, papers, records, computer software and hardware and other items of property belonging to the Company and in the possession of the FA (the "Company Documentation") must at all times be available to the Company for inspection and be delivered promptly to the Company on request or in any event upon termination or cessation of the relationship between the FA and the Company set out in these Terms of Business. Where such inspection or request for delivery of any Company Documentation is made by the Company as a result of a request by the FSA and/or any other relevant regulatory body, the FA acknowledges that it may be necessary for it to allow employees and/or representatives of the FSA and/or such other relevant regulatory body to have access to its premises for the purposes of conducting an inspection of the Company Documentation.
- 3.4 The Company reserves the right to send communications direct to the client in relation to existing agreements, but will not issue a direct mailshot to clients if the FA has indicated in writing otherwise. For the purposes of this paragraph 3.4, a "direct mailshot" shall include promotional and marketing materials but will not extend to the Company's client magazine or any communications which relate to an existing agreement between the Company and a client. For the avoidance of doubt, the Company reserves the right to issue a direct mailshot to clients if a client or a FA notifies the Company that the FA is no longer to be the agent of the client or if the FA is no longer able to act for the client in its dealings with the Company and/or to advise on the Company's products.
- 3.5 In providing Regulated Services to clients and introducing business to the Company in accordance with these Terms of Business, the FA acknowledges that it is solely responsible for, and shall provide clients with, such information, documentation and other materials as are required in order to satisfy its obligations under applicable law and regulation, including the FSA Rules (the "FA documentation"). The Company bears no liability for the content of the FA documentation and expresses no opinion as to its compliance with applicable law and regulation.

3.6 The FA may not use any intellectual property (which shall include without limitation, the Prudential brand) owned by the Company except as expressly set out in these Terms of Business. Nothing in these Terms of Business shall operate to transfer the ownership of any intellectual property rights from the Company to the FA. In the event that ownership of any intellectual property rights is so transferred, the FA shall do all things and execute all documents necessary from time to time in order to assign those intellectual property rights to the Company.

#### **4. COLLECTION OF PREMIUMS BY THE FA**

The FA is not authorised by the Company to collect monies on behalf of the Company. If the FA undertakes to the client to pass monies to the Company it must do so promptly.

#### **5. DEATH OF SOLE TRADER**

In the event of the death of a sole trader FA, the Company will consider its agency account with that sole trader FA to be closed with effect from the date the Company is notified of the death. If all the initial commission has been settled, any commission at credit in the account but not yet paid, as at the date the Company is notified of the death, will be paid to the executor of the estate and the agency account will be closed. If there are instalments of non-indemnity initial commission still to be paid, these will be paid to the executor as premiums are received and all other commission will also continue to be paid until all initial commission instalments are settled. The agency account will then be closed. For an indemnity agency account, any commission due but not yet paid, as at the date the Company is notified of the death, will be paid to the legal personal representatives of the estate and any amounts due to the Company will be payable by the legal personal representatives to the Company. The agency account will then be closed.

#### **6. THIRD PARTY TAKING OVER BUSINESS AND RESTRUCTURES**

If the Company is advised that another FA has taken over the business of a FA with whom the Company has contracted to accept business under these Terms of Business or the FA has undergone a material restructure of its business, then, subject to that other FA or the restructured FA business being authorised with the appropriate Part IV FSMA permission(s) to carry on the business in accordance with applicable law and regulation, the Company may at its sole discretion transfer the relevant agency account to the FA taking over the business or continue the agency account with the restructured FA business. In the case of an indemnity agency where there is unearned initial commission, the Company will require written confirmation (in a form satisfactory to the Company) from a FA taking over the business that it accepts liability for such unearned commission. If the FA taking over the business is unwilling or unable to provide such written confirmation, the Company may, at its sole discretion, terminate these Terms of Business on written notice to the FA. The Company will not request individual letters of authority from clients affected by the takeover of a FA's business on the understanding that either the FA whose business has been taken over or the FA taking over that business will inform all affected clients of the transfer in a timely fashion and in accordance with applicable law and regulation.

If the Company, at its sole discretion, does not wish to transfer the relevant agency account to the FA taking over the business or to continue the agency account with the restructured FA business, as the case may be, the Company may terminate these Terms of Business on written notice to the FA.

If the Company is advised or becomes aware that a FA has entered into a single-tie arrangement with a third party or any other arrangement where the FA is no longer able to introduce business to the Company, the Company may at its sole discretion, terminate these Terms of Business on written notice to the FA.

## 7. UNIT TRUSTS, PEP TRANSFERS AND ISAS

- 7.1 The terms of dealing and unit pricing for unit trusts, PEP transfers and ISAs are set out in the Company's Scheme Particulars, PEP Customer Agreement and ISA Customer Agreement respectively, in issue from time to time. It is the responsibility of the FA to ensure these terms are adhered to.
- 7.2 The Company reserves the right to rescind an agreement in cases of investment non-payment within one month of the bargain date. In such circumstances, the FA will be deemed not to have given any indemnity and will not therefore be liable for any outstanding investment amount.
- 7.3 The FA shall, in the case of repurchases, inform the Company whether the cheque should be made payable to the FA's Client Account or to the client. Unless advised to the contrary and evidenced in writing by the client, the Company will make all cheques, issued in settlement of repurchases payable to the client.
- 7.4 When initiating a bargain the FA must disclose to the Company the name(s) of the principal(s) for whom it is acting and all other information which may be required under applicable law and regulation (including the FSA Rules).
- 7.5 If the FA cannot give the Company the information required in paragraph 7.4, it acknowledges that this may impact upon the FA's timely execution of the transaction.
- 7.6 When dealing, the FA should also give the number of units or amount to be invested or realised as the case may be, the name of the trust and either the FA's FSA Firm Reference Number or account number as appropriate. If the order is being placed by telephone, the Company will then repeat back to the FA full details of the order whereupon the order shall become a binding agreement.
- 7.7 Where the FA's client is subject to a customer agreement of a type which means that the client is not entitled to cancellation rights under FSMA, the Company will not issue a statutory notice to the client.

- 7.8 In all circumstances the FA's involvement in any bargain will be confirmed by the issue by the Company of the client's contract note (a copy of which is issued to the FA) which, inter alia, will confirm the amount of commission due to the FA.

## 8. TERMINATION

- 8.1 In addition to any other termination rights under these Terms of Business from time to time, either the Company or the FA may terminate these Terms of Business by giving not less than one week's written notice to the other.
- 8.2 Upon termination of these Terms of Business for any reason, the Company reserves the right to close the account the FA holds with the Company and to cease payment of any renewal, level and fund related commission payable on existing policies introduced to the Company by the FA. The Company also reserves the right not to pay commission to the FA on any future increments to existing policies received by the Company.
- 8.3 Following termination of these Terms of Business for any reason, the Company reserves the right to communicate directly with clients and such communication may include promotional and marketing materials.
- 8.4 Where:
  - (A) a FA is a partnership, and that partnership is, or is to be, dissolved; or
  - (B) any insolvency proceedings are taken against any of its directors or partners,the FA shall notify the Company immediately and the Company may, at its sole discretion, terminate these Terms of Business on written notice to the FA.
- 8.6 Unless otherwise specified, termination of these Terms of Business under this paragraph 8 or any other relevant provision of these Terms of Business shall not affect the rights and obligations of the Company and the FA which have accrued or arisen under these Terms of Business prior to termination.

## 9. MISCELLANEOUS

9.1 The FA will indemnify the Company against any loss sustained by the Company arising from the introduction of business by the FA outside the scope of its Part IV FSMA permission(s) or arising from any breach of applicable law and regulation or any provision of these Terms of Business. The FA will be responsible for any loss incurred by the Company due to reputational damage caused by a dispute with the FA. The FA shall have in place such level of professional indemnity insurance cover as shall be necessary to comply with the requirements of any relevant regulatory body (including the FSA) in accordance with applicable law and regulation.

9.2 The FA agrees that the Company may copy, scan and electronically store all correspondence with the FA and may record or monitor telephone conversations between the FA and the Company.

9.3 Both the Company and the FA shall have due regard for the confidentiality of personal information and shall not disclose to any third party any information of a confidential nature relating to the business or affairs of either party.

9.4 The Company and the FA shall at all times comply with, and act so as to enable the other to comply with, the terms of the Data Protection Act 1998 or other applicable data protection legislation as amended from time to time or any re-enactment of it (the "Data Protection Laws"). The FA shall ensure that personal data of its clients, including sensitive personal data, can be lawfully processed by the Company for all purposes envisaged by these Terms of Business. The FA shall promptly inform the Company of any changes or updates to any personal data of any of its clients, and shall obtain any consent of its clients which may be necessary in order to do so. When acting in the capacity of data processor for the FA, the Company will process personal data in accordance with its normal data processing procedures. In doing so, the Company will comply with the Seventh Data Protection Principle set out in Schedule 1 of the UK Data Protection Act. The FA shall ensure that all personal data which it transfers to the Company, whether electronically or otherwise, is complete and accurate.

9.5 The Company may use and share with their business partners any information of the FA, or employees or associates of the FA (including personal data), for the purposes of

- (A) administering the FA's clients' policies/accounts;
- (B) risk assessment and fraud prevention;
- (C) compliance with applicable law and regulation, which may include the disclosure of any such information to the FSA and other relevant regulatory bodies (including as provided under these Terms of Business); and
- (D) sales forecasting and sharing management information.

The Company will also use the FA's information to keep the FA informed about other products and services which may interest the FA or its clients. The Company may contact the FA by mail, telephone, facsimile, text or e-mail, including for marketing purposes. The FA should inform the Company in writing if it would prefer not to be contacted by these means for marketing purposes. The FA consents to the Company processing sensitive personal data and to the Company transferring the FA's information, or information supplied by the FA about clients, to countries which may not provide an adequate level of data protection where this is necessary for any of the purposes referred to above. The Company will ensure that it complies with the Data Protection Laws in respect of such information. In the event of a breach by the FA (including any employee or agent of the FA) of these Terms of Business, and in particular, in the event of the FA incurring a debt which is reportable to the regulators, the FA shall notify the Company as soon as practicable and the Company reserves the right to share this information (including any personal data) with other financial institutions and relevant regulatory bodies, including the FSA. For example, the Company will supply details to the Elixir database maintained by Crif Decision Solutions Limited on behalf of insurers. The FA or an employee of the FA has the right to apply for a copy of any personal information held by the Company about him (for which the Company may charge a fee) and to have any inaccuracies in that data corrected.

- 9.6 The Company shall be entitled to use, without identifying any client, and the FA consents to the Company's use of, any information or data supplied by the FA to the Company for the purposes of exchanging information with any other contracting parties of the Company, conducting market research (either alone or in conjunction with any other party), for preparing strategic or other marketing plans (either alone or in conjunction with any other party), or for the purposes of gauging product sales or product performance (either alone or in conjunction with any other party) and furthermore the Company shall be entitled to disclose, and the FA approves such disclosure, any information or data supplied by the FA to the Company to any party contracting with the Company or otherwise to any party as is consistent with the effecting of the aforementioned approved uses of such information.
- 9.7 In providing Regulated Services to clients and introducing business to the Company, the FA is responsible for compliance with applicable law and regulation governing the prevention of money laundering (including the FSA Rules, the Money Laundering Regulations 2003 and the Proceeds of Crime Act 2002 or other applicable money laundering legislation) and with the Joint Money Laundering Steering Group's Guidance Notes for the Financial Sector and the FA shall obtain and accurately record in accordance with such law and regulation appropriate evidence of the identity of all clients and any other third parties introduced to the Company by the FA. The FA will forward to the Company a confirmation of verification of identity for all relevant parties, in order to satisfy their own and the Company's obligations under applicable legislation and regulation governing the prevention of money laundering. The Company reserves the right to carry out random checks on client identity evidence and other client information held by the FA, and may do so by means of visits to the FA's premises in order to verify any such information where appropriate, including in order to comply with its obligations under applicable law and regulation. Wherever possible, the Company will give the FA reasonable advance notice of any such visit to its premises.
- 9.8 The Company reserves the right to amend or vary, or to withdraw any rights conferred by, these Terms of Business from time to time, including to reflect any change in applicable law and regulation (including the FSA Rules), subject to at least one week's notice being given to the FA, except as otherwise required under applicable law and regulation. Any such amendment, variation or withdrawal will not affect agreements in force before the effective date of such amendment, variation or withdrawal, unless a relevant statutory or regulatory body so dictates.
- 9.9 Where, under paragraph 9.8, the Company withdraws the FA's right to receive indemnity commission in accordance with paragraph 2.6:
- (A) agreements in respect of which indemnity commission has been agreed shall be deemed to have been terminated in accordance with paragraph 2.6.3; and
  - (B) the FA shall owe and shall promptly repay the Company commission calculated in accordance with paragraph 2.6.3.

- 9.10 The Company is entering into these Terms of Business with the FA on the understanding that (i) all business will be introduced to the Company following the provision of advice regulated under FSMA to clients by the FA, and (ii) the provision of such advice and other Regulated Services to clients and then introduction of business to the Company, will be carried out by the FA in accordance with applicable law and regulation (in particular the FSA Rules). In providing Regulated Services to clients and introducing business to the Company, the FA shall ensure that only those employees who have been adequately and suitably trained by the FA and who have been granted appropriate approval or other consents by the FSA shall provide advice to clients and introduce business to the Company. The FA hereby confirms that all such employees are and shall continue to be subject to the FA's internal training and competence regime and shall be appropriately and regularly monitored, assessed and supervised by the FA in accordance with applicable law and regulation and as may be necessary from time to time for the purposes of ensuring compliance by such employees with these Terms of Business and with applicable law and regulation. The FA also hereby confirms that, in accordance with applicable law and regulation, it will at all times remain responsible for the advice it provides to its clients and that any information it provides to its clients in respect of products provided by the Company will be appropriate and accurate at the time the information is provided. Should any information be provided to clients that is not appropriate and accurate in the circumstances, the Company reserves the right to inform any relevant regulatory bodies and to reclaim any loss the Company may experience.
- 9.11 Without prejudice to the generality of paragraph 9.10, where the means by which the FA provides Regulated Services to a client and/or introduces business to the Company is or are such that the resulting agreement constitutes a "distance contract" as defined under applicable law and regulation, the FA shall ensure that, in addition to the FA documentation referred to at paragraph 3.5, it shall provide the client with such pre-sale and other specified information as is required in respect of distance contracts in order to comply with the provisions of applicable law and regulation, including the FSA Rules. The FA shall also ensure that the client has sight of and consents to the Company's processing of their personal data as defined in the Company's data protection notice (provided in the application form) where the application is submitted on line and not signed by the client.
- 9.12 These Terms of Business are enforceable by the Company and the FA and by their successors in title and permitted assignees. No other person shall have any rights under The Contracts (Rights of Third Parties) Act 1999 to enforce any provision of these Terms of Business.
- 9.13 The Company's terms of business for electronic trading are set out in its Electronic Services Agreement and its Commercial and Technical Agreement which will be published from time to time. The FA shall comply with the provisions of such terms of business where necessary in order to provide Regulated Services to clients and/or introduce business to the Company.
- 9.14 The FA is not required to sign or acknowledge these Terms of Business but the FA accepts that the introduction of business by it to the Company following its receipt of these Terms of Business will indicate acceptance by it of the terms and conditions herein.
- 9.15 These Terms of Business are governed by, and shall be construed in accordance with, English law and are subject to the exclusive jurisdiction of the courts of England and Wales.



**PRUDENTIAL**