

# Terms of business including intermediary application form

## Introduction

Please complete the attached application form and return it to us at the address shown below. Please keep the Terms of Business for your records.

Please note that this application form only relates to the following range of funds:

- Threadneedle Investment Funds ICVC II
- Threadneedle Investment Funds ICVC III
- Threadneedle Investment Funds ICVC IV

We are able to provide literature and communications in the following alternative formats: Braille, large print, audiotape. Should you require this document in any of these formats, please contact us on 0845 113 0273.

## Contact Information

If you would like help in completing the intermediary application form, please contact us on **0845 113 0273** or write to us at:

**Threadneedle Investment Services Ltd**  
**PO Box 10033**  
**Chelmsford**  
**Essex**  
**GM99 2AL**

# Intermediary application form

## Intermediary Business details

Name: \_\_\_\_\_ Name of Business: \_\_\_\_\_

Marketing/Trading name:  
(As appearing on the FSA register)

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Business telephone number(s): \_\_\_\_\_

Email address: \_\_\_\_\_

Business fax number(s): \_\_\_\_\_

Website: \_\_\_\_\_

FSA registration number: \_\_\_\_\_

Do you handle client money?  Yes  No

## Key contact names, titles and qualifications

Name: \_\_\_\_\_ Job title: \_\_\_\_\_

Qualifications: \_\_\_\_\_

Name: \_\_\_\_\_ Job title: \_\_\_\_\_

Qualifications: \_\_\_\_\_

Name: \_\_\_\_\_ Job title: \_\_\_\_\_

Qualifications: \_\_\_\_\_

Have you had any previous registration under the Financial Services and Markets Act 2000 (and/or the legislation that it replaced) withdrawn?

If so, please give details: \_\_\_\_\_

Have you had any intermediary application with another company refused, or cancelled?  
If so, please give full details: \_\_\_\_\_

# Declaration

To Threadneedle

I/We have read the Terms set out by Threadneedle and I/We agree to be bound by them in our dealings with you.

I/We warrant to Threadneedle that it has appropriate permission to carry out Business and that our Appointed Representatives (if any) have been appointed under a contract in compliance with Financial Services and Markets Act 2000.

By signing this Application Form, I/We consent in particular (but without limitation) to the Disclosure and Exchange of information provisions contained in Part 5 of the Terms.

I/We declare that the answers given on this application form are true and complete, and that I/We have not withheld or concealed any circumstances on which information is required.

Signed:

Date:

\_\_\_\_\_  
Name in BLOCK CAPITALS:

\_\_\_\_\_  
Position in firm:

(A director or company secretary must sign on behalf of the company, and a partner in the case of a partnership)

## Commission Payment details – for direct credit (BACS)

Name of Agency:

\_\_\_\_\_  
Agency number (if known):

\_\_\_\_\_  
Name of Bank:

\_\_\_\_\_  
Bank address:

\_\_\_\_\_  
Postcode:

Sort code:

			-				-			
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Account number:

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\_\_\_\_\_  
Name of the account:

(if different from the name of the Agency)

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Position:

\_\_\_\_\_  
Date:

# Schedule of Products and commission terms

The schedule will form the basis upon which we conduct business and shows you clearly the products for which you have an agency and the commission levels that you will receive.

## Schedule 1

### Commission terms

**The products which are covered by this agreement are:**

Threadneedle Investment Funds ICVC II (Retail)

Threadneedle Investment Funds ICVC III (Retail)

Threadneedle Investment Funds ICVC IV (Retail)

#### Initial Charge

The Initial Charge payable on each of the funds shall be 5% (with the exception of Threadneedle UK Money Market Fund where initial charge is 1% and no Commission payable).

#### Annual Management Charge (AMC) Rebate

The ongoing AMC shall be 1% (with exception of the following funds Threadneedle Money Market 0.50%, Threadneedle UK Fixed Interest 0.55% and Threadneedle UK Index Linked 0.55%). The AMC is accrued daily and paid calendar quarterly within 10 working days of the quarter end.

**Commission / AMC Rebate Payable as Follows:**

Threadneedle Investment Funds ICVC II	Max IFA Initial Commission	AMC Rebate
Threadneedle UK Growth Fund	4%	0.50%
Threadneedle European ex-UK Growth Fund	4%	0.50%
Threadneedle UK Equity Income Fund	4%	0.50%

Threadneedle Investment Funds ICVC III	Max IFA Initial Commission	AMC Rebate
Threadneedle Worldwide Select Fund	4%	0.50%
Threadneedle Balanced Managed Fund	4%	0.50%
Threadneedle UK Fixed Interest Fund	4%	0.25%
Threadneedle UK Index Linked Fund	4%	0.25%
Threadneedle UK Corporate Bond Fund	4%	0.50%
Threadneedle UK Money Market Fund	0%	0.25%

Threadneedle Investment Funds ICVC IV	Max IFA Initial Commission	AMC Rebate
Threadneedle Diversified Income Fund	4%	0.50%
Threadneedle Managed Portfolio 3 Fund	4%	0.50%
Threadneedle Managed Portfolio 4 Fund	4%	0.50%
Threadneedle Managed Portfolio 5 Fund	4%	0.50%
Threadneedle Managed Portfolio 6 Fund	4%	0.50%
Threadneedle Managed Portfolio 7 Fund	4%	0.50%

Commissions payable to \_\_\_\_\_ IFA

All payments will be made to the nominated bank detailed in the fully completed Terms of Business enclosed with this schedule.

# Terms

## Definitions

<b>Appointed Representative</b>	Any company, partnership or person who acts as an agent for the Intermediary.
<b>Business</b>	The arrangement of a Product for a Client by the Intermediary.
<b>Client</b>	Any person for whom the Intermediary or its Appointed Representative(s) acts in relation to a Product.
<b>Commission/Fee/Annual Management Charge Rebate</b>	The amount payable by Threadneedle to the Intermediary for the Business as agreed from time to time. Unless the contrary is expressly stated, this shall be deemed to include renewal as well as initial commission.
<b>FSMA</b>	Financial Services and Markets Act 2000 as amended or replaced from time to time.
<b>FSA</b>	The Financial Services Authority in the UK, and any successor from time to time, or any other regulatory body which regulates Threadneedle or the Intermediary.
<b>Group</b>	<p>In relation to a company:</p> <ul style="list-style-type: none"><li>(a) that company and any Subsidiary of that company;</li><li>(b) the ultimate Holding Company of that company; and</li><li>(c) every other company which is a Subsidiary of the same ultimate Holding Company;</li></ul> <p>in each case from time to time. Holding Company and Subsidiary Company to be construed in accordance with section 1159 of the Companies Act 2006.</p>
<b>Handbook</b>	The FSA Handbook of rules and guidance as amended or replaced by the FSA from time to time; and unless the context otherwise requires words and phrases the definition of which is contained or referred to in the Handbook shall have the same meaning in these Terms.
<b>Intermediary</b>	The authorised firm identified in the registration form.
<b>Threadneedle</b>	Means Threadneedle Investment Services Limited acting as Authorised Corporate Director, unit trust manager and/or ISA manager or promoter of funds in jurisdictions outside the United Kingdom.
<b>TISL Products</b>	Means the range of open ended investment companies together with any retail savings plans including Individual Savings Accounts (ISA) offered by TISL. TISL is the Authorised Corporate Director or distributor of the Products.
<b>Product</b>	Any product or service offered by Threadneedle from time to time.

# Part 1 Scope

- 1.1 These Terms set out the terms and conditions upon which Threadneedle accept Business from the Intermediary.
- 1.2 The submission of any Business by the Intermediary to Threadneedle will be deemed to constitute agreement to these Terms.
- 1.3 These Terms and the Commission Schedule, together with any documents referred to in it, constitute the whole agreement between the parties relating to its subject matter.
- 1.4 Threadneedle reserve the right, at their absolute discretion, not to accept Business from the Intermediary.
- 1.5 Threadneedle will not accept Business from any Intermediary who is not or ceases to be authorised for the purposes of the FSMA or the Handbook ("Authorised").
- 1.6 The Intermediary is not authorised to alter, add to or cancel, either verbally or otherwise, any of the conditions of any contract for a Threadneedle Product and Clients must be so informed.
- 1.7 The Intermediary is not authorised to incur any expenditure or otherwise incur liability on behalf of Threadneedle.
- 1.8 The Intermediary undertakes to perform its duties under these Terms in accordance with all applicable requirements of the Handbook and with skill and diligence in accordance with industry standards of best practice from time to time and that all of its personnel engaged in performing its duties hereunder are/will be properly qualified and experienced persons who will perform their duties in accordance with all applicable requirements of the Handbook and industry standards of best practice from time to time.
- 1.9 The Intermediary is the agent of the Client in relation to all aspects of the Business, except insofar as is necessary to give effect to the personal responsibilities of the Intermediary to Threadneedle as set out in these Terms.
- 1.12 Where a Product is applied for by the Intermediary or any employee or agent of the Intermediary, or by the spouse, partner or other relative of any such person, the Intermediary will disclose that fact to Threadneedle when submitting the Business.
- 1.10 The Intermediary warrants to Threadneedle that it has appropriate permissions to carry out Business and that its Appointed Representatives (if any) have been appointed under a contract with the Intermediary in compliance with the FSMA. The Intermediary will notify Threadneedle immediately:
  - (i) If it receives notice that a relevant regulatory authority suspends, cancels or withdraws the Intermediary's authorisation or alters its permissions or gives notice that it intends to suspend, cancel or withdraw the Intermediary's authorisation or alter its permissions; and
  - (ii) Any contract with an Authorised Representative is terminated for any reason.

## Part 2 Commission

- 2.1 Subject to these Terms, and in accordance with the Handbook, Threadneedle will pay the Intermediary the agreed Commission.
- 2.2 TISL will pay the Intermediary Commission on all Business in respect of the sale of TISL Products submitted to Threadneedle by the Intermediary and accepted by Threadneedle in accordance with the TISL Commission Schedule which can be accessed at [www.threadneedle.co.uk](http://www.threadneedle.co.uk) together with these Terms, or as notified from time to time.
- 2.3 The Intermediary is responsible for obtaining taxation advice on the implications of the choice of form and amount of Commission payable in respect of any Business.
- 2.4 If either the Intermediary ceases to be an authorised person or the Intermediary informs Threadneedle that its business is to be transferred, the Intermediary shall use its best endeavours to arrange for another Intermediary ("the other Intermediary") to give advice to existing Clients. In such circumstances, Threadneedle may at Threadneedle's discretion (and on receipt of a written request from the Intermediary) transfer the payment of renewal Commission to the other Intermediary provided that the other Intermediary has accepted in writing any contingent liability to repay to Threadneedle any unearned Indemnity Commission paid to the Intermediary.
- 2.5 Where indemnity terms do not apply, in respect of Threadneedle Products that are terminated on the death of the life assured the balance of initial Commission (discounted at a rate of interest determined by Threadneedle from time to time) will be payable by Threadneedle to the Intermediary as a lump sum.
- 2.6 Threadneedle reserve the right to cease paying Commission if the Intermediary ceases to be authorised or where the Intermediary or the Client notifies Threadneedle that the Intermediary is no longer to be the agent of the Client.
- 2.7 In the event that the FSA suspends or threatens to suspend (or takes any similar action in relation to) the Intermediary's status as authorised, Threadneedle reserve the right to cease paying Commission until such actual or threatened suspension (or similar action) ceases.
- 2.8 Threadneedle statement of account (which may be contained in writing, disk, tape, direct on-line communication to computer terminal or any other method of communication agreed by Threadneedle and the Intermediary) shall be the conclusive record of Commission due to the Intermediary.
- 2.9 Initial Commission shall be paid monthly, or as otherwise agreed, and Annual Management Charge Rebate shall be calculated quarterly and paid within 15 days of quarter end dates (31st March, 30th June, 30th September and 31st December) unless otherwise agreed in writing by Threadneedle. Threadneedle may defer payment of Commission until a total of at least £50 or such other amount as determined by Threadneedle from time to time is due to the Intermediary.
- 2.10 TISL will provide the Intermediary with Commission statements that will be the prime record of Commission due to the Intermediary.
- 2.11 TISL may from time to time amend or replace the Commission Terms by giving the Intermediary 30 days' notice. Any variation will apply to the calculation of all Commission payments falling due after the date such variation comes into force.
- 2.12 Unless the Intermediary repays the Commission to TISL within three months of the date on which a Client exercises a statutory right of cancellation, the Intermediary must pay interest on the Commission from the date of cancellation until such time as the Commission is repaid. The interest rate applied to outstanding repayments of Commission is 1.5% per month, compounded.
- 2.13 TISL may deduct any Commission owed by the Intermediary under paragraph 2.9 from any other amount of Commission payable by TISL to the Intermediary.
- 2.14 If a Client exercises a statutory right of cancellation in relation to any TISL Product, the Intermediary shall immediately repay to TISL all the Commission paid to it in respect of that Product.

- 2.15 The Intermediary shall be responsible for the proper discharge of all obligations placed on it by the FSA, FSMA, the Handbook or any voluntary code of conduct in relation to its Clients. In particular, but without limitation, the Intermediary must inform the Client that Commission will be payable by Threadneedle to the Intermediary and provide written details of the Commission payable in cash terms to the Client before asking the Client to sign the application for Threadneedle Products and provide the Client with the relevant disclosure Documents as required by the Handbook in respect of its status and the cost of the provision of its services.

## Part 3 Documentation

- 3.1 The Intermediary must pass on immediately, without amendment, any documentation that is either supplied by Threadneedle for the benefit of, or completion by the Client or provided by the Client in relation to Threadneedle Products.
- 3.2 For any Business where the Intermediary corresponds with Threadneedle on behalf of the Client with that Client's authority, Threadneedle will communicate solely with the Intermediary. On those occasions when Threadneedle sends documentation direct to the Client, Threadneedle will inform the Intermediary that Threadneedle has done so, unless that documentation is merely routine correspondence relating to a Threadneedle Product.
- 3.3 Threadneedle will only communicate with the Intermediary where the Intermediary is authorised by the Client to act on behalf of the Client.
- 3.4 In relation to documentation other than routine correspondence of the kind referred to in Clause 3.2 of these Terms (such as marketing material promoting new or renewal business), Threadneedle will only send this directly to a Client with the Intermediary's prior permission and Threadneedle will pay any Commission on resulting Business to the Intermediary on such scale as is notified by Threadneedle in each particular case subject to these Terms.
- 3.5 All books, documents, computer software and hardware belonging to Threadneedle and in possession of the Intermediary must at all times be available to Threadneedle for inspection and be delivered to Threadneedle by the Intermediary on demand.
- 3.6 The Intermediary undertakes not to and undertakes to procure that none of its personnel, (whether employees, agents or subcontractors) nor any other members of its Group either alone or in conjunction with any other person, shall without the prior written consent of Threadneedle, which may be withheld by Threadneedle at Threadneedle's absolute discretion, permit or authorise the making of any reference to Threadneedle and/or Threadneedle business in any communication (including but not limited to electronic and web based forms), publication (including leaflets and brochures), journal, newspaper or other promotional material or documents whatsoever.
- 3.7 Any request by the Intermediary to make any such reference set out in Clause 3.6 of these Terms shall be made in writing to Threadneedle and shall be accompanied by a copy of the communication, announcement, photograph or other matter and where available, details of the time and the medium for the use or publication of the communication or announcement together with any such other information or documentation as Threadneedle shall request. Any approval which may be given shall apply to the specific request of the response to which the approval is granted and only that request.
- 3.8 The copyright, patent, trademark, design rights and all other intellectual property rights in the Threadneedle Investments name and logo and in any document produced by Threadneedle or any member of the Threadneedle group of companies shall as between Threadneedle and the Intermediary remain the sole property of Threadneedle and the Intermediary shall not gain any rights in such intellectual property.

## **Part 4** Payments through the Intermediary as agreed in writing by Threadneedle

- 4.1 Without prejudice to Clause 1.8 of these Terms, if the Intermediary undertakes to the Client (with Threadneedle written agreement) to pass client monies promptly to Threadneedle and without deduction of Commission.
- 4.2 Without prejudice to Clause 1.8 of these Terms, if the Intermediary is expressly authorised in writing by Threadneedle to pass client monies to Threadneedle, the Intermediary must hold such monies, in accordance with the client money requirements set out in the Handbook and hold such monies on trust for the Client and pay them to Threadneedle in accordance with the Client's authority.
- 4.3 The Intermediary must make it clear to the Client that monies held by the Intermediary on the Client's behalf are not deemed to have been paid to Threadneedle and that any failure on the part of the Intermediary to pay over those monies will result in the Client having to make alternative arrangements to make the payment to Threadneedle.
- 4.4 In the event that payment is not made to Threadneedle of monies referred to in Clause 4.2 of these Terms, the Intermediary will indemnify Threadneedle in respect of any costs, claims, actions, damages or expenses which Threadneedle may suffer or incur as a result.

## **Part 5** Disclosure and exchange of information

- 5.1 Threadneedle shall be entitled to process, share and use, and the Intermediary consents to Threadneedle processing, sharing and using, any information or data supplied by the Intermediary, including that relating to its employees, consultants and Appointed Representative(s), to Threadneedle for the purposes of administration of Business with the Intermediary, exchanging information with any group companies or contracting parties of Threadneedle, 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 purpose of gauging product sales or product performance (either alone or in conjunction with any other party) and furthermore Threadneedle shall be entitled to disclose, and the Intermediary approves Threadneedle disclosure of, any information or data supplied by the Intermediary to Threadneedle to any party contracting with Threadneedle or otherwise to any party as is consistent with the effecting of the aforementioned approved uses of such information.
- 5.2 In the event of a breach of these Terms and in particular in the event of the Intermediary incurring a debt which Threadneedle is required to notify to the FSA, Threadneedle reserves the right to share this information with other financial institutions and the appropriate regulatory authorities.
- 5.3 The Intermediary will at all times, comply with the provisions and obligations of the Data Protection Act 1998 as amended or replaced from time to time and any regulations made under that Act. This includes taking appropriate technical and organisational measures against unauthorised processing of personal data and against accidental loss or destruction of, or damage to, personal data (in accordance with the seventh data protection principle).
- 5.4 The Intermediary will be responsible as agent for the Client for obtaining and recording the Client's consent in accordance with the Data Protection Act 1998 to use and transfer the Client's personal data by electronic, digital or other means of communication.
- 5.5 Should the Intermediary wish to communicate to Threadneedle via email, the Intermediary acknowledges that email transmission cannot be guaranteed to be secure or error free and that it may be possible for transmissions to be intercepted, corrupted, lost, delayed or be incomplete or contain viruses. The Intermediary understands and accepts the risks with the use of such a mode of communication.

## Part 6 Money laundering regulations

- 6.1 In connection with all transactions with Threadneedle, the Intermediary must obtain and record, under procedures maintained by the Intermediary, evidence of the identity of all third parties introduced to Threadneedle by the Intermediary in accordance with the provisions of all Directives, Acts, Regulations, Rules and guidance notes issued in relation to money laundering, any requirements of or guidance issued by the FSA and any requirements of Threadneedle notified to the Intermediary from time to time (the "Money Laundering Regulations").
- 6.2 Where appropriate, a duly completed confirmation of verification of identity certificate in an agreed format or any alternative certificate notified by Threadneedle to the Intermediary from time to time shall be forwarded to Threadneedle with the application in accordance with the provisions of the Money Laundering Regulations. Threadneedle cannot be held responsible for the errors or omissions of the Intermediary in the provision of this information.

## Part 7 Variation and termination

- 7.1 Threadneedle reserve the right to vary, supplement or cancel these Terms subject to one month's notice being given to the Intermediary, except in circumstances where changes in the regulatory rules or any legislation are required to take effect earlier than that date, in which event notice of variation will be given as soon as reasonably practicable. Notice may be given by post, fax or electronically either by email or by posting notice of the change on the adviser site [www.threadneedle.co.uk](http://www.threadneedle.co.uk). Such variation will not affect Business in force or Business already submitted to Threadneedle before the variation of the Terms takes effect, except in such circumstances where regulatory or legislative requirements require otherwise.
- 7.2 In the event of the occurrence of any of the following events, Threadneedle reserves the right to terminate these Terms with immediate effect on written notice to the Intermediary and to cease to make any further payment of Commission to the Intermediary if the Intermediary (or its Appointed Representative(s)):
- (i) purports to sell, transfer, assign, charge or otherwise prejudice our ability to recover any Indemnity Commission that may ultimately become repayable without Threadneedle's written consent; or
  - (ii) is a partnership, which is dissolved or is varied by the addition of new partners or the retirement of existing partners without Threadneedle's prior written consent; or
  - (iii) ceases to (or threatens to cease to) trade; or
  - (iv) is a company:
    - (a) upon a receiver being appointed over any of its assets or property; or
    - (b) upon a petition being issued for the appointment of an administrator; or
    - (c) upon a liquidator being appointed or a petition being issued to wind it up; or
  - (v) is an individual(s):
    - (a) upon becoming bankrupt; or
    - (b) upon entering into an arrangement with creditors; or
  - (vi) ceases to be authorised under FSMA for any reason; or
  - (vii) commits a material breach of any term of these Terms; or
  - (viii) commits a material breach of its obligations pursuant to the Handbook.
- 7.3 The Intermediary shall keep Threadneedle promptly informed in writing of any facts known to it within the scope of Clause 7.2 of these Terms.
- 7.4 Notwithstanding the termination of these Terms or the withdrawal of the authorisation of the Intermediary, the Intermediary agrees that the consent given in Section 5 of these Terms relating to disclosure or exchange of information shall continue to apply notwithstanding such termination or withdrawal.

## Part 8 Confidentiality

- 8.1 The Intermediary undertakes that it will not for the duration of these Terms or at any time after their termination, use, divulge or communicate to any person (except as may be required by law or by any legal or regulatory authority) any information concerning Threadneedle which may have or may in future come to its knowledge as a result of its participation in these Terms. The Intermediary will use all reasonable endeavours to prevent the publication or disclosure of any such information by any third party (including any other member of its Group).

## Part 9 Indemnity

- 9.1 The Intermediary will indemnify and keep indemnified Threadneedle in respect of any costs, claims, actions, damages or expenses which Threadneedle may suffer or incur as a result of any act or omission of the Intermediary (including, but not limited to, any failure on the part of the Intermediary to comply with these Terms).

## Part 10 General

- 11.1 The waiver by Threadneedle of any breach of these Terms shall not prevent the subsequent enforcement of that term and shall not be deemed a waiver of any subsequent breach.
- 11.2 These Terms supersede and replace all previous terms of business between (or deemed to exist between) the parties hereto and all other communications, representations or warranties relating to the subject matter hereof which may have been made prior to the date hereof.
- 11.3 Threadneedle shall have the right to assign any of its rights and benefits pursuant to these Terms to (and to subcontract, delegate, or appoint as agents in respect of any of its obligations pursuant to these Terms) any other company in Threadneedle Group.
- 11.4 The parties do not intend any term of these Terms to be enforceable by any third party pursuant to the Contracts (Rights of Third Parties) Act 1999 as amended or replaced from time to time.
- 11.5 These Terms shall be subject to English law and the parties submit to the exclusive jurisdiction of the English courts.
- 11.6 TISL cannot accept cash and all payments must be paid by direct debit, debit card, cheque or bank transfer.

Notices and payments relating to TISL Products under these Terms should be sent to Threadneedle Investment Services Limited, PO Box 10033, Chelmsford, Essex CM99 2AL. Queries should be sent to [brokersalesupportdesk@threadneedle.co.uk](mailto:brokersalesupportdesk@threadneedle.co.uk). Threadneedle reserve the right to send correspondence directly to clients whose names appear on the register.

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