

OneFamily

Intermediary Terms of Business

For professional advisers only

OneFamily Terms of Business

These Terms of Business shall be effective as from the date of signature and shall apply to all Business placed by the Intermediary with any of the entities defined below as OneFamily, provided however that where any OneFamily entity has separate terms of business applicable to the Intermediary those separate terms shall apply to the exclusion of these Terms of Business.

1. Definitions

'Act' means the Financial Services and Markets Act 2000.

'Appointed Representative' has the meaning given to it in Section 39(2) of the Act.

'Approved Person' means a person approved by the FCA pursuant to Section 59 of the Act.

'Business' means all long-term insurance business (as defined in Schedule 1 Part II to The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI 2001/544), collective investment scheme business (as defined in Section 235 of the Financial Services and Markets Act 2000), individual savings account business (as defined in the Individual Savings Account Regulations 1998 – SI 1998/1870) and any other products and services offered by OneFamily at any time.

'Client' means the applicant for Business and, where appropriate, shall also mean the policyholder.

'FCA' means the Financial Conduct Authority and any successor organisation.

'Intermediary' means the regulated firm or individual to whom these Terms of Business apply

'OneFamily' means Family Assurance Friendly Society Limited and any of its subsidiaries from time to time.

2. Scope/Appointment

2.1 These Terms of Business set out the conditions upon which OneFamily will accept Business from the Intermediary.

2.2 The Intermediary is the agent of the Client and not of OneFamily in relation to all aspects of any Business placed or serviced by the Intermediary. This does not detract from the obligations of OneFamily and the Intermediary to each other assumed in these Terms of Business.

- 2.3** OneFamily reserves the right, at its discretion, not to accept any item of Business from an Intermediary.
- 2.4** OneFamily reserves the right to make direct contact with the Client of the Intermediary where considered appropriate whether pursuant to the requirements of legislation or the rules of the FCA or otherwise. OneFamily also reserves the right to send, direct to the Client, information regarding the Client's policy or product with OneFamily and, where relevant, in respect of the Client's membership of OneFamily, in which case OneFamily may, where appropriate, send a copy of the information to the Intermediary. OneFamily will not send to the Client any promotional material without the prior consent of the Intermediary unless at the request of the Client or where the Client has become a customer of OneFamily other than solely by introduction by the Intermediary.
- 2.5** The Intermediary warrants that it is suitably authorised by the FCA and that its advisers are properly supervised, qualified, trained, competent, fit and proper as required by applicable law and regulation and the Intermediary hereby authorises OneFamily to undertake all checks that it requires as part of its on-boarding and ongoing due diligence process. These include, but are not limited to, credit checks, financial standing checks and regulatory registers as and when required. Nothing in these Terms of Business shall preclude either party from entering into similar agreements with other institutions or individuals.
- 2.6** The Intermediary warrants that it shall immediately inform OneFamily should an Approved Person working for or on behalf of the Intermediary be suspended or disqualified by the FCA.
- 2.7** The Intermediary shall not (and shall procure that its employees, agents, Appointed Representatives shall not) in any circumstances represent to a Client or any other person that the Intermediary or any of its employees, agents, Appointed Representatives has any authority to bind or commit OneFamily in any way and is in any way acting as OneFamily's agent and nothing in these Terms of Business shall constitute a joint venture or partnership between the parties.
- 2.8** The Intermediary shall (and shall procure that its employees, agents, Appointed Representatives shall) only advertise on OneFamily's behalf and/or use OneFamily's name, brand or trade names, trademarks or logos, with OneFamily's prior written consent and using promotional literature provided by OneFamily without amendment and only complete and use documentation relating to OneFamily's policies or products that has been supplied and/or approved for such use by OneFamily provided that the Intermediary may use its own documentation relating to OneFamily's policies or products where required by and in accordance with applicable law, regulation or good business practice.

3. Commission

3.1 Commission Payment

OneFamily will credit or pay commission on all Business submitted to OneFamily by the Intermediary and accepted by OneFamily, except where the Intermediary has confirmed to OneFamily that the Intermediary does not require commission to be paid.

OneFamily may publish detailed commission terms at any time which will apply to all Business placed after publication and which are available on request.

OneFamily may vary such commission terms and any discount rate applicable to commission payable on indemnity terms as it sees fit upon notice of any such variation to the Intermediary.

Where OneFamily's commission terms provide for a choice of different commission options, the Intermediary will, at the time of submitting an item of Business, advise OneFamily of the basis on which the Intermediary requires commission to be paid for that item of Business. Where no such advice is given by the Intermediary, OneFamily will pay commission on such basis as it considers appropriate in the circumstances.

Initial commission will only be paid once in respect of any Business submitted. If two or more Intermediaries claim commission in respect of the same piece of Business, the commission will normally be paid to the Intermediary recognised by the client as his or her agent at the time when the application for Business is completed or the increment to the policy or product is submitted to OneFamily.

OneFamily reserves the right not to pay commission to the Intermediary where the applicant for Business or the policy or product holder is the Intermediary, an Appointed Representative of the Intermediary or an employee or a relative of the Intermediary, such Appointed Representative or such employee or otherwise as OneFamily may in its absolute discretion determine.

3.2 Indemnity & Trail Commission Terms

On application by the Intermediary (and subject to the prior written agreement of OneFamily,) OneFamily will pay initial commission on indemnity or trail terms in accordance with OneFamily's indemnity terms applicable from time to time, details of which are available on request.

Where OneFamily has granted indemnity and/or trail terms to the Intermediary, OneFamily will, on request by the Intermediary, pay the total amount of initial commission, discounted in accordance with the Society's indemnity or trail terms applicable from time to time, upon acceptance of the Business and receipt of the first premium or contribution or whenever premiums or contributions are increased to a level higher than previously paid.

Commission paid on indemnity and/or trail terms is paid conditionally upon it being earned and in the event that premiums or contributions cease (other than on death) or the premium or contribution reduces during an initial period relating to the whole or part of the premium or contribution then the said commission will, in whole or in part, be deemed not to have been earned. In such circumstances the Intermediary shall repay, or OneFamily shall otherwise recover from the Intermediary, the unearned commission calculated in accordance with OneFamily's indemnity or trail terms as applicable from time to time.

OneFamily will give notice to the Intermediary of a non-payment of premium or contribution as soon as it is practicable to do so. If the unearned commission is not repaid within three months of this notice, the Intermediary is required to pay interest on the debt at the rate of at least 0.67% a month compound, or at such other rate which OneFamily deems appropriate from time to time, from the date on which premiums or contributions ceased being paid.

Where Business is reinstated, OneFamily will pay any commission resulting from the reinstatement to the Intermediary whose advice or actions, in the sole discretion of OneFamily, were instrumental in leading to the reinstatement.

OneFamily reserves the right to withdraw indemnity and/or trail commission terms whenever the amount of the Intermediary's unearned commission exceeds such sum as OneFamily may deem appropriate or otherwise as OneFamily may determine from time to time.

3.3 Single Premium Commission

OneFamily will pay commission to the Intermediary in respect of certain single premium Business placed by the Intermediary conditionally upon the single premium Business remaining in force for a specified period of time. In the event that the Business does not remain in force for the specified period of time then the said commission will, in whole or in part, be deemed not to have been earned. In such circumstances the Intermediary shall repay, or OneFamily shall otherwise recover from the Intermediary, the unearned commission calculated in accordance with OneFamily's single premium terms from time to time.

If the unearned commission is not repaid within three months of this notice, the Intermediary is required to pay interest on the debt at the rate of at least 0.67% a month compound, or at such other rate which OneFamily deems appropriate from time to time, from the date on which the single premium Business ceased to remain in force.

3.4 Appointed Representatives

If the Intermediary appoints an agent or Appointed Representative, commission will be paid to the Intermediary and not to such agent or Appointed Representative and the Intermediary will be liable to

repay any commission due to OneFamily under Clauses 3.2 and/or 3.3 above. This also applies where OneFamily pays monies to the order of the Intermediary. It is agreed that OneFamily will have no direct contractual relationship with such agent or Appointed Representative.

3.5 Premium/Contribution Payment

All premiums and contributions in respect of Business must be remitted to OneFamily without deduction of commission.

3.6 Termination of Commission Payment

OneFamily will cease paying to the Intermediary renewal commission and any type of phased commission including level commission, fixed percentage of contribution and fund/surrender value related commission in the following circumstances:-

- i) the death of the Intermediary if an individual;
- ii) the entry of the Intermediary into a voluntary arrangement with its creditors, the commencement of bankruptcy or winding-up proceedings against the Intermediary or the appointment of a receiver or of an administrative receiver over the assets of the Intermediary or the entry of the Intermediary into liquidation (where voluntary or compulsory);
- iv) the Intermediary ceasing to be authorised pursuant to the Act, or otherwise becoming, in the opinion of OneFamily, unable to provide ongoing advice in connection with OneFamily's policies or contracts to which the commission payment relates; or
- v) where, in the opinion of OneFamily, the Intermediary is no longer the agent of the Client even though the Intermediary may still be authorised.

No notification of a change of Intermediary will be accepted by OneFamily unless it is given in writing.

Where OneFamily, having regard to the particular circumstances relating to any case or cases, considers that it is appropriate to continue paying commission to an Intermediary who has ceased to be the agent of the Client in terms of the above paragraph of this Clause 3.6 then, at OneFamily's sole discretion, it may do so based on such terms and conditions as it shall deem appropriate at the time.

If individual contracts are transferred from the Intermediary's account at the Client's request, the Intermediary will remain liable for any commission claw back on those contracts in relation to Business submitted by the Intermediary.

Each of OneFamily and the Intermediary may terminate this Agreement upon one months prior written notice to the other and OneFamily may terminate this agreement forthwith by written notice if the circumstances detailed in (i) to (v) above apply or the intermediary is in breach of this Agreement or is guilty of conduct which OneFamily reasonably considers may bring it into disrepute

3.7 Transfer of Clients

If the Intermediary either ceases to be authorised or informs OneFamily that the Business is to be transferred, the Intermediary is expected to arrange for another Intermediary to give advice to existing Clients. In such a case, OneFamily may, at its sole discretion, transfer payment of commission to the new Intermediary provided that the new Intermediary has accepted in writing the contingent liability to repay to OneFamily any unearned commission paid to the original Intermediary. These Terms of Business shall thereafter apply to such new Intermediary. Any commission subsequently payable in these circumstances will be subject to a deduction, if applicable, to meet any sums due from the ceding Intermediary to OneFamily then or subsequently arising.

3.8 Cancellation rights

If a Client exercises the right to cancel any contract (or additional premium or contribution to an existing contract) in terms of the FCA rules or any other statutory, regulatory or contractual right, no commission shall be payable to the Intermediary in respect of such Business and any commission already paid shall forthwith be repaid to OneFamily.

In relation to any contracts (or additional premiums or contributions to existing contracts), where a client has a right to cancel as described in the above paragraph of this Clause 3.8 then, in addition to those statutory, regulatory or contractual rights to cancel, OneFamily may, pursuant to the Raising Standards (SALTR) Initiative or otherwise, allow its Clients an extended right to cancel within a period of up to 30 days from the date of receipt by the Client of a notice of cancellation specifying such a right to cancel. In the event that a Client exercises an extended right of cancellation, no commission shall be payable to the Intermediary in respect of such Business and any commission already paid shall be immediately repayable to OneFamily.

If, as a result of either a complaint by the Client against the Intermediary or an order by a court, ombudsman and/or any regulatory body, either premiums or contributions are required to be refunded or the current value of the policy or investment requires to be paid out either directly to the Client or to a third party on behalf of the Client, no commissions shall be payable to the Intermediary in respect of such Business and any commission already paid shall, together with interest at the rate specified above accruing from the date of payment of the commission until the commission is repaid, be immediately payable to OneFamily by the Intermediary.

3.9 Frequency of Commission Payments

Commission will be paid to the Intermediary at such intervals as OneFamily may agree and generally not less frequently than monthly. If the amount of commission payable at any time is less than £100 sterling, the sum may be retained until the total commission payable exceeds that figure.

3.10 Statements

OneFamily's statement of account (which may be contained in writing, on disk, on tape, in direct online communication to a computer terminal, or any other method of communication determined by OneFamily) shall be the conclusive record of commission due to the Intermediary, save in the case of manifest error or omission.

3.11 Debt Reporting

In the event that the Intermediary is, at any time, indebted to OneFamily whether such debt is incurred as a result of the claw back of commission or otherwise, including any amount which falls within FCA Supervision Manual Rule 15.8.3, or such other rules of the FCA which require OneFamily to report to the FCA details of the amount due, then OneFamily reserves the right to pass this information to other financial institutions and to third parties providing data gathering information services on their behalf.

3.12 Set Off

OneFamily reserves the right to set off the payment of commission due to the Intermediary against any debt due from the Intermediary to OneFamily. If the Intermediary holds more than one account with OneFamily, OneFamily reserves the right to set off one account against another for monies due to OneFamily.

3.13 General

The Intermediary must comply with all relevant regulatory and legislative requirements relating to Business submitted to OneFamily and, in particular, with those rules regarding commission disclosure.

Without prejudice to Clauses 3.1 to 3.12 above, matters relating to commission payable or provided by OneFamily to the Intermediary shall be subject to the rules of the FCA and any other applicable law or regulation.

4. Documentation

- 4.1 The Intermediary must pass on immediately, without amendment, any documentation which OneFamily supplies for the benefit of, or completion by, the Client or which the Client provides for OneFamily in relation to the Business.

5. Variation

- 5.1 OneFamily reserves the right to vary the terms contained in these Terms of Business. No formal written notification of a variation will require to be sent by OneFamily to the Intermediary. The variation will be posted on the appropriate websites for OneFamily and shall take effect, subject to Clause 5.2 below, no earlier than one month after posting on the website.
- 5.2 Such variation shall have immediate effect in circumstances where variation must take effect earlier than that date to accord with any legislation (including delegated legislation and statutory instruments) or with the FCA rules. Such variation will not affect Business placed with the Company before the variation to these Terms of Business is to take effect.

6. Money Laundering

- 6.1 In connection with all transactions with OneFamily, the Intermediary shall, where required to do so in terms of the Money Laundering Regulations 2007 and/or the FCA rules, as amended from time to time, ensure that evidence of the identity of all parties to Business introduced by the Intermediary will have been obtained and recorded and such records will be preserved under procedures maintained by the Intermediary in accordance with and pursuant to any applicable law or regulation.
- 6.2 Where required by OneFamily to do so, either generally or only for specific types of Business, an application form submitted by the Intermediary on behalf of a Client shall be accompanied by an 'Identity Verification Certificate' fully completed by the Intermediary in respect of the Client and any relevant third party. The Identity Verification Certificate will be in a format approved by The Joint Money Laundering Steering Group from time to time, or otherwise as OneFamily may reasonably require.
- 6.3 The Intermediary will supply to OneFamily such relevant verification data, with regard to the identity of the Client and any relevant third party, including the source of funds, as OneFamily may consider appropriate having regard to OneFamily's obligations arising from the Money Laundering Regulations 2007 and/or FCA rules and/or other applicable law or regulation, as amended from time to time.

7. Use of Information/Data/Data Protection

7.1 The Intermediary warrants that:

(a) it has in place all necessary notifications in respect of its controlling and/or processing of personal data as required by the Data Protection Act 1998 ('the Act'), as amended from time to time; and

(b) it has obtained all appropriate consents to provide OneFamily with personal data.

7.2 The Intermediary acknowledges that OneFamily will be a Data Controller (as defined by the Act) in respect of the information or data provided to it and shall be entitled (either alone or in conjunction with any other party) to use and disclose such information or data in accordance with the business requirements of OneFamily from time to time and to carry out its obligations under any contract entered into either by or on behalf of the Client. The purposes for which OneFamily may use and disclose such information or data will include, without limitation, conducting market research, preparing strategic or other marketing plans and exchanging information with another contracting party (for any such party's legitimate purposes or use).

7.3 Information about the Intermediary, the conduct of the Intermediary and the Intermediary's agency account with OneFamily shall be processed and disclosed by OneFamily, and the Intermediary consents to such processing and disclosure, in accordance with the purposes described in Clause 7.2 above. The Intermediary acknowledges that such information may be held on computer or in such other medium as OneFamily may use. OneFamily also reserves the right to provide such information to a Credit Reference Agency, Closed User Group or Computer Bureau.

8. Service of Documents

8.1 Any letter or other document shall be deemed to have been served upon the Intermediary if it is sent by post or left at any address of the Intermediary from which the Intermediary has informed the Society, in writing, that the Intermediary was last trading or at the Intermediary's registered office (if appropriate).

8.2 Any letter or document sent by post shall be deemed to have been served on the second business day following that on which it was posted and service shall be sufficiently proved if there is evidence that the envelope containing the letter or document was properly addressed, stamped and posted.

9. Communication and Electronic Mail

9.1 The Intermediary and OneFamily accept the integrity of all electronic mail messages and agree to accord these the same status as would be applicable to a document or to information sent other than by electronic means.

- 9.2 The Intermediary and OneFamily agree not to contest the validity or enforceability of electronic mail messages in any legal proceedings between them respecting or related to a transaction and hereby expressly waive any right to raise any defence of waiver of liability based upon the absence of a memorandum in writing or a failure of execution.
- 9.3 OneFamily may accept e-mail or other electronic communications from or with the Intermediary upon such terms and subject to such additional or separate conditions as OneFamily may consider appropriate or desirable from time to time. This is subject to the strict understanding on the part of the Intermediary that OneFamily shall not be held responsible in the event that such communications are not, in whole or in part, received by it or are delayed for whatever reason.

In accessing any information or systems made available to the Intermediary to OneFamily from time to time, the Intermediary undertakes and warrants that: (a) the Intermediary is authorised, registered and holds the necessary consents from Clients to have such access and to process the information made available by OneFamily; (b) the Intermediary has in place appropriate technical and organisational security measures to ensure that the information is stored securely and not accessible to any unauthorised person; (c) the Intermediary has taken all appropriate steps to ensure that the information will not be disclosed to anyone who is not authorised to receive the information; and (d) the information will be used only for the Intermediary's legitimate business purposes and in compliance with the Intermediary's data protection registrations.

- 9.4 It is a condition that any identifier and associated password issued for the purposes of gaining access to OneFamily's computers – or access to information about OneFamily's products and services held on third party computers – will be used prudently and kept secure. In particular, an identifier and the associated password will only be made known to persons authorised by OneFamily to hold such identifier and associated password. The Intermediary undertakes to comply with such conditions and requirements.

10. Miscellaneous

These Terms of Business shall be governed and construed in accordance with the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts. In the event of any conflict between the provisions of these Terms of Business and a provision in any other agreement between OneFamily and the Intermediary then, save as expressly provided, the provisions of these Terms of Business shall prevail and these Terms of Business are subject to the FCA rules and in the event of conflict between the terms hereof and the FCA rules, the FCA rules shall prevail. If any term or part of a term in these Terms of Business is invalid or unenforceable for any reason this will not affect the validity or enforceability of the remainder. OneFamily may assign or transfer all or any of its rights under these Terms of Business at any time but the Intermediary may not assign or transfer any of its rights or obligations hereunder without OneFamily's prior written consent. No

person other than a party to these Terms of Business may enforce this Agreement by virtue of the Contracts (Rights of Third Parties) Act 1999.

Schedule 1 – Commission Terms

Guaranteed 50 Plus Life Cover

Product Type	Initial (% of API)	Trial / Renewal (% of API)	Earnings Period	Indemnity Terms
Non-linked WOL (Initial)	%	N/A	24 months	Yes*
Non-linked WOL (Level)	%	N/A	24 months	No**

*To calculate the claw back amount that applies to indemnity terms, we will divide the initial commission paid by the number months applicable to the initial commission period, and then multiply that by the number of months where commission is deemed to be unearned.

For example, for a policy that paid £1,200 initial commission and has a 24-month initial commission period, but then subsequently closes after 6 months, the claw back calculation would be as follows:

$$£1,200 / 24 \times 18 = £900$$

**Where commission is payable on a non-indemnity basis, the amount paid out monthly will be calculated as 1/24th of the initial rate.

Signed and duly authorised for and on behalf of:

Family Assurance Friendly Society Limited (FAFSL) trading as OneFamily

Signature:

Name:

Title:

Signed and duly authorised for and on behalf of:

Intermediary Registered Company Name:

Intermediary FCA No:

Authorised Person Name:

Title:

Signature:

Date:

OneFamily is a trading name of Family Assurance Friendly Society Limited, (incorporated under the Friendly Societies Act 1992, Reg. No. 939F). Registered in England & Wales at 16-17 West Street, Brighton, BN1 2RL, United Kingdom. Family Assurance Friendly Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Family Assurance Friendly Society Limited's Financial Services Register number is 110067. You can check this on the Financial Services Register at www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.