

Terms of Business for Authorised Intermediaries relating to the Jessop (AAM) Personal Pension Trust

This document is applicable from 1 December 2008

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1 Scope

- 1.1 This document sets out the terms and conditions on which Jessop Fund Managers Limited (“Jessop”) accepts Business (as defined in clause 2) from an Intermediary (as defined in clause 2). These conditions replace and supersede any previous terms and conditions that Jessop may have issued to the Intermediary.
- 1.2 Jessop shall not accept Business from an Intermediary who ceases to be authorised under the Act (as defined in clause 2). Jessop reserves the right not to accept Business from an Intermediary without giving any reason.

2 Definitions

- 2.1 In these Terms of Business the following words shall have the meanings set out below, except where the context clearly requires otherwise:

Act

The Financial Services and Markets Act 2000.

Business

The business of engaging in one or more of the activities described in The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

Business Day

A day on which Jessop is open for business.

Cancellation Rules

The rules on cancellation stated within section 15 of the Conduct of Business Sourcebook.

Client

The person on whose behalf the Intermediary arranges the transaction relating to the PPT.

COLL

Collective Investment Scheme Sourcebook.

COBS

Conduct of Business Sourcebook.

Dealing Day

In respect of transactions relating to the PPT, the Business Day on which Jessop receives cleared funds or the Business Day after that day if Jessop does not receive such cleared funds prior to 12.00 noon (subject to Jessop’s discretion to alter this time without notice).

DISP

Dispute Resolution Complaints Sourcebook.

FSA

The Financial Services Authority.

FSA Rules

The rules from time to time made by the FSA.

Jessop

Jessop Fund Managers Limited.

Jessop Scheme

Any unit trust, managed by Jessop invested indirectly through the PPT offered by Jessop.

Intermediary

A financial adviser authorised by the FSA.

PPT

The Jessop (AAM) Personal Pension Trust being a personal pension scheme approved under the Finance Act 2004, of which Jessop Fund Managers Limited is the provider and scheme administrator.

Promotional Material

Any literature, advertisement, circular or other publicity material or message (in any medium) referring to Jessop or to any of the products referred to in these Terms of Business.

Regulations

The COLL and the Open-Ended Investment Companies Regulations 2001 as amended or replaced from time to time.

S2P

The State Second Pension.

Unit

A unit in the Jessop Scheme.

- 2.2 A reference to a statute or statutory provision or to the rules of the FSA under the Act includes a reference to such statute, provision or rules as modified, restated or replaced from time to time.

- 2.3 In these Terms of Business, the singular shall include the plural and vice versa and the masculine gender shall include the neuter gender and vice versa and any reference to a person includes any individual, company, partnership, corporation or other legal entity whatsoever.

2.4 References to clauses are references to clauses of these Terms of Business. Headings to clauses are inserted for convenience only and shall not affect the construction of these Terms of Business.

3 Date Effective

These Terms of Business shall come into effect on the launch date of the PPT or when the Intermediary places its first order for Units with Jessop, whichever is the latter. These Terms of Business shall be deemed to apply to all subsequent transactions thereafter between Jessop and the Intermediary.

4 Intermediary and Client

4.1 Save as concerns the PPT, the Intermediary may act as a principal if so authorised under the Act and when so acting will notify Jessop at the time that an order for Units is placed.

4.2 Subject to paragraph 4.1, the Intermediary shall act as the agent of the Client in relation to all aspects of the Business conducted between Jessop and the Intermediary on behalf of the Client.

4.3 Save to the extent that the Intermediary is permitted to do so in writing by Jessop, the Intermediary shall have no authority and shall not hold itself out as having authority to accept applications for the purchase of Units or instructions for the redemption or conversion of Units on behalf of Jessop. The Intermediary shall in no circumstances have any power to enter into any transaction on behalf of or give a warranty or an undertaking on behalf of Jessop to amend or supplement the terms applicable to any investment in Units or otherwise bind or commit Jessop except as provided in these Terms of Business.

5 Warranty

The Intermediary warrants and agrees that at the date these Terms of Business comes into effect and until terminated:

- it is duly incorporated, established or constituted (as the case may be) and validly existing under the laws of the country of such incorporation; establishment or constitution (as the case may be);
- it has the appropriate authorisation under the Act to act on behalf of the Client and to enter into the transactions contemplated in these Terms of Business;
- it has the power and authority to act on behalf of the Client;
- it shall not represent itself or hold itself out as an employee or agent of Jessop;
- it shall not do anything which may render Jessop liable under the Act or any relevant regulation;
- it shall procure that all its employees, directors, officers and agents comply with these Terms of Business;
- it shall adhere to the FSA Rules in COBS 9 in regard to the provision of advice to the Client; and
- shall refer all complaints about Jessop to Jessop Fund Managers Limited in accordance with the FSA Rules in DISP.

6 Authorisation

The Intermediary shall provide Jessop as required from time to time with all documentation showing that the Intermediary is authorised under the Act or by the FSA and the extent of such authorisation. The Intermediary shall forthwith notify Jessop of any changes to such authorisation and if the Intermediary ceases to be so authorised under the FSA rules.

7 Commission

7.1 All matters relating to entitlement to commission from Jessop shall be governed by the rules of the FSA.

7.2 The Jessop standard commission and discount terms are set out in Schedule 1 of these Terms of Business.

7.3 Jessop reserves the right to reduce the rate of commission otherwise payable hereunder in respect of business introduced by the Intermediary forthwith on giving 28 days' notice of any such reduction to the Intermediary.

7.4 No commission shall be due until the investment sum, monthly subscription or PPT contribution (as the case may be) has been received by Jessop. If a Client exercises a statutory right of cancellation, any commission (including VAT where applicable) paid in respect of the transaction shall forthwith be repaid by the Intermediary to Jessop.

7.5 Where commission is payable to an Intermediary in respect of an investment lump sum, monthly subscription or PPT contribution referable to a period in which there has been a change of Intermediary acting in relation to the relevant investment holding, as notified to Jessop by the Client, Jessop shall pay commission only to the original Intermediary placing the transaction, unless instructed otherwise by the Client, and in the latter instance only where the Client has confirmed to Jessop that the new Intermediary has advised the Client in relation to the relevant investment lump sum, monthly subscription or PPT contribution.

7.6 Where an Intermediary has obtained the consent and confirmation of the Client, in relation to the Client's holdings in the Units for the transfer of agency to that Intermediary, Jessop reserves the right to charge the Intermediary, and/or the Client, a fee to cover the administrative costs of such a change.

7.7 Any sum due to be paid by the Intermediary to Jessop (for whatever reason) may be deducted by Jessop from any amount of commission due from Jessop to the Intermediary.

7.8 Jessop reserves the right in its absolute discretion to cease paying commission to the Intermediary:

- 7.8.1 if the Intermediary ceases to be authorised or is subject to an investigation under Section 167 of the Act or under the rules of any competent regulatory organisation or the Intermediary's authorisation is suspended;
- 7.8.2 in respect of any transaction for a Client for whom the Intermediary has ceased to be the agent;

- 7.8.3 if the Intermediary shall die, become bankrupt, compound with or assign his estate or effects for the benefit of creditors, have his goods seized in execution or, where the Intermediary is a company, if it goes into liquidation receivership or is subject to an administration order; or
- 7.8.4 if the Intermediary fails to comply with any of its obligations under these Terms of Business.
- 7.9 The statement of account produced by Jessop either electronically or manually shall be the conclusive record of commission due or paid to the Intermediary, or of the refund owed by the Intermediary to Jessop, and shall be accepted by the Intermediary save in the case of manifest error.
- 7.10 Jessop may defer payment of commission until a total of at least £50 or such other amount as Jessop may notify from time to time is due to the Intermediary. Commission accrues when the investment sum, monthly subscription or PPT contribution (as the case may be) giving rise to the commission liability is paid, and will normally be payable to the Intermediary within a month. Renewal commission, where applicable, is paid in accordance with terms agreed by Jessop from time to time, provided that no renewal commission shall be paid on Business involving the PPT.
- 7.11 The Intermediary shall not recommend any transaction in Units unless the Intermediary has disclosed to the Client that the Intermediary will receive commission in respect of the transaction and that Jessop will be providing the Client or the Intermediary (to provide to the Client) with information about the commission. The Intermediary shall disclose to the Client the actual commission payable to the Intermediary in accordance with the relevant regulatory rules relating to commission disclosure.

8 Dealing in Jessop schemes

- 8.1 Subject to the relevant product terms and conditions, and to Clause 10 on page 4, orders for the purchase or redemption of Units in the PPT may only be made in writing.
- 8.2 Requests made in writing for the purchase or redemption of Units in the PPT should be addressed to:
- Jessop Fund Managers Limited
PO Box 1043
Cheltenham
Gloucestershire
GL50 9JB
- 8.3 When placing an order for or arranging the purchase or redemption of Units in connection with the PPT the Intermediary shall provide to Jessop forthwith the following information in such form (if any) which may be prescribed by Jessop or any other relevant body from time to time:
- 8.3.1 the full name and address of each of the Client(s) for whom the Intermediary is acting;
- 8.3.2 the Intermediary's FSA authorisation reference number;
- 8.3.3 notification of whether the Cancellation Rules apply to the transaction and, if no notification is provided, Jessop will assume that the Cancellation Rules apply;
- 8.3.4 the provision of documentation pursuant to Clause 15;
- 8.3.5 notification as to whether advice was provided to a Client;
- 8.3.6 such other information requested by Jessop;
- 8.3.7 details of the relevant UK earnings (as defined in the Finance Act 2004) of the Client and the circumstances of the Client's employment or self-employment, as the case may be, together with all supporting documentation as required by Jessop;
- 8.3.8 a completed application form to subscribe for Units in the PPT;
- 8.3.9 if the Client elects to contract out of S2P, the form prescribed by the Department for Work and Pensions from time to time for this purpose; and
- 8.3.10 any nomination of beneficiary made under the PPT rules by the Client.
- If these details are not provided by the Intermediary Jessop may at its discretion refuse to effect the transaction.
- 8.4 The Intermediary accepts that the Client's membership of the PPT and all Units held on behalf of the Client under the PPT may be cancelled, and any monies paid by the Client to Jessop refunded to the Client should Jessop not receive the information set out in Clauses 8.3 within 30 days of the receipt by Jessop of the application form for membership of the PPT signed by the Client.
- 8.5 Save in respect of the PPT, cheques relating to the redemption of Units shall be drawn in favour of the named registered unitholders and crossed "Account Payee Only Not Negotiable" provided that Jessop may however, in its absolute discretion, accept and carry out alternative written payment instructions issued and signed by all the registered unitholders. Payment may be made for the credit of a client money account of the Intermediary if authorisation to that effect is received from the registered unitholders and the Intermediary is able to receive such monies under the FSA Rules.
- The rules concerning redemption of Units forming part of the PPT are as set out in the PPT trust deed and rules, as amended from time to time.
- 8.6 Where an order for the purchase of Units placed by the Intermediary on behalf of a Client is cancelled by the Client in accordance with the provisions of the Cancellation Rules and a shortfall calculated under the said provisions is payable to Jessop, the Intermediary shall be responsible for procuring the payment by the Client of that shortfall.

9 Documentation

- 9.1 The Intermediary shall pass to the Client immediately and without any amendment any documents supplied by Jessop for the information of or completion by the Client. The Intermediary shall pass to Jessop immediately and without any amendment any documents supplied by the Client and provided to the Intermediary for onward transmission to Jessop.
- 9.2 Prior to effecting any purchase of Units, the Intermediary shall, where required by the FSA Rules, provide an initial disclosure document, a fees and commission statement and a key features document and where relevant a terms of business and ensure that the Client has had sufficient time to review these documents, prior to making a decision.

- 9.3 The Intermediary shall not effect any purchase of Units until the Intermediary has offered to the Client free of charge such written information as shall from time to time be prescribed by any statute, rules and regulations relating to the purchase of Units, including a copy of the most recent half-yearly report (unless it has been superseded by an annual report). A copy of the relevant prospectus or applicable Jessop Personal Pension Trust Scheme shall be provided on request.
- 9.4 Jessop reserves the right to send documents and communications direct to the Client from time to time.
- 9.5 Any item of property belonging to Jessop and in the possession of the Intermediary including any Promotional Material must at all times be available to Jessop for inspection and must be delivered to Jessop by the Intermediary on demand.
- 9.6 The Intermediary shall not issue, publish, broadcast or otherwise disseminate any Promotional Material without the prior written consent of Jessop. The Intermediary shall observe all instructions from Jessop relating to Promotional Material.
- 9.7 The Intermediary shall ensure that any Promotional Material distributed by it to the Client is current.
- 9.8 The Promotional Material (including any intellectual property rights in the Promotional Material) shall be and shall remain the property of Jessop at all times. The Intermediary hereby waives any rights it may possess in such Promotional Material.
- 9.9 Where an Intermediary requests the transfer or transmission of Units, Jessop may accept a certified true copy of documents such as wills, grant of probate and powers of attorney rather than originals as evidence to support such transfer or transmission. However the Intermediary agrees to fully indemnify Jessop for any costs, losses or expenses incurred by Jessop as a result of accepting a certified true copy of such documents as evidence to support a request for the transfer or transmission of Units.

10 Payments

- 10.1 If the Client sends or hands any monies to the Intermediary for onward transmission to Jessop, the Intermediary undertakes to pass such monies to Jessop without delay.
- 10.2 All orders must be accompanied by a cheque or a Direct Debit mandate for monthly payments.

11 Indemnity

- 11.1 The Intermediary shall fully indemnify Jessop against all losses, costs, expenses, damages, liabilities, actions, proceedings, claims and demands arising from:
- 11.1.1 any failure by the Intermediary to comply with the provision of the Act, any regulations made there under and the rules of any recognised professional body including the FSA, or the statutes, rules, regulations or requirements of any territory which may apply to the Intermediary or to Jessop;
- 11.1.2 any breach by the Intermediary of any of the provisions set out in these Terms of Business, including without limitation any failure to provide promptly and accurately the information required pursuant to Clause 8 or as a result of Jessop not receiving due payment pursuant to Clause 10 above; and
- 11.1.3 any breach by the Intermediary of the warranties set out in Clause 5.

12 Variation

- 12.1 Jessop reserves the right to vary or cancel the provisions of these Terms of Business by giving notice to the Intermediary provided, however, that:
- 12.1.1 no variation shall affect contracts made prior to the time of variation;
- 12.1.2 notice of variation arising from the Act shall be given as soon as reasonably practicable; and
- 12.1.3 non-material amendments may be made without such notice.
- 12.2 All revised Terms of Business will be posted on the Jessop website at www.jfml.co.uk for the Intermediary to access.
- 12.3 The Intermediary shall not be entitled to sub-contract or transfer any of the Intermediary's rights and obligations hereunder without the prior written consent of Jessop.

13 Confidentiality

- 13.1 Jessop shall be entitled to disclose any information known to it relating to the business or affairs of the Intermediary to:
- 13.1.1 any relevant regulatory authority including the FSA or other competent regulatory body;
- 13.1.2 any other person if required to do so by any law, regulation, or by a court of competent jurisdiction;
- 13.1.3 any market research organisation; or
- 13.1.4 any other person if the Intermediary consents to such disclosure.

14 Telephone Recording

Telephone conversations between Jessop and the Intermediary may be recorded.

15 Money Laundering

- 15.1 The Intermediary hereby acknowledges and confirms that any transaction in Units will be covered by rules and regulations relating to the prevention of money laundering including the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007, the Terrorism Act 2000 and the FSA Rules and by the Guidance Notes for the UK Financial Sector issued by the Joint Money Laundering Steering Group ("JMLSG") as amended from time to time (all such rules, regulations and guidance are referred to in these Terms of Business as "the Money Laundering Requirements").

- 15.2** Additionally the Intermediary confirms that it shall comply with the FSA Rules relating to money laundering prevention.
- 15.3** When required by Jessop, the Intermediary confirms that it will provide a fully completed verification certificate in the form prescribed in the JMLSG Guidance Notes and/or will assist in obtaining documentary evidence of identity.

16 Data Protection

The Intermediary represents and warrants to Jessop that it has complied and will continue to comply with the provisions of the Data Protection Act 1998 (as amended from time to time) and in particular the data protection principles and will not do anything or permit anything to be done which may lead to a breach by the Intermediary, its employees and any other agent appointed by the Intermediary of the requirements of the Data Protection Act 1998. The Intermediary further agrees to indemnify Jessop against all and any losses, costs, expenses, damages, liabilities and demands which Jessop may incur in connection with any such breach.

17 Notices

- 17.1** Any notice or other communication (other than requests for purchase or redemption under Clause 8 on page 5) under or in connection with these Terms of Business shall be in writing and shall be delivered personally or sent by first class post (air mail only if overseas) or by telefax, or by email to such address or telefax number or email address as either party may specify by notice in writing to the other from time to time. In the case of Jessop to:

Jessop Fund Managers Limited
PO Box 1043
Cheltenham
Gloucestershire
GL50 9JB

Telephone: 0870 601 1131

Fax: 0870 889 0011

- 17.2** In the absence of evidence of earlier receipt, any notice or other communication shall be deemed to have been duly given:

17.2.1 if delivered personally, when left at the registered office address of the relevant party;

17.2.2 if sent by first class post, on the business day after posting it;

17.2.3 if sent by airmail, six days after posting it; or

17.2.4 if sent by telefax, or email on completion of its transmission.

- 17.3** The Intermediary acknowledges that Jessop shall not be liable for any breach of confidentiality or any interception of communications by a third party or any data corruption or inaccuracy or any loss of data or any virus contamination or any failure of delivery as a result of using an electronic form of communication.

18 Governing Law

These Terms of Business are governed by, and shall be construed in accordance with, English law, and the Intermediary hereby submits to the non-exclusive jurisdiction of the courts of England and Wales.

Issued by Jessop Fund Managers Limited authorised and regulated by the FSA.

PO Box 1043
Cheltenham
Gloucestershire
GL50 9JB

Schedule 1 - Standard Commission and Discount Terms

Product type:	PPT
Initial charge:	4%
Initial commission:	4% (maximum)
Discounts and commission:	For every 1% reduction in commission the initial charge is reduced by 1%
Commission cheque threshold:	£50

Particulars

Please refer to Clause 7 of the Jessop Terms of Business.

- 1 Initial commission will, subject to Commission Cheque Threshold (as specified in Schedule 1), will be paid out by cheque monthly once this threshold is reached, all deals accumulated to that day will be amalgamated to a single cheque and statement.
- 2 Any amounts payable to an Intermediary are deemed as commission and will be disclosed on confirmations to Clients with copies to the Intermediary if applicable or sent directly to the Intermediary for onward transmission to the Client.
- 3 Jessop will hold the Intermediary responsible for ensuring full compliance with the disclosure requirements under the Regulations.
- 4 Commission rates cannot be increased post-transaction and disclosure.
- 5 If a Client advises Jessop that the Intermediary is no longer acting for them regarding a Jessop investment, Jessop will cease to provide information on that client to the intermediary.
- 6 Where new products are introduced on a different charging structure from Schedule 1 specific terms will apply as determined by Jessop from time to time.

Can We Help?

If you would like further information please contact us.

Jessop Fund Managers Limited

0870 601 1131 www.jfml.co.uk

Telephone calls may be recorded for training and monitoring purposes.

Jessop (AAM)'s authorised unit trusts are managed by Jessop Fund Managers Limited (JFML).

Jessop Fund Managers Limited (Registered in England No: 5768993) is authorised and regulated by the FSA (Registered No. 452904).

Jessop Fund Managers Limited
PO Box 1043
Cheltenham
Gloucestershire
GL50 9JB

Registered Office:
Pegasus House
Kings Business Park
Liverpool Road
Prescot
Merseyside
L34 1PJ

Terms of Business (12/08)