

Cofunds Customer Agreement

International Portfolio Bond

A Legal & General International product brought to you by Cofunds

About us

Cofunds and Legal & General International have joined forces to offer you the International Portfolio Bond.

The Cofunds platform enables you to hold all your fund investments in one place across a range of investment products, including an ISA, an investment bond, an international bond, a pension and directly into investment funds. The benefits to you include being able to choose from a wide range of fund managers, keep track of all your investments through Cofunds on a single valuation statement and alter your investment strategy quickly and easily as your needs change. This agreement is in relation to the International Portfolio Bond. It sets out the terms upon which these Cofunds services are provided for this product.

Although offered through Cofunds, the International Portfolio Bond is issued by Legal & General International (Ireland) Limited. This means there is a separate contract for your bond between you and Legal & General International. Therefore this agreement should be read in conjunction with the Key Features, the Illustration, the International Life Funds key features (where appropriate) and Cofunds Fund Key Features Schedule. Once you have agreed with your adviser the funds you wish to invest in, you will just need to complete the application form and send this with a cheque made payable to 'Cofunds Ltd' to the Cofunds administration address.

Cofunds and your adviser

The variety of funds and investment products available today makes selecting the ones that best suit your needs a complex process. We believe your adviser is best placed to help you assess your finances and recommend the investment products that help you achieve your financial goals. For this reason you can only invest in products through Cofunds via an adviser.

International portfolio bond on cofunds

This Agreement sets out the services that Cofunds Limited provides in relation to your investment bond.

1. Definitions

In these Terms references to “we”, “us” and “our” are references to Cofunds Limited and the following words have the meanings set out below:

Administration Address: PO Box 1103, Chelmsford CM99 2XY.

Adviser: An authorised person under Part IV of the Financial Services and Markets Act 2000, who is a user of the Cofunds platform.

Agreement: This Agreement, as amended from time to time, together with your Application.

Application: The application completed by you or on your behalf to invest in an International Portfolio Bond.

Bank: An approved bank based in the United Kingdom. Cofunds may nominate other banks from time to time.

Cash: Monies held within your Cofunds Trading Account that are associated with your International Portfolio Bond.

Cofunds Trading Account: A trading account on the Cofunds platform that allows you to deal in Platform Funds within your bond.

FSA: The Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 5HS.

Legal & General International: Legal & General International (Ireland) Limited, the provider of the International Portfolio Bond.

International Portfolio Bond Transaction Account: A facility within the bond which allows for the payment of policy charges, the collection of rebates from fund managers and enables the payment of regular withdrawals to the policyholder.

Nominated Adviser: The Adviser whom you authorise to give instructions on your behalf on all matters concerning your International Portfolio Bond.

International Portfolio Bond: The International Portfolio Bond (Cofunds). The unit linked investment bond provided by Legal & General International through Cofunds Limited.

Platform Funds: Cofunds collective investments and Legal & General International Life Funds available for investment within a bond on the Cofunds platform.

2. Our Role

2.1 General

We are the point of contact for all communications in relation to your bond. Depending on the nature of the inquiry, Cofunds may from time to time refer your Adviser to Legal & General International.

Shortly after your Application has been approved by Legal & General International, you will receive the relevant bond documentation from Legal & General International.

2.2 Trading of Platform Funds for your Bond

Cofunds performs the trading of Platform Funds for your bond on the Cofunds platform.

Upon confirmation that your bond has been set up by Legal & General International, Cofunds will action any Platform Funds investment instruction from your Application.

Cofunds will action any ongoing Platform Funds instructions following the receipt of a valid instruction from your Nominated Adviser.

2.3 Application

Receipt of a bond application by Cofunds does not constitute acceptance of the contract. Cofunds will forward the Application to Legal & General International for processing.

2.4 Additional investments, changes to fund selections, or withdrawal payments

If you wish to make an additional investment, or wish to switch between the fund in which you are invested, or wish to start, vary or cancel any regular withdrawals you take from your bond, you should instruct your Nominated Adviser, who will make the necessary arrangements with us.

Nominated Adviser may provide you with the ability to perform your own online Platform Funds switches electronically through the internet. Please refer to your Nominated Adviser for details.

2.5 Valuations

If you require a valuation of your investment please contact your Nominated Adviser.

2.6 Surrender of your International Portfolio Bond

If you wish to surrender all or part of the value of your bond, you should instruct your Nominated Adviser, who will make the necessary arrangements through us.

2.7 Death claim

If it is necessary to make a claim under the bond, the personal representatives should contact Legal & General International at the address stated in the Key Features document for the International Portfolio Bond.

2.8 Investment advice

We do not offer investment advice. This is the responsibility of your Nominated Adviser.

3. Your Nominated Adviser

3.1 What your Nominated Adviser can do on your behalf

We are entitled to rely and act on any instruction which is given or which we reasonably believe has been given by your Nominated Adviser on your behalf. You permit us to give your Nominated Adviser information about you and your investment.

3.2 Stopping your Nominated Adviser from acting on your behalf

You may instruct us at any time to stop accepting instructions from your Nominated Adviser, by writing to us at our Administration Address. Your letter must include clear details to identify yourself and your bond and any other products of ours that you hold. Your instruction will be put into effect as soon as practicable after we receive it. We will acknowledge receipt of your instruction and will inform your Nominated Adviser and notify Legal & General International on your behalf.

You must at all times have a Nominated Adviser. If you do not nominate a replacement Adviser then Cofunds reserve the right to terminate the agreement in accordance with clause 9.2 Termination. In the event that your Adviser ceases to be authorised, Cofunds can provide you with details of alternative Intermediaries but does not make any representation as to the suitability or appropriateness of any Adviser or subsequent advice. Any instructions received from you in these circumstances will be dealt on an execution only basis.

3.3 Appointing a new Nominated Adviser

You may at any time appoint a new Nominated Adviser for the purposes of this Agreement, by writing to us at our Administration Address. Your letter must include clear details to identify yourself, the new Nominated Adviser, the details your bond and any other products of ours that you hold. Your instruction will be put into effect as soon as practicable after we receive it, from which point we will cease to act on instructions from your previous Nominated Adviser, if there is one. We will acknowledge receipt of your instruction and will inform your new Nominated Adviser and, where applicable, the previous Nominated Adviser. We will also notify Legal & General International on your behalf.

4. Documentation

4.1 Statements

At least once every twelve months we will send you a statement showing the current value of your bond and the Platform Funds held within it. This information will relate to the statement date and all transactions since the previous statement date. A copy will be made available to your Nominated Adviser. This will also include the details of your Cofunds Trading Account, and details of any holdings contained in the International Portfolio Bond Transaction Account. The surrender value and death benefit based on the value of the bond at the statement date will also be shown, although these are not necessarily the values that would be paid.

4.2 Information on your investment

You can obtain further information on your account such as valuations and illustrations from your Nominated Adviser. Your Nominated Adviser may provide you with access to online valuations and transactional information electronically through the internet. Please refer to your Nominated Adviser for details.

5. Fees, Charges and Expenses

5.1 Our fees

The charges payable under the bond are described in the relevant key features and associated documentation. We receive a fee from Legal & General International for administration services that we provide in relation to the International Portfolio Bond.

5.2 Nominated Adviser

Commissions due to your Nominated Adviser will be disclosed to you in the post sale information which is sent to you when you make your investment.

6. Data Protection

All personal data relating to you that we hold for the purpose of providing services under this Agreement is held in accordance with the requirements of data protection legislation.

We will use your information for administration and servicing of your investments and related activities. We may disclose your information to our agents, service and product providers for these purposes. We may also disclose your information to other organisations where required for compliance with legal and regulatory requirements. We may disclose your information to your Nominated Adviser.

With the exception of the above provisions, we will not pass on your details to any other third party without your permission.

We may transfer your information to service providers in countries outside Europe where required for the servicing of your investments. In such cases, contracts will be put in place to ensure that the service providers protect your information in accordance with the requirements of data protection legislation.

You have the right to ask us for a copy of any information we hold relating to you, for which we may make a charge.

7. General

7.1 Client money protection

Where premiums under your bond are payable to us, we forward them to Legal & General International shortly after receipt. Banking of your cheque will not constitute acceptance of your contract.

All cash that we hold temporarily on your behalf will be held as client money in a separate bank account with the approved Bank in accordance with FSA rules. We will not pay interest on this money. If we lose contact with you for a period of at least six years, we will be entitled to cease holding any amounts due to you as client money in accordance with the FSA rules. We will write to you beforehand at your last known address, warning that this will happen. However, if you subsequently make contact and claim payment, we will pay any monies due to you.

7.2 Verification of personal identity

Money Laundering legislation requires us to verify the identity of persons who apply or give instructions under your contract. In the case of Trusts we may need to verify the identity of Trustees, beneficiaries or other persons with power over the Trust. Processing of your instructions or payments due to you may be rejected or delayed, pending receipt of satisfactory evidence. Legal & General International will carry out their own checks to establish the identity of persons who apply or give instructions under your contract.

7.3 Civil Partnership Act

The Civil Partnership Act 2004 (CPA) came into force on 5 December 2005. The CPA is designed to provide a system of registration for same sex relationships. Registered civil partners will be in a relationship akin to marriage in respect of the laws of survivorship and benefits. As such, all references to the rights and benefits of a spouse or widow(er) in any of our literature will apply equally to married couples and registered civil partners.

7.4 Information for Cofunds

You must give us all information which we reasonably request to enable us to provide our services under this Agreement. You must tell us promptly if any of your personal details change. We will notify Legal & General International of any changes on your behalf. Any instructions that you give us must be in writing and where appropriate signed by all relevant parties who signed the original Application (if more than one), unless we agree otherwise.

For information on cancellation rights, please refer to the key features issued by Legal & General International.

7.5 Regulation

We are authorised and regulated by the FSA for investment business. Our FSA registration number is 194734, confirmation of which can be obtained from the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

7.6 Assignment and Delegation

If you assign your bond to any person, you may also assign the benefit of this Agreement to that person. This Agreement may not be assigned by either party in any other circumstances.

We may appoint any person (whether or not a company in the same group as Cofunds) to advise on or perform any of our functions or responsibilities under this Agreement. We will remain responsible for the proper performance of those functions and responsibilities.

7.7 Communications

Any correspondence with us in connection with this Agreement should be sent to us at the Administration Address. Notices to you will be sent to your last known address and may be copied to your Nominated Adviser.

7.8 Client Classification

Cofunds classifies all holders of the bond as retail customers for the purposes of the FSA rules.

8. Cofunds Trading Account

8.1 General

The Cofunds Trading Account is a facility that allows Platform Funds to be traded on the Cofunds platform within your bond. It enables your Nominated Adviser to:

Buy/Sell Platform Funds on your behalf.

- Hold Cash destined for purchasing Platform Funds on the Cofunds platform.
- You can only have one Cofunds Trading Account linked to your bond at any given time. All distribution income earned on Platform Funds is paid directly into your Cofunds Trading Account. This Cash can then be used for future Platform Fund purchases or for transferring into the International Portfolio Bond Transaction Account to cover charges or withdrawals.

8.2 Interest

Cash held within the Cofunds Trading Account will accrue interest daily and will be credited to your balance quarterly, in arrears. The rate of interest earned will be a fixed percentage below the Bank of England (BOE) base rate:

- Details of Cofunds current interest rates can be found at the below link. Alternatively, please contact your adviser:
www.cofunds.co.uk/docs/cofundrates.pdf
- Details of the Bank of England's current base rate can be found in the financial section of leading newspapers or by visiting:
www.bankofengland.co.uk

Any interest you receive will fluctuate in line with the BOE base rate. If interest earned in any monthly period is £1 or under, no interest will be paid.

Cofunds is not a retail bank, nor a deposit taker. All Cofunds Trading Account Cash is pooled together and held as a client account with an approved retail Bank. Cofunds will receive additional interest from the approved Bank. Details are available on request by writing to the Cofunds Administration Address. Please note that if the approved Bank defaults or becomes insolvent you may not receive all your Cash back.

8.3 Taxation

Interest on the Cofunds Trading Account is paid gross.

8.4 Buying Platform Funds

To purchase Platform Funds using Cash held within the Cofunds Trading Account, please refer to your Nominated Adviser who will deal with your request. Cofunds will process the purchase upon receipt of a valid instruction.

8.5 Payments in

- All new Cash paid into the Cofunds Trading Account (that are not proceeds from the sale of Platform Funds) must come via the International Portfolio Bond Transaction Account or via an additional bond application.
- All proceeds from the sale of Platform Funds will be paid into the Cofunds Trading Account. Cofunds will process the sale upon receipt of a valid instruction.

8.6 Payments out

- All Cash paid out of the Cofunds Trading Account (that is not used for purchasing Platform Funds) will be transferred directly into the International Portfolio Bond Transaction Account of your International Portfolio Bond. Legal & General International will pay regular withdrawals or full or partial surrenders into the bank account stated on your bond application form.

9. Variation, Termination and Amendment of Terms

9.1 Changes to this Agreement

We may from time to time amend this Agreement where the amendment:

- does not materially prejudice you, or
- is required to enable us to comply with a legal or regulatory requirement.

We will give you reasonable notice of any amendment to this Agreement.

9.2 Termination

We may terminate this Agreement at any time by giving you a minimum of three months notice. You may also terminate this Agreement at any time by giving written notice to our Administration Address with effect from the date of receipt. We will notify Legal & General International on your behalf. Your bond will continue unaffected and you and/or your Nominated Adviser will be able to deal directly with Legal & General International in all matters concerning your bond. Your Contract Document explains the terms that apply if this Agreement is terminated.

10. Complaints and compensation

10.1 Complaints

We operate a written complaints procedure in accordance with FSA rules. If you have any complaints about our services under this Agreement, please write to the Head of Retail Operations, at our Administration Address. Alternatively you may wish to make a complaint through your Nominated Adviser. If your complaint relates to the operation of the bond please forward it to Legal & General International at the address stated in the Complaints section of the key features document for the bond.

We can give you full details of the procedure we have set up for dealing with complaints, if you request it. If you are not satisfied with our response, you may take your complaint to the Financial Ombudsman Service, who may be contacted at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

10.2 Compensation claims

Cofunds is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme in relation to the premium we temporarily hold as client money (see section 7.1). Most investment services are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Further information about the compensation arrangements is available from the Financial Services Compensation Scheme. Cofunds can give you full details of your right to lodge a claim with the scheme. Where you are invested in the bond the relevant compensation terms are those set out in the key features document issued by Legal & General International.

11. Governing law

This Agreement is governed by and is to be construed in accordance with English law. The information contained in this Agreement is based on our understanding of current legislation and HM Revenue & Customs practice and could be affected by changes in legislation and practice.

Cofunds Limited does not offer investment advice or make any recommendations regarding investments. Issued and approved by Cofunds Limited. Authorised and regulated by the Financial Services Authority (FSA) under FSA Registration No.194734. Registered Office: 1st Floor, 1 Minster Court, Mincing Lane, London EC3R 7AA. Registered in England and Wales No. 396528.

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