

Adviser Service Level Agreement with Cofunds

Our commitment to service excellence

Contents

1. **Introducing a new Customer to Cofunds**
2. **Portfolio Planning**
3. **Submitting an investment application or an additional subscription**
4. **Incomplete applications**
5. **Transfers In**
6. **Pending Trades**
7. **Regular Investments**
8. **Income options**
9. **Sale for Regular Payment**
10. **Withdrawals**
11. **Fund switches**
12. **Conversions**
13. **Transfer out**
14. **Bulk instructions**
15. **Customer reporting**
16. **Cancellation rights**
17. **Voids**
18. **Death of the Customer**
19. **Corporate actions**
20. **Customer maintenance**
21. **Customer use of the Website/Microsites**
22. **Distributions and tax reclaims**
23. **Change of nominated intermediary**
24. **Intermediary take-on**
25. **Representative maintenance**
26. **Changes to static data**
27. **Commission**
28. **Adviser Support Team**
29. **Complaints process**
30. **Management Information**
31. **Contacts**

1. Introducing a new customer to Cofunds

- 1.1 Before Cofunds can take a new Customer onto its books, the Adviser must:
 - (a) Provide Your Guide to investing with Cofunds, and other relevant information to the Customer;
 - (b) Complete the Cofunds Intermediary Data Requirements Form;
 - (c) Provide names and specimen signatures of authorised signatories to act on the Adviser's behalf;
 - (d) Be responsible for identifying the Customer for the purposes of the Money Laundering Regulations and confirm to Cofunds, using the appropriate confirmation of verification of identity forms (CVI), that the Adviser has done so (see section 1.7);
 - (e) Submit to Cofunds a properly completed application, together with payment from the Customer or from the Adviser's own client money account. Where the Customer returns applications, it is the Adviser's responsibility to ensure that they are complete. All applications must be properly signed.
- 1.2 Cofunds will accept the payment in the following forms:
 - (a) Personal Customer cheque, including joint accounts, for named accounts only
 - (b) Building Society cheque with Customer's name, for named accounts only
 - (c) Cheque bearing the Customer's spouse's or legal partner's name, for named accounts only, subject to appropriate anti Money Laundering evidence being provided by the Adviser for both investor and paying third party
 - (d) Transfer in cheque from another fund manager
 - (e) Cheque issued from a client money account where the Adviser is authorised to hold client money
 - (f) Debit card in Customer's name for online ISA investments (subject to the Adviser verifying the source of funds)
 - (g) Debit card (online only) or CHAPS for investment fund investments (subject to the Adviser verifying the source of funds)
- 1.3 In addition, where the Customer has authorised the Adviser to make payments on their behalf using a debit card or other electronic payment token, Cofunds may agree to accept payment by this means, in which case the Additional Procedures for Debit Card Payments set out in the Schedule 1 to this Service Level Agreement will apply.
- 1.4 Cofunds reserves the right to refuse any payment where we determine insufficient details have been provided.
- 1.5 Any exceptional cases where the above requirements will not be satisfied (for example, direct offer mailings where the application will be returned by the Customer direct to Cofunds) must be agreed with Cofunds 30 calendar days in advance.
- 1.6 The Adviser must provide the Customer with copies of the Cofunds Terms & Conditions and/or Customer Agreement, along with the Your Guide to Investing with Cofunds and other relevant Key Features document(s) for the fund(s) selected for investment.

- 1.7 The Adviser must confirm the identity of the Customer in accordance with the Money Laundering regulations. For paper and fax applications the Adviser must complete a confirmation of verification of identity form (CVI) and submit it with the application together with either references that will enable Cofunds to re-obtain the evidence or certified copies of the evidence obtained. The Adviser will be responsible for keeping records of the forms of identification accepted as proof of name and proof of address.
 - 1.8 Cofunds reserves the right to complete further Money Laundering checks where it is felt necessary if the above requirements are not complied with satisfactorily. In addition, where payment for the investment is not made direct from a bank account in the name of the Customer (or, where relevant, from the Adviser's own client bank account), then anti-money laundering checks will need to be performed by Cofunds.
 - 1.9 If Cofunds is unable to verify the Adviser's Customer's identity through its checks, then Cofunds will contact the Adviser to request appropriate evidence.
- (b) When an existing Customer is linked to a Model Portfolio, the Adviser can choose at any time to rebalance their investments back to the original fund percentage split;
 - (c) When an existing Customer's situation changes, the Adviser can choose to link them to a different, more appropriate Model Portfolio and rebalance the Customer's holdings accordingly;
 - (d) When an Adviser chooses to change the composition of a Model Portfolio to which a Customer is linked, the Adviser can choose to rebalance the Customer's holdings to the new version of the Model Portfolio.
- 2.5 A new link can only be created to the most recently updated version of the Model Portfolio. If a Customer is linked to an existing Model Portfolio and the Model Portfolio is updated to a newer version then the Customer can continue to be linked and rebalanced to align to the original version, or the Customer can be linked to the most recently updated version. No other versions can be used.
 - 2.6 A rebalance can be transacted when, at the date of review by the Adviser, the total positive or total negative variance across all funds in the portfolio is greater than 2%. Where this variance is greater than 2% the following conditions will apply:
 - (a) Only individual funds with a positive variance of 0.25% will be included in the sell process;
 - (b) The cash proceeds from the sell process will be applied proportionately to purchase Units in only those funds that have a negative tolerance of greater than 0.25% at the time of the review;
 - (c) The rebalance calculation is based on the latest bid/mid price available to Cofunds at the review date. The actual price used to sell and buy will be based on the price at the time of the transactions are processed in line with our trading terms (as detailed in section 2.7 below).

2. Portfolio planning

- 2.1 Cofunds offers a number of online portfolio planning tools to support the Adviser in providing systematic management of Customer investment needs. The portfolio planning tools available on the Cofunds Website currently support risk analysis, asset allocation, fund selection and portfolio maintenance.
 - 2.2 To assist the Adviser and its Customers in appropriate fund selection, the Cofunds Website offers tools to enable the Adviser to:
 - (a) 'self-select' individual funds as appropriate for its Customers;
 - (b) select funds-of-funds in which to invest its Customers;
 - (c) design and dictate panels of funds from which its Personnel and Customers can select;
 - (d) create portfolios of funds which its Personnel and Customers can select;
 - (e) create portfolios of funds tailored to specific Customers;
 - (f) access portfolios of funds created by 3rd party providers in which to invest its Customers.
 - 2.3 The Adviser can save its dictated panels or created portfolios on the Cofunds Website. Cofunds will issue each panel and portfolio a version number. When portfolios are updated a new version will be issued and stored with Cofunds.
 - 2.4 Through the Website, the Adviser can link new or existing Customers to portfolios which are appropriate to their investment needs (Model Portfolios):
 - (a) When a new Customer makes an initial investment a Model Portfolio can be selected, in which case their initial investment will be invested in the funds in that Model Portfolio in the appropriate specified proportions. The chosen Model Portfolio can then be linked so that at any point in the future the Adviser can choose to rebalance the Customer's holdings to match the Model Portfolio's specified funds and percentages;
- 2.7 Due to the large number of switches that may be required to rebalance a Model Portfolio, these instructions are handled separately from standard switches. Irrespective of the time a rebalance instruction is received by Cofunds, the instruction will normally be placed no later than the Business Day following receipt. However, in some instances, including but not limited to when unusually large numbers of instructions are received, the Adviser's instruction may be placed on the subsequent Business Day at the next available Valuation Pricing Time.
- Due to forward pricing by the fund managers, the proportionate value of the holdings will differ slightly from the percentages specified in the Model Portfolio after the switches have been carried out.
- 2.8 A rebalance of a Regular Investment cannot be transacted within five Business Days of the collection date. Existing assets may be rebalanced but the Regular Investment will not be updated until after the collection.
 - 2.9 Where a Customer has outstanding online transactions to buy, sell, or switch, a rebalance cannot be conducted until the outstanding transaction has completed.
 - 2.10 Cofunds currently will not accept bulk instructions for a rebalance transaction.

- 2.11 The usual switching charge of 0.25% per fund switch applies to rebalance transactions. Please refer to section 11 for the terms and conditions applying to fund switches.
- 2.12 Where a Customer has been linked to a portfolio through a lump sum investment, subsequent regular contributions will be aligned to the portfolio proportionately.
- 2.13 Where a Customer is linked to a Model Portfolio:
- If the Customer sells from a fund, they continue to be linked, but may come out of alignment with the Model Portfolio;
 - If the Customer wishes to switch between funds, they must be unlinked from the Model Portfolio by the Adviser in order to do so;
 - Regular withdrawals will follow the Sale for Regular Payment model portfolio rules, detailed in section 9.5 below;
 - and is set up on a Sale for Regular Payment mandate, any Adviser charges or pension product drawdown will be taken according to the Sale for Regular Payment model portfolio rules, detailed in section 9.5 below;
 - and is rebalanced to align to the Model Portfolio, Regular Investments will also be aligned to the Model Portfolio. If a Customer is unlinked from the Model Portfolio, Regular Investments will continue to invest in Model Portfolio funds until the Adviser instructs otherwise;
 - Regular Investments into the product linked to the Model Portfolio can only be set up online. The Adviser can only amend the amount paid into a Model Portfolio, not the percentage breakdown between funds – the percentages are specified by the Model Portfolio. If the Adviser wishes to amend the percentages invested into each fund, the product must be unlinked from the Model Portfolio.
- 2.14 The Adviser is at all times responsible for ensuring that the fund panels or portfolios they have selected or created are suitable for their Customers. The Adviser is at all times responsible for linking and unlinking their Customers to portfolios as appropriate.
- 2.15 It is the Adviser's responsibility to ensure that it has the appropriate authorisation to link and unlink their Customers and to carry out any related transactions, such as rebalances.
- 2.16 It is the Adviser's responsibility to update their fund panels and portfolios appropriately in response to any corporate actions in the underlying funds.
- 2.17 Where a Customer changes to a new Adviser, they will be automatically unlinked from any portfolios or panels created by the previous Adviser.
- 2.18 Cofunds reserves the right to add to, change, modify, substitute or remove portfolio planning tools and/or the rules by which they operate, at any time.

3. Submitting an investment application or an additional subscription

- 3.1 Investments may be made by pre-printed application form, electronically using the Cofunds on line dealing service or via an integrated 3rd party website. The Adviser may provide its own deal reference number, which will be included in its management information files.
- 3.2 All applications must bear the Cofunds Intermediary Authorisation Code.
- 3.3 Each amount to be invested under a transaction instruction (for example applications or additional subscription) must be expressed as a cash amount. Cofunds does not accept transaction instructions expressed as an order to purchase a particular number of Units/shares.
- 3.4 Cofunds operates to a Dealing Cut-Off Time for each fund which is set 60 minutes before the Valuation Pricing Time applied by the manager. Dealing Cut-Off Times vary between funds – details can be found in the individual Fund Key Features documents.

The Dealing Cut-Off enables individual Customer deals to be amalgamated into bulk deals and placed in a timely manner with the relevant fund manager prior to their Valuation Pricing Time. It is Cofunds' normal business practice to buy or sell Units in funds at the Valuation Pricing Time following receipt of the Adviser instruction. This will normally be the same Business Day, providing the relevant Dealing Cut-off Time is met. However, in some instances, including but not limited to when unusually large numbers of instructions are received, the instruction may be placed on the subsequent Business Day at the next available Valuation Pricing Time.

Due to the large number of switches that may be required to rebalance a Model Portfolio, these switch instructions are handled separately. Irrespective of the time a rebalance instruction is received by Cofunds, the instruction will normally be placed no later than the Business Day following receipt. However, in some instances, including but not limited to when unusually large numbers of instructions are received, the instruction may be placed on the subsequent Business Day at the next available Valuation Pricing Time.

Due to forward pricing by the fund managers, the proportionate value of the holdings will differ slightly from the percentages specified in the Model Portfolio after the switches have been carried out.

Cofunds will not split deals between Valuation Pricing Times (splitting could mean receiving two different prices for parts of the same order or, in an aggregated deal, some investors could get one price and others another price), apart from in exceptional circumstances dictated by the Fund, for example, if the Fund is suspended. In these cases Cofunds ensures that our records of instructions match the fund managers' records and that each Customer's instruction is fairly processed. In all circumstances, Cofunds processes instructions in the order in which we receive them - however, instructions submitted online may be dealt with sooner than postal applications.

- 3.5 Cofunds requires completion of a Cofunds ISA application form for the first ISA investment during any tax year unless a continuous application has previously been completed and contributions have not lapsed for a complete tax year. The Adviser is responsible for ensuring that the application is completed in full and that the Customer has signed the declarations.
- 3.6 Additional investments may be made accompanied by a letter of instruction. The Adviser must ensure that the total amount invested does not exceed the annual ISA allowance. Where the Customer already holds a Cofunds ISA within the current year or a fresh application form is not otherwise required, Cofunds will also check that the Cofunds ISA does not exceed the annual limits.
- 3.7 An application must be accompanied by a sterling payment, as set out in 1.2, or transfer authority for investment fund investments and re-registration form for ISAs. The Adviser needs to ensure that cheques are made out for a sum equal to the total amount to be invested, made payable to "Cofunds Limited" and duly signed by the authorised signatory.
- 3.8 Where payment is made by CHAPS it must be pre-agreed by Cofunds, preceded by source of funds confirmation and received in Cofunds bank account no more than 2 Business Days following the deal.
- CHAPS payment is only available for the purchase of investment funds. Please note that the Customer's bank may charge for this service. Please supply the payee account instruction information to the Customer's bank to make the CHAPS payment. Please include the Cofunds deal reference(s) in the instruction. Deals funded by CHAPS are subject to additional checks before they are placed.
- 3.9 In order to reduce the time between Customer instruction and transaction execution, Cofunds is committed to encouraging the use of online transactions.

4. Incomplete applications

- 4.1 A transaction instruction will normally be processed on the Business Day on which it is received and accepted as complete by Cofunds. Where we are unable to process and clarification can be obtained by telephone, Cofunds will contact the Adviser as soon as practicable, though during busy periods, such as tax year end, we may not be able to place referral calls. The transaction will not be effected until satisfactory clarification has been received. If clarification is received too late for that day's Dealing Cut-Off Time, the transaction will be applied to the next Valuation Pricing Time. Where any issue requiring clarification is not satisfactorily resolved within 24 hours of Cofunds receiving the instruction, the transaction instruction form will be returned to the Adviser, together with the related cheque.
- 4.2 Where the transaction cannot be processed (for example, if the Customer declaration has not been signed) the transaction instruction (and cheque where appropriate) will be returned to the Adviser within 24 hours of receipt with no prior communication.
- 4.3 For transactions or instructions that are not governed by Client Money Regulations, (for example Transfer Applications and Authorisations), should satisfactory clarification not be received within a reasonable timeframe, the transaction instruction form will be returned to the Adviser.

5. Transfers in

- 5.1 ISA transfers into Cofunds may be in cash, and re-registration is available for ISAs and investment funds. Customers may be individuals (ISAs and investment funds) and corporate (investment funds only) and may include a designation (investment funds only). Where applicable, the procedures described elsewhere for Cofunds taking on a new Customer must be complied with in addition to those set out below.
- 5.2 The correct transfer form must be completed. Forms can be completed on paper and sent in by post, or completed online on the Cofunds Website.
- 5.3 In the case of an ISA or investment funds transfer in, the Adviser must ensure that new funds selected or existing investments being re-registered are available on the Cofunds Platform.
- 5.4 Incomplete or incorrect transfer forms will delay investment and may need to be returned.
- 5.5 It is possible to transfer in the whole or part of an ISA for a previous tax year. However, where a current tax year ISA is being transferred, the transfer must consist of the entire current year. Cofunds reserves the right to reject partial transfers.
- 5.6 It is possible to transfer in a cash ISA into a Cofunds stocks and shares ISA. However, Cofunds does not offer a cash component ISA.
- 5.7 Cofunds does not accept switch instructions for in progress transfers (see Switches 11.5)
- 5.8 With the specific agreement of Cofunds, re-registration is available where the fund(s) held are already available through Cofunds. In this case, Cofunds will contact the existing manager to arrange for the transfer of all relevant holdings to the Cofunds nominee.
- 5.9 Some ISA plan managers do not accommodate re-registration. Please check with the fund manager, or use the Cofunds Consolidation Assistant tool, for details.
- 5.10 In the case of a cash transfer in, Cofunds will arrange for these monies to be invested in accordance with the Adviser's instructions on the application form. It is Cofunds' normal business practice to buy Units in funds at the Valuation Pricing Time following receipt of monies from the previous plan manager. This will normally be the same Business Day, providing the relevant Dealing Cut-off Time is met. However, in some instances, including but not limited to when unusually large numbers of instructions are received, the Adviser's instruction may be placed on the subsequent Business Day at the next available Valuation Pricing Time.
- 5.11 Where an application is accepted, Cofunds will contact the existing manager to effect the transfer. Cofunds will monitor the progress of the transfer and will contact the Adviser if further assistance is required for any reason.
- 5.12 Where a distribution or tax reclaim is received from the previous plan manager, this payment will be reinvested into the largest value holding within the relevant part of the Customer's Account, regardless of any mandate instructions received upon transfer to Cofunds or subsequently. Cofunds reserves the right to return any residual payment to the previous plan manager if the amount is below £25.

- 5.13 Where a transfer is outstanding for 14 Business Days Cofunds will contact the plan manager and endeavour, with their co-operation, to monitor the progress of the transfer. Where necessary Cofunds will then maintain regular contact with the outgoing party and arrange any remedial action to facilitate transfer completion.

6. Pending Trades

- 6.1 The Pending Trade service allows the Adviser to set up instructions online to buy Units in a fund or funds now and pay later. The Adviser can set up Pending Trades in the course of a transaction and view, reprioritise and cancel them through the Account Maintenance area of the Website.
- 6.2 The Adviser can allow the Customer the ability to set up, reprioritise and cancel Pending Trades through the Website.
- 6.3 Pending Trades can only be set up when the Available Balance in the Cash Account (or Trading Account/Pension Trading Account, as appropriate to the product) is less than the value of the Pending Trade.
- 6.4 The Pending Trade instructions will be saved on the Cofunds system until we receive payment for the Pending Trades – when payment is received we will process the transaction(s) following our usual dealing procedures described in section 3.
- 6.5 Pending Trades are valid for 14 calendar days from the date on which they are set up. The Adviser must arrange to make payment within this time frame accordingly. If there is not sufficient money in the Cash Account (or Trading Account/Pension Trading Account, as appropriate to the product) within 14 calendar days to pay for the Pending Trades, they will expire on our system and we will not process them. The Available Balance and Cleared Balance will be updated to reflect the additional money Cofunds has received from the Customer.
- 6.6 Pending Trades will expire immediately if there is a change of Nominated Adviser or on the death of the Customer.
- 6.7 Pending trades are prioritised in the order in which the deals are created. The Adviser (and the Customer) can amend the priority order of Pending Trades online. Once sufficient money is in the Available Balance, Cofunds will process the Pending Trades in the order in which they are prioritised.
- 6.8 If the Available Balance is not enough to process all the Pending Trades, Cofunds will process the Pending Trades in order of priority, so long as there is sufficient Available Balance to pay for them.
- 6.9 If the Available Balance is insufficient to process the highest priority Pending Trade, Cofunds will not process any Pending Trades, even if the Available Balance is enough to pay for lower priority Pending Trades. In this situation, lower priority Pending Trades can expire. If the Adviser want Cofunds to process the Pending Trades for which there is enough money, the priority order of the Pending Trades must be amended to reflect this.
- 6.10 The Adviser or Customer can cancel Pending Trades at any time before they are paid for, but a confirmed trade of any kind cannot be cancelled.
- 6.11 During the Business Day Pending Trades are the highest priority transactions. This means that if Cofunds receives Monies into an account which increases the Available Balance sufficiently to pay

for the Pending Trade(s), we will process the Pending Trades before any other types of transaction. Otherwise money received into the Cash/Trading Account will follow the payment priorities set out in section 9.6 below. Please note that ring-fenced monies reduce the Available Balance – see section 9.13 for more details on ring-fencing.

Pending Trades for ISAs

- 6.12 Pending Trades count towards the Customer's ISA allowance for the tax year when they are paid for.
- 6.13 For ISAs, Pending Trades in the current tax year are valid for 14 calendar days from the date on which they are set up, or until tax year end – whichever falls sooner. The Adviser must ensure that payment is received by Cofunds within this time frame accordingly.
- 6.14 If Cofunds has not received the money to pay for a current tax year Pending Trade by tax year end (5th April at latest), the Pending Trade will be cancelled. This overrides the 14 calendar day expiry period which normally applies for Pending Trades – Cofunds must receive payment by tax year end in order to carry out the Pending Trade (subject to Cofunds' usual dealing procedures – see section 3).
- 6.15 Pending Trades cannot be set up in the current tax year if they are created within five Business Days of the end of the current tax year.
- 6.16 Pending Trades for the current tax year are prioritised in the order in which the deals are created. The Adviser (or Customer if they are given online access) can amend the priority order of current tax year Pending Trades online. Once sufficient money is in the Available Balance, Cofunds will process the Pending Trades for the current tax year in the order in which they are prioritised. Pending Trades for the next tax year cannot be prioritised.
- 6.17 Pending Trades cannot be set up to pend into the next tax year except between 1st March and 5th April in the current tax year. During this period it's possible to set up an instruction to buy Units in a fund or funds in the next tax year.
- 6.18 We must have received payment for next tax year Pending Trades by 20th April of the new tax year – the Available Balance must have sufficient money to fund the deal by then or the Pending Trade will expire and we will not carry it out. The priority order of Pending Trades can only be amended in the current tax year – next tax year Pending Trades will appear in the order in which they were set up, although they can be cancelled if desired. Once the new tax year commences it's possible to amend the priority order of Pending Trades as normal.

7. Regular Investments

- 7.1 Both lump sum and Regular Investments are available. Regular Investments are available for ISAs, investment funds and Pension Products by Regular Savings Facility (RSF), and for the Cofunds Pension Account by Regular Investment Instruction (RII).

Regular Investments must adhere to the minimum investment levels detailed on the application form and in the Your Guide, Fund Key Features documents and Terms & Conditions and/or Customer Agreement. Where applicable, the procedures described in section 1 above for Cofunds taking on a new Customer must be complied with in respect of both investment methods, in addition to those procedures set out below.

- 7.2 The Adviser can give instructions at any time to start regular monthly investments into a Cofunds Investment ISA or Cofunds Investment Funds Account, or to change an existing arrangement for Regular Investments.

If the Adviser has verified that the bank or building society account from which monthly payments are to be taken belongs to the Customer, then the first monthly subscription can be made by direct debit. Regular Investments set up online must be paid for by direct debit from the appropriate Nominated Bank Account.

For Regular Investment applications for ISAs and Investment Funds received up to the last day in any month, the first direct debit collection will be made on or shortly after the 25th calendar day of the following month. The direct debits will be taken on or shortly after the 25th calendar of each month from then onwards. However, if you want to start your Regular Investments from a later month than this you can advise us accordingly.

Amendments for Regular Investments for ISAs and Investment Funds must be received by Cofunds five Business Days before the 25th calendar day of the month to take effect that month.

Regular Investments into a product linked to a Model Portfolio can only be set up online. You can only amend the amount paid into a Model Portfolio, not the percentage breakdown between funds – the percentages are specified by the Model Portfolio. If the Adviser wishes to amend the percentages invested into each fund, the product must be unlinked from the Model Portfolio.

Monies to fund Regular Investments into Pension Products will be taken from the bank account linked to the Pension Product on or shortly after the 11th calendar day of each month. We must receive the RSF application by the 15th calendar day of the month for the instruction to take effect on the 11th of the following month.

For Regular Investments into Pension Products, the Adviser can make online amendments of the percentage split between funds (unless the product is linked to a model portfolio), but not the overall amount of the Regular Investment. If the Adviser wishes to change the amount of Regular Investment into a Pension Product, the Adviser must contact the product provider.

For Regular Investments into the Cofunds Pension Account, please see sections D3 and D4 of the Terms & Conditions of the Cofunds Platform.

- 7.3 In addition to the application form the Adviser is responsible for ensuring that the section of the form entitled "Investment by Direct Debit" is fully completed. Completion of this section by the account holder is necessary in order to enable Cofunds to collect the investment payments. It should be noted that such payments may not be paid by standing order.
- 7.4 Where applications are not accompanied by a lump sum payment, the ISA is not deemed to be opened until the first regular payment is received.
- 7.5 The Adviser is responsible for ensuring that the Customer does not exceed the annual ISA investment limits through continuous Regular Investments.

- 7.6 In the event that a collection is rejected by the Customer's bank, the purchase deal will be subject to a forced sale and any related commission will be clawed back (covered in detail in the Commission section).
- 7.7 Cofunds issues an acknowledgement for the first investment. It will not issue individual confirmation notes for each subsequent monthly investment, but will instead provide a list of Regular Investments in the consolidated confirmation of transactions, issued by January where the Customer has not been provided with confirmation notes of transactions in the last six months. This will be forwarded to the Customer and available to the Adviser from the Cofunds Website.
- 7.8 A rebalance of an RSF cannot be transacted within five Business Days of the collection date. Existing assets may be rebalanced but the RSF will not be updated until after the collection. Please see section 2 above for more information on rebalancing.
- 7.9 The terms set up at the outset of a RSF are retained for its life period. If different terms are required they must be submitted to Cofunds in writing by the Adviser.

8. Income options

Income Choices

- 8.1 On Application or as part of a purchase instruction an Income Choice must be selected for any funds that pay income. This choice will apply to all income-paying funds held within the same product and overrides any previous instruction for the treatment of income.
- 8.2 There are two options for treatment of income: Reinvest and Payaway. If Reinvest is selected, income will be reinvested back to purchase more Units of the income-distributing fund.
- 8.3 If Payaway is selected (and no Income Mandate is in place – see 8.5), there are two further choices of how income can be taken: (1) hold on platform, and (2) consolidated monthly income (CMI).
- (1) If hold on platform is selected, income will be paid into the Cofunds Cash Account, Pension Trading Account or Trading Account (depending on the product in which the funds are held). Income from pensions will always be held within the product.
- (2) If CMI is selected, Cofunds will pay out all income received on directly held investment funds and /or Cofunds Investment ISA at monthly intervals. We will open a Consolidated Income Account for the Customer and transfer the relevant income into that account as and when it is received. We then pay the accumulated balance on that account into the Customer's Nominated Bank Account on a monthly basis. If any Client Account is overdrawn, we reserve the right to reclaim the amount owed to us before making a monthly payment.
- The frequency of distributions paid by the funds will affect the amount received on a monthly basis. If the funds held only pay income quarterly, half-yearly or annually, then in some months a payment may not be made at all.
- 8.4 Income from pensions cannot be paid out – it will always be held on platform within the appropriate Pension Trading Account or Trading Account.

Income Mandates

- 8.5 For ISA and Investment Funds products linked to the same Cash Account, an Income Mandate determines across all products the treatment of income which has been elected to Payaway. This means that at product level, a Payaway Income Choice cannot be made that is different from the Payaway Income Mandate –so any income from newly-purchased Funds will automatically follow the Income Mandate.
- 8.6 As part of setting up a Customer on the Cofunds platform we apply a default Payaway Income Mandate of hold on platform. This means that unless an income fund is purchased as part of the Customer's first transaction and Payaway CMI is selected, the Income Mandate will be set to hold on platform.
- To amend an Income Mandate the Adviser must go to the 'Account Maintenance' section of the Website, where it is possible to change between hold on platform and CMI.
- 8.7 **Income payments**
It takes seven Business Days after we receive instructions to apply them to income payments. If the Customer no longer has a holding in an investment at the time when we receive the income arising from it, we may pay that income to the Customer.
- 8.8 **Regular Withdrawals**
The Adviser can instruct Cofunds at any time to pay a specific amount from a Customer's Cofunds Cash Account to the Customer's Nominated Bank Account on a monthly, quarterly, half-yearly or annual basis. An instruction to take regular withdrawals will automatically replace any existing arrangement for payment of consolidated income. See section 10 for more information on regular withdrawals.
- 8.9 **Residual payments**
If holdings are transferred to a Cofunds Account from a third party investment manager and Cofunds subsequently receives a payment from the old manager, such as a distribution or tax reclaim, the payment will be added to the Account in the following way: any residual payment received from the old manager will be reinvested into the largest value holding within the relevant part of the Account, regardless of any mandate instructions received upon transfer to Cofunds or subsequently. Cofunds reserves the right to return any residual payment to the old manager if the amount is below £25.
- 8.10 **Good discharge**
Cofunds will be entitled to pay any amounts owing to the Customer into their Nominated Bank Account or the Adviser for the time being. Any such payment will be a good discharge of our obligation to pay the relevant amount.

9. Sale for Regular Payment

9.1 Purpose of Sale for Regular Payment

A Sale for Regular Payment is an optional service to help manage payments out of the Customer's Cofunds Cash Account/Cofunds Pension Account (CPA) Pension Trading Account.

For the Cash Account (for ISAs and Investment funds) it applies to the following payments:

- regular withdrawals;
- Adviser charges.

For the Pension Trading Account (for the CPA) it applies to the following payments:

- product charges;
- pension drawdown;
- Adviser charges.

Where a Customer does not have enough money in their Cash Account and/or Pension Trading Account to meet the payments due to be paid that month, a Sale for Regular Payment instruction will enable Cofunds to sell a portion of their Investments to raise the required amounts.

9.2 Setting up a new Sale for Regular Payment – Customer authority

The Adviser must provide the Customer with a Sale for Regular Payment Instruction form (www.cofunds.co.uk/docs/SfRPInstruction.pdf), which when signed gives the Adviser the authority to set up a Sale for Regular Payment mandate on the Customer's account.

The Adviser should explain the effect of the Sale for Regular Payment process on the Customer's Investments.

The Customer should fill in and sign the Sale for Regular Payment Instruction form, and the Adviser should keep this for its records.

Once the Adviser has the Customer's instruction, the Adviser must use the secure Website to set up the mandate on their account.

9.3 Sale for Regular Payment Instruction form

When filling out the instruction form, the Customer must direct us to sell Units either from:

- (a) their largest value fund holding (Largest Fund) across their selected products; or
- (b) their Nominated Fund.

This is their Account Level instruction.

If the Customer does not hold all their investments in a Model Portfolio, they must choose whether they would prefer us to sell from either (a) or (b) above.

When filling out the form, the Customer must choose whether they want their Sale for Regular Payment Instruction to apply to their ISA or their investment funds, or both.

If they only hold a CPA they must still fill out the form – the Account Level choice of option (a) or (b) above will automatically be applied to the Sale for Regular Payment instruction on their CPA to fund product charges and pension drawdown, as appropriate. Note that any charges relating to the CPA will only be supplied by the sale of funds held within the CPA.

If they choose option (a) above, we will sell Units from the Largest Fund held across the selected products. The Largest Fund is that which has the highest cumulative value across the selected products – we add holdings in the same fund across different products, so a frequently appearing fund can be the largest even if it is not the largest within any single individual product. If their Largest Fund is held in more than one of the selected products, we will sell the fund proportionately between them.

If the Customer chooses option (b) and their Nominated Fund is held in more than one of their selected products, then we will sell from it proportionately across the selected products.

If the Adviser has currently linked the Customer's product to a Model Portfolio, we sell from the Investment within that product according to the Model Portfolio process explained below at section 9.5.

9.4 **Sale for Regular Payment calculation**

On the 5th Business Day of the month, Cofunds will calculate whether the Customer has enough Monies in their Cash Account/Pension Trading Account to cover any related payments due to go out that month.

If the calculation shows that the Customer will not have enough Monies in their Cash Account/Pension Trading Account to meet the required payments, on the 9th Business Day of the month we will sell enough Units from the Customer's investments to raise the required amount. However, in some instances, including but not limited to when unusually large numbers of instructions are received, the sale may be placed on the subsequent Business Day at the next available Valuation Pricing Time.

We will sell 10% over the required amount to cover any further shortfall that may result from market movements between the date of the calculation and the date of the sale.

There are three ways in which we sell Units from the Customer's investment:

- (a) From the Customer's Largest Fund; or
- (b) From the Customer's Nominated Fund; or
- (c) Following the Model Portfolio process.

We will sell proportionately between products – for example, if 50% of a Customer's investment is in unwrapped investment funds and 50% is in an ISA linked to a Model Portfolio, the Sale for Regular Payment will raise 50% from the sale of the Largest Fund or Nominated Fund in the unwrapped investment funds, and raise 50% from the sale from the ISA following the Model Portfolio process.

9.5 **Model Portfolio process**

If, at the time of our calculation, the Adviser has linked the Customer's investment product to a Model Portfolio we will carry out either (1) or (2) below.

- (1) We will calculate whether the required amount can be raised by selling Units from overweight funds (funds that are held in proportions that exceed those specified by the Model Portfolio). If so, we will sell the overweight portion from these overweight funds, in order of the most overweight. If this is not possible we will follow (2) instead;

- (2) If we calculate that the required amount cannot be raised from the sale of the overweight funds, we will instead sell Units proportionately from all the funds held. This will maintain the Customer's current fund percentage alignment, which may mean the funds do not align with the Model Portfolio's specified percentages.

However, if the Adviser has linked the Customer's product to a Model Portfolio but has not yet rebalanced the investment holdings within that product to match the linked Model Portfolio, our first step on a Sale for Regular Payment will be to sell from any funds the Customer holds that are not specified by the Model Portfolio, starting with the highest value fund. If we cannot raise the required amount when all funds not specified in the model portfolio have been sold, we will then follow the procedure set out in (1) and (2) above.

If the Adviser or the Customer chooses to unlink the product from the Model Portfolio, Cofunds will revert to the Account Level choice of Largest or Nominated fund. Please instruct Cofunds accordingly if the Customer wishes to change their Account Level choice at this stage.

9.6 **Payment priority**

Cofunds will attempt to sell funds to raise the amount required to meet all the scheduled payments, but if not enough money can be raised then some or all of their payments may not be met.

For the Cash Account (relevant to ISAs and investment funds) we will use the money raised to meet payments in the following order:

- (1) regular withdrawals;
- (2) Adviser charges.

For the Pension Trading Account (relevant to the CPA) we will use the money raised to meet payments in the following order:

- (1) product charges;
- (2) pension drawdown;
- (3) Adviser charges.

9.7 **Insufficient Nominated Fund**

If, at the time of the calculation, we cannot raise enough to meet the payments from the Customer's Nominated Fund (or the Nominated Fund is not available for trading at that time), we will check to see if the required amount can be raised from the Customer's Largest Fund. If so, we will change the method so that the Sale for Regular Payment instruction will sell from the Customer's Largest Fund from then on – we will inform the Customer in writing if we do so, and notify the Adviser.

9.8 **Insufficient sums available at the calculation date**

If, at the time of the calculation, not enough money can be raised to meet any of the payments which have been arranged to go out of the Customer's Cash Account/Pension Trading Account, Cofunds will stop the Sale for Regular Payment instruction for the current month, and will permanently end any regular withdrawal and/or pension drawdown mandates that are in place. Any product charges or Adviser charges will accrue - we will attempt to sell for these the following month.

Cofunds will notify the Customer in writing of any changes that are made to their account.

9.9 **Insufficient sums available due to market movements**

If, at the time of the calculation on the 5th of the month, we could raise enough to meet the scheduled payments but, due to market movements, the sale (four Business Days later) does not raise the predicted amount and there is insufficient money held within the Customer's Cash Account/Pension Trading Account when the payments are due, we will use the money that has been raised to pay the scheduled payments in the priority order set out in 9.6 above.

However, if there is not enough to pay in full, we will pay as much of the lower priority payments as there is money raised to do so (though if we cannot pay Adviser charges in full we will allow them to accrue for the next month).

For example, in a CPA with all three types of payment due to go out, we will check if we can pay them all. If we cannot, we will allow Adviser charges to accrue to be paid next month, and then check if there is enough to pay the other two payments. If not, we will pay product charges in full, and then as much of the pension drawdown as there is money to do so.

Cofunds will not be responsible for any shortfall, and it will be up to the Customer to arrange to make up the difference.

9.10 **Insufficient funds available due to transactions between calculation and sale dates**

If you choose to place a sell, switch or rebalance transaction between the calculation date on the 5th Business Day of the month and the sale date on the 9th Business Day of the month, this can result in the Units needed for the Sale for Regular Payment becoming unavailable. In these instances we will not be able to carry out the Sale for Regular Payment using the usual automatic process, which may mean that the sale is delayed to the 10th Business Day of the month.

9.11 **Scope of calculation**

The Sale for Regular Payment calculation will review all the Customer's selected products, but will only include funds that are priced daily – any funds held that are priced weekly will not be considered, even if they are large enough to raise the required amount.

9.12 **Scope of sell-down**

The minimum we will sell from a single fund is £1 of units. This means that if the Customer holds a lot of funds so that a proportional sale between them would be less than £1 from each fund to meet the required payment, we will nonetheless sell £1 from each fund and thus sell more than is necessary to meet the required payment. The extra proceeds from the sale will be credited to the Customer's Cash Account.

9.13 **Ring-fencing**

If, at the time of the calculation, we find that sufficient Monies are held in the Customer's Cash Account/Pension Trading Account to meet the required payments out, the amount required to meet the payments out will be reserved for this purpose only (ring-fenced).

If, at the time of the calculation, we find that insufficient Monies are held in the Customer's Cash Account/Pension Trading Account to meet the required payments out, any Monies held in the Cash Account/Pension Trading Account will be ring-fenced to meet the payments out. Following the Sale for Regular Payment process, the amount required to meet the payments out will be ring-fenced from the sums raised from the sale of funds.

Any ring-fenced Monies will reduce the Available Balance in the Cash Account/Pension Trading Account, so that it will not be possible to carry out transactions using the ring-fenced sums.

9.14 **Payments out**

The payments linked to a Sale for Regular Payment will follow their usual process – see section 8 (Withdrawals) of this SLA, the Terms & Conditions of the Cofunds Platform, Your Guide to Investing with Cofunds, and the relevant product Key Features documents.

9.15 **Treatment of ISAs**

When setting up a Sale for Regular Payment instruction, different types of ISA (for example, legacy ISAs such as Mini and Maxi ISAs and PEPs) are treated as one product – an ISA, and the Largest Fund or Nominated Fund Sale for Regular Payment instruction will apply to all of them.

However, if one ISA is linked to a Model Portfolio, then the Sale for Regular Payment will follow the Model Portfolio process for selling out of this ISA, and follow the Customer's choice of Largest Fund or Nominated Fund on the other ISA(s). The sale will be split proportionately between the ISA products.

For example, if 25% of the Customer's investment on the Cofunds platform is in an Investment ISA linked to Model Portfolio, 25% is in a Investment ISA (nee Mini) not linked to a Model Portfolio, and 50% is in a Investment ISA (nee PEP) which is also not linked to a Model Portfolio, in order to raise the required amount we would sell 75% from the Customer's choice of Largest Fund or Nominated Fund (if it appeared in both Investment ISA (nee Mini) and Investment ISA (nee PEP), split between them proportionately), and 25% selling from the Investment ISA following the Model Portfolio process.

9.16 **Tax implications**

Within a Cofunds Investment ISA or CPA there is no capital gains tax for the sale of Units.

However, once money is withdrawn from an ISA, the Customer will lose the future tax benefits on the amount withdrawn.

For investment funds, the Customer may incur a capital gains tax liability on the gain made through the sale of Units. See the Your Guide to Investing with Cofunds including Investment Funds Key Features for more information (www.cofunds.co.uk/docs/IFISAKFD.pdf).

9.17 **Adviser Charges**

A Sale for Regular Payment can be used to meet Adviser Charges, whether charged on a regular or one-off basis.

Note that if an existing Sale for Regular Payment instruction is set up on the Customer's account, any Adviser Charges that are agreed will also follow that Sale for Regular Payment instruction. If this is deemed inappropriate, the Adviser must obtain the relevant authority from the Customer and instruct Cofunds accordingly.

It is the Adviser's responsibility to agree all Adviser Charges with the Customer.

9.18 **Adviser Charges default mandate**

The Adviser can apply in writing to Cofunds to set up a default Sale for Regular Payment mandate, which Cofunds will automatically apply to all existing and new Customers of the Adviser.

This default mandate will apply the Largest Fund Sale for Regular Payment option to all Customers of the Adviser – see sections 9.3 and 9.4 above for the effects of selling from the Largest Fund.

The default mandate for Adviser Charges will also be applied to all other payments that the Customer chooses to set up on a Sale for Regular Payment.

The Adviser must obtain each Customer's authority for using this default mandate using the Sale for Regular Payment Instruction form.

10. Withdrawals

10.1 Cofunds will accept partial or full withdrawals of Units/shares held by the Customer, subject to a minimum holding (as detailed in the Terms & Conditions and Customer Agreement) being maintained in each fund at any one time. Stock transfers out are also acceptable for investment funds only.

10.2 Cofunds offers the ability to set up regular withdrawals from the Cofunds Cash Account. On behalf of the Customer, the Adviser can instruct Cofunds at any time to pay a specific amount from the Cofunds Cash Account to the Customer's nominated bank account on a monthly, quarterly, half-yearly or annual basis. The size or frequency of the withdrawal can be altered at any time. An instruction to take regular withdrawals will automatically replace any existing arrangement for payment of consolidated income.

If the Customer elects to take regular withdrawals from their Cofunds Cash Account in this way, an associated Sale for Regular Payment instruction must be set up on their account. For the terms and conditions which apply to the Sale for Regular Payment process, please see section 9 of this Service Level Agreement.

If the Customer has an existing regular withdrawal set up on their account, their Sale for Regular Payment instruction will follow their existing choice of up to five nominated funds, or proportional sell-down. Please note that if the existing mandate is changed to Nominated or Largest Fund, this will be permanent – there will no longer be the option to change back to the Customer's original choice of up to five nominated funds or proportional sell-down.

Money is taken out of the Cofunds Cash Account on the 20th of the month the withdrawal is to be paid, or the next Business Day. It is then paid into the Customer's nominated bank account within five Business Days.

10.3 The Adviser is responsible for ensuring that the withdrawal form is fully completed and signed by the Customer. The Adviser is also responsible for ensuring that a Sale for Regular Payment mandate is set up to accompany the regular withdrawal instruction – see section 9 above.

10.4 Please see section 9.12 for the minimum amount Cofunds can sell down from each fund. We will not accept instructions for regular withdrawals of less than £25 per account.

10.5 Cofunds will accept withdrawal instructions received direct from the Customer for named accounts.

10.6 The Adviser is responsible for forwarding the completed withdrawal instruction to Cofunds. Further, any attempt to effect withdrawals through the fund manager(s) rather than Cofunds will be invalid.

10.7 It should be noted that Cofunds accepts Unit/share based withdrawal instructions at this time. Any cash requests will be established on the last known dealing price for the fund. If the Adviser or Customer specifies a cash value to raise from a sale of funds we will use an estimation process in order to determine how many Units to sell in order to raise the amount of money required. Depending on market movement this will result in either an over-sell or under-sell of Units. We will pay all Monies, including any excess raised, into the Cofunds Cash Account, Pension Trading Account or Trading Account (depending on the product concerned).

10.8 If any withdrawal form is received within 30 calendar days of the original purchase Cofunds will, for prevention of money laundering and fraud, return the monies to which such instruction relates to their original source, subject to clearance of payment.

10.9 Where a Customer's bank details have been provided, a withdrawal payment will be made by BACS payment directly into the Customer's bank account. Where bank details are not available, Cofunds will only accept a withdrawal Form where the payment is to be made by cheque directly to the Adviser client money account or to the Customer. If a BACS withdrawal is required the destination bank account must be verified by the Adviser, otherwise a cheque will be issued.

10.10 Confirmation of withdrawals will be placed online for the Adviser and sent to the Customer by the end of the day after the transaction has been processed.

10.11 Settlement will be made no later than five Business Days after the day the transaction was processed with the fund manager(s), though the money may take eight Business Days to reach the Customer's nominated bank account. If cheque payment has been requested, cheque withdrawal timings are subject to postal delivery.

10.12 Where multiple fund withdrawals are made for one Customer on one instruction, a single payment will be made.

10.13 If the Adviser requests payment by CHAPS, any bank charges will be deducted from the sale proceeds.

10.14 Cofunds may receive a distribution or tax reclaim payment after the withdrawal has been completed. Cofunds will forward the payment by BACS, where the bank account details are held, or by cheque to the Customer's address. Cofunds may deduct from any amount to be paid to the Customer any outstanding fees, charges and expenses due. In addition, Cofunds may keep an amount which we reasonably estimate will be enough for us to meet any tax liability for which we must account to HM Revenue & Customs for the Customer under the ISA Regulations or otherwise.

Cofunds will hold any monies awaiting payment to the Customer outside their account in a Client Account. Cofunds may delay paying any sale proceeds and cash balances until Cofunds knows that all payments made by the Customer have cleared and Cofunds have received all amounts owed to Cofunds. Cofunds will not make payments to a third party account except another FSA regulated firm.

Upon closure of the Customer's account, any payment subsequently received by us of £1 or less will not be paid over and will not be retained by Cofunds for its own account.

10.15 If the Adviser requests to withdraw all the Customer's assets from the platform before payments due to go out of the Customer's Cash Account/Pension Trading Account are made, the ring-fence associated with these payments can be over-ridden to allow the money to be paid out - except for Monies ring-fenced for product charges, which will be paid as scheduled. Please see section 9.13 of this SLA for details on ring-fencing and how it affects the Customer's account.

10.16 The Adviser can place a request for a withdrawal by fax or by post, and can request a withdrawal into the Customer's Cash Account online. However, Cofunds can only release the proceeds of a Deal on receipt of the original signatures of all Unit holders.

The Adviser can therefore carry out a withdrawal through any of the following methods:

- Request a withdrawal into the Customer's Cash Account online, then send Cofunds a withdrawal instruction with the original signatures of all Unit holders. Cofunds will release the money as instructed as soon as the Deal proceeds are received in the Customer's Cash Account;
- Send Cofunds a written instruction with the original signatures of all Unit holders – on receipt, Cofunds will place a Deal to raise the money requested, which will be released as instructed;
- Send an instruction (signed by the Adviser) by fax to Cofunds with the payment method details, then send in a withdrawal instruction with the original signatures of all Unit holders. A Deal will be placed on receipt of the fax, and the proceeds will be released as instructed upon receipt of the instruction form;
- Send an instruction (signed by the Adviser) by fax to Cofunds, instructing Cofunds to pay to the Cash Account - then send Cofunds an instruction with the original signatures of all Unit holders to withdraw from the Cash Account. Cofunds will release the money as instructed as soon as the Deal proceeds are received in the Customer's Cash Account.

11. Fund switches

11.1 The Customer may request to switch between the funds held, including "many to many" switch transactions, namely sale and purchase of a number of funds. The sale side of the switch must be in terms of Units/shares and not to raise a specific amount of cash; the purchase side of the switch must be to invest percentages of the amount raised from the sale side. The Adviser is responsible for ensuring that the relevant switch instruction form is fully completed and signed by an authorised signatory, including both parts of the switch transaction.

11.2 Within a switch transaction, the monies used from the sale portion must be directed to the purchase of different fund(s). Where the Customer wishes to raise monies and switch fund(s) there should be both a withdrawal form and a switch instruction form.

11.3 There is a charge of 0.25% for fund switches. Commission on switches is waived as default, however, can be requested on each switch application. The maximum switching charge and commission payable will not exceed the fund's standard initial charge. No switching charge or commission is payable when switching into funds with no initial charge. Rebalances incur the usual switching charges.

11.4 Where the switch instruction is accepted, it is Cofunds' normal business practice to sell Units in funds at the Valuation Pricing Time following receipt of the Adviser's instruction. This will normally be the same Business Day, providing the relevant Dealing Cut-off Time is met. However, in some instances, including but not limited to when unusually large numbers of instructions are received, the instruction may be placed on the subsequent Business Day at the next available Valuation Pricing Time.

The consideration from the sale part of the switch transaction will be applied in the percentages advised by the Customer. As soon as the total proceeds are known, Cofunds will complete the buy transaction(s) at the next dealing opportunity.

11.5 Cofunds will reject switch applications submitted for transfers that are in progress. Switch instructions will only be accepted when the transfer is completed following confirmation to Cofunds from the previous plan or fund manager.

11.6 Cofunds will produce confirmation notes for all fund(s) sold and purchased as part of the switch. These will be forwarded to the Adviser and its Customer.

12. Conversions

12.1 Where available, fund managers offer the facility to convert accumulation Units to income Units, or vice versa, within the same fund. No commission is paid on Unit conversion. The Adviser can instruct Cofunds to carry out a Unit conversion, where the facility is available. In this case Cofunds will waive the standard 0.25% switching charge. There is currently no charge for Unit conversion.

12.2 The Adviser is responsible for ensuring that the instruction is signed by the Customer and clearly identifies the Units/shares to be converted and the funds to which they relate.

12.3 Cofunds reserves the right to charge a fee for processing the conversion instruction.

12.4 Cofunds will confirm the outcome of the conversion to the Adviser and the Customer.

12.5 If rebalancing online you may elect to switch between accumulation and income units rather than requesting a unit conversion. If you do elect to switch, the usual charges will apply, and the switch may trigger a potential tax liability (for non-ISA investments). If the Adviser wishes to carry out a Unit conversion they must request this in writing.

13. Transfer Out

13.1 In order to transfer the Customer's Cofunds ISA to another manager, Cofunds requires a fully completed transfer authority signed by the Customer. Under HMRC regulations, plan manager transfers are effected between the existing and prospective manager and therefore the written authority will be forwarded by the prospective manager to Cofunds.

13.2 In order for Cofunds to effect the transfer, the account details for the transfer must be provided. Subject to the ISA regulations Cofunds will accept instructions for partial or full transfers, although for the current year's Investment the whole account must be transferred. Note that the prospective manager may not accept partial transfers. If the transfer authority does not specify a tax year Cofunds will assume the authority relates to all years administered by Cofunds.

- 13.3 The Transfer Out authority will be reviewed upon receipt. In the event of a query, Cofunds will contact the new manager for clarification. Where clarification cannot be provided or where the Customer has not signed the authority, the documentation will be returned to the new manager. Following verification of complete instructions, the transfer out instruction will be processed.
- 13.4 Cofunds can perform cash transfers out for ISA holdings and re-registration transfers out for investment funds holdings only. Where a re-registration is requested for an investment funds holding, Cofunds will forward authorised stock transfer forms directly to the new manager. Cofunds reserves the right to require that a transfer out is made in cash after selling the relevant investments.
- 13.5 Where the cash transfer out option has been selected, settlement will be forwarded to the new manager five Business Days after the deal(s) have been struck with the fund manager(s). Settlement will be forwarded by cheque directly to the new manager together with the appropriate documents to complete the transfer.
- 13.6 Confirmation notes for all fund(s) sold and transferred out will be forwarded to the Customer and made available online for the Adviser.
- 13.7 Cofunds will complete the transfer within the regulatory deadlines.
- 13.8 In the event that the Adviser wants to effect bulk transfers i.e. other than on an individual case basis, please contact Cofunds in advance to agree timescales.
- 13.9 Cofunds may receive a distribution or tax reclaim payment after the transfer out has been completed. Cofunds will forward the payment by BACS, where the bank account details are held, or by cheque to the Customer's address.

Cofunds may deduct from any amount to be paid to the Customer any outstanding fees, charges and expenses due. In addition, Cofunds may keep an amount which we reasonably estimate will be enough for us to meet any tax liability for which we must account to HM Revenue & Customs for the Customer under the ISA Regulations or otherwise.

Cofunds will hold any monies awaiting payment to the Customer outside their account in a Client Account. Cofunds may delay paying any sale proceeds and cash balances until Cofunds knows that all payments made by the Customer have cleared and Cofunds have received all amounts owed to Cofunds. Cofunds will not make payments to a third party account except another FSA regulated firm.

Upon closure of the Customer's account, any payment subsequently received by us of £1 or less will not be paid over and will not be retained by Cofunds for its own account.

It takes seven Business Days after Cofunds receives the Adviser's instructions to apply them to income payments. If the Customer no longer has a holding in an investment at the time when Cofunds receives the income arising from it, Cofunds may pay that income to the Customer.

14. Bulk instructions

- 14.1 Cofunds requires 30 calendar days notice of any bulk transaction or maintenance instructions.
- 14.2 Cofunds currently will not accept bulk instructions for rebalancing. Please see section 2 of this SLA for the terms of our portfolio planning tools.

15. Customer reporting

- 15.1 Cofunds will only provide information to the Adviser in respect of the Customers where the Adviser is the nominated Adviser.
- 15.2 Confirmation notes will be forwarded within one Business Day of the trade being completed with the fund manager(s). Confirmation notes will be forwarded to the Customer at the Customer's address and made available online for the Adviser.
- 15.3 The confirmation note will detail the trade that has been effected on behalf of the Customer, the relevant Units/shares involved, the price and the consideration. Where applicable, charges such as initial charge and the Adviser commission amount will be included.
- 15.4 Where a Switch transaction has been performed by the Adviser on behalf of the Customer, copies will be sent to the Customer and made available online for the Adviser's review.
- 15.5 Enquiries on Customer holdings are available on request from the Cofunds Adviser Support Team by phone. The response may be verbal or in writing. Cofunds provides annual statements and issues a consolidated confirmation of transactions by January where the Customer has not been provided with confirmation notes of any transactions in the last six months. Valuations of each Customer's investments are also available via the Cofunds Website.
- 15.6 The Customer can elect to receive copies of reports and accounts for the fund(s) it has selected for investment. Copies of reports and accounts can be downloaded free of charge at https://investors.cofunds.co.uk/Investors/Reports_and_Accounts_Investors.aspx. Paper copies of reports and accounts can be requested in writing from Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY. Cofunds will apply a £20 administration charge per fund for each request to receive paper copies.
- 15.7 An annual ISA notice will be forwarded to Customers, detailing that they hold a Cofunds ISA during the particular tax year and the total sum invested to that date.

16. Cancellation rights

- 16.1 Cancellation rights apply to the initial Customer investment. If the Customer wishes to cancel an ISA, Cofunds must be informed in writing within 14 days of receipt of the confirmation notice. The cancellation request must be signed by all holders and sent to:

Cofunds Limited, PO Box 1103, Chelmsford, CM99 2XY.

Provided that cancellation occurs within the 14-day period, the Customer's cash will be returned – subject to the conditions below – and their ISA allowance will be unaffected.
- 16.2 Cofunds will not accept a cancellation notice if it is received in excess of 14 days. If the Customer wishes to withdraw after this period, their original contribution will count towards their ISA allowance for the current tax year, and fund management charges will apply.

- 16.3 It is Cofunds' normal business practice to process the cancellation notice on the Business Day following receipt, providing the Customer returns the signed cancellation notice within 14 days. However, there may be instances, including but not limited to when unusually large numbers of instructions are received, the cancellation may be processed on the subsequent Business Day at the next available Valuation Pricing Time.

Where the instruction is unclear or a point of clarification is required, Cofunds will contact the Adviser directly.

- 16.4 If the value of the Customer's chosen investment falls between the date their subscription was invested and the date Cofunds receives the instruction to cancel, the Customer may not receive a full refund of the amount invested. If the value of the investment rises between these two dates, the Customer will only receive back the amount invested.
- 16.5 Cofunds will complete a sale of all Units/shares on which cancellation rights are being exercised. Any charges previously levied by Cofunds in relation to the investment will be returned to the Customer (assuming that the Units/shares have been paid for and that payment has not failed). The Customer will bear any loss resulting from market fluctuations during the period since purchase.
- 16.6 The Customer will be free to use their ISA allowance with Cofunds or another manager during the course of the tax year.
- 16.7 Commission payments may have already been made to the Adviser. Where the Customer cancels their application, the commission is clawed back. This is covered in greater detail in the Commissions section.
- 16.8 If an ISA transfer is cancelled within the 14-day period, the Customer will be given the option to either transfer back to the original plan manager, transfer the ISA to a new plan manager or to have the proceeds paid back to the Customer. This latter option means that the Customer loses the ISA tax advantages.
- 16.9 Interest will not be paid on money held in the cash reserve.
- 16.10 Before sending the Customer their money, Cofunds may need to carry out additional security checks and ensure all payments have been cleared, which may delay payment.
- 16.11 If the Customer transfers their cash ISA to Cofunds, it will be converted into a stocks and shares ISA. If the Customer then decides to exercise their cancellation rights, their ISA cannot be transferred back into a cash ISA.

17. Voids

- 17.1 The Adviser is responsible for ensuring that the Customer understands the declarations contained in the ISA application form.
- 17.2 If Cofunds discovers that the ISA limits have been breached and that the Customer has taken out more than one ISA during the fiscal year, where their Cofunds ISA was not the first ISA taken out during that year, the Cofunds ISA will be subject to voiding. Cofunds may be notified of the need to void a plan by: the Adviser, the Customer, HMRC, or a breach being detected by Cofunds. In the latter two cases, Cofunds will inform the Adviser of the need to void the plan together with an explanation of the options available to the Adviser.
- 17.3 Where a Cofunds ISA is required to be made void, the fund(s) held within it will be sold and the proceeds used to repay any tax reclaimed from the HMRC, with the balance being paid to the Customer.

18. Death of the customer

- 18.1 The Adviser is responsible for notifying Cofunds of the death of the Customer, immediately upon the death being made known to the Adviser. Such notification may be given in writing. Where Cofunds becomes aware of the death of the Customer via a third party source, the Adviser will be notified in writing. At this point no further investment or payments will be made.
- 18.2 The Adviser or the personal representatives are responsible for forwarding the original Death Certificate and the original (or a sealed office copy) Grant of Probate or Letters of Administration to Cofunds. The documentation will be returned to the Adviser after inspection by Cofunds.
- 18.3 When the withdrawal Instruction has been signed by executors, or Grant of Probate has been received, the fund(s) held will be sold. ISA proceeds will be used to repay any tax reclaimed from the HMRC after the date of death, with the balance being paid to the estate.
- 18.4 In the case of the executor wishing to transfer the account proceeds into an investment fund the application should be sent to Cofunds along with the Grant of Probate.
- 18.5 When the Customer dies all outstanding Pending Trades are cancelled.

19. Corporate actions

- 19.1 Upon receiving notification from the fund managers, Cofunds will communicate changes to Customers, as appropriate.
- 19.2 Cofunds Nominees Limited will not normally exercise voting rights attaching to Units/shares that it holds in a fund. Where the Customer elects to receive voting rights, Cofunds will send the Customer a form if there is an opportunity to vote or an election decision is required, and Cofunds receives adequate prior notification from the fund manager. Any failure on the part of the Customer to return the appropriate form to the correct address within the stated timetable will lead to a missed voting opportunity, or the application of the default election.
- 19.3 If the corporate action involves any change to a Customer's holding or payment of any monies the Customer will be kept informed by Cofunds. If a payment has to be made to the Customer, Cofunds' normal business practice is to add the money to the Customer's Cofunds Cash Account, ISA cash reserve or as appropriate to the Customer's holding, which will vary by the product in which the Customer is invested. Cofunds will advise the Customer in writing of the method of payment. Otherwise, Cofunds reserves the right to pay by BACS payment into the Customer's nominated bank account or to draw a cheque in favour of the Customer which will be sent to the Customer's address.
- 19.4 If a corporate action involves any change to funds held within a Model Portfolio or panel of funds, it is the Adviser's responsibility to update their Model Portfolios and panels appropriately in response. Please see section 2 of this SLA for the terms and conditions of our portfolio planning tools.
- 19.5 If a Pending Trade is set up to invest into a fund which closes as the result of a corporate action, this will cause the Pending Trade to expire.

20. Customer maintenance

- 20.1 The Adviser is responsible for notifying Cofunds of any change to the Customer's details. Such notification should be given in writing as soon as possible after the Adviser become aware of the relevant change. Following notification of a change with appropriate supporting documentation Cofunds will amend the Customer's records and confirm the same to the Customer in writing.
- 20.2 The Adviser is responsible for notifying Cofunds of any wish by a Customer to change their nominated bank account. The Adviser can notify Cofunds in writing or make changes online. Cofunds will execute the change within seven Business Days of receipt and confirm the changes to the Customer.
- 20.3 In the event that the Customer's address is found to be incorrect Cofunds will not accept any further instructions until confirmation of the correct address is received. The Adviser will be responsible in this event for obtaining the Customer's new address and checking with Cofunds that its records are correct.

21. Customer use of the Cofunds website/microsites

- 21.1 If the Adviser provides online access to the Website to the Customer, the Adviser must ensure that the Customer is aware of the impacts on their Investments that their actions might have.

For example, switching or selling out of funds may affect the Customer's Sale for Regular Payment mandate and thus impact any regular withdrawal or other payment which is set up to go out of their account – i.e. if the Customer elects online to switch or sell out of their Nominated Fund, their Sale for Regular Payment mandate will sell from their Largest Fund following the next Sale for Regular Payment calculation.

Likewise, if they elect online to unlink one of their investment products from a Model Portfolio, at the next calculation the Sale for Regular Payment will sell from their Account Level instruction of Largest or Nominated Fund, rather than following the Model Portfolio process set out above in 9.5.

- 21.2 The Customer can set up Pending Trades online and reprioritise existing Pending Trades set up by the Adviser.
- 21.3 The Customer may be able to amend Regular Investments online.

22. Distributions and tax reclaims

- 22.1 Net distribution monies will normally be received from the fund manager(s) on the pay date for each fund. It is Cofunds' normal business practice to set up reinvestments into the Customers' accounts and payments to Customers to take place three Business Days after the fund manager pay date. On this same date, Cofunds also places any required reinvestment deals. However, in some instances, including but not limited to when unusually large volumes of instructions are received, Cofunds may defer payment to the next working Friday. For month-end distributions Cofunds will not defer payment beyond the 3rd Business Day of the new month.

If the Customer has chosen to be paid via consolidated monthly income (CMI), on the 4th Business Day of the month Cofunds consolidates the income payments in the Customer's Cash Account, deducts the required amount, and releases the payment

to the Customer by BACS. Where the Customers has specifically opted out of CMI in order to be paid each distribution individually, Cofunds will release the BACS payment to them within five Business Days of the fund manager distribution pay date.

Where the Customer has opted to have income paid out, this will be paid by BACS to the Customer's bank account, details of which must have been provided in order to satisfy this option. Tax reclaims will be paid or re-invested on receipt from the HRMC.

- 22.2 Tax vouchers will only be produced on income where tax is withheld. By default, Cofunds will issue an annual consolidated tax voucher to the Customer. However, the Customer may opt to receive subsidiary tax vouchers from Cofunds for each distribution upon receipt of the tax voucher from the fund manager, which is generally within two weeks of the distribution pay date. Where tax voucher information has not been supplied by the fund manager, Cofunds will actively seek the information however will not provide tax vouchers until in receipt of this information.
- 22.3 Where Customers have re-registered or stock transferred their assets to Cofunds from another plan manager, distributions paid by the old plan manager may be subject to delay.
- 22.4 The Adviser is responsible for informing Cofunds in writing of any desired change to the distribution status of the Customer's Unit holding. Cofunds will effect this within 15 Business Days of receipt of the instruction.

23. Change of Nominated Adviser

- 23.1 Cofunds will only deal with Customers through an Adviser.
- 23.2 If a Customer wishes to change their Adviser they must instruct Cofunds in writing via their new Adviser, who must be registered with Cofunds. Cofunds will inform the former Adviser of the change.
- 23.3 Trail commission will be paid to the new Adviser from the date the change is effected.
- 23.4 The Customer cannot take a model portfolio or panel to a new Adviser. Please see section 2 of this SLA for the terms and conditions of our portfolio planning tools.
- 23.5 Any charges must be agreed between the Customer and the new Adviser. These charges will follow the Customer's existing Sale for Regular Payment mandate, if they have one. Please see section 7 of this SLA for the terms and conditions of Sale for Regular Payment.
- 23.6 If the Customer changes Nominated Adviser, all Pending Trades set up by the previous Adviser will be cancelled.

24. Adviser Take-on

- 24.1 For the Adviser to gain use of the Cofunds service the Adviser must complete the Intermediary Data Requirements Form. Without this form being completed, a Cofunds authorisation code will not be issued. Business submitted without a Cofunds authorisation code will be rejected. In submitting this form to Cofunds, the Adviser accepts the terms set out within the Adviser Agreement with Cofunds.
- 24.2 Cofunds will create the unique identity (authorisation code) for each representative within three Business Days of receipt of a valid and complete Intermediary Data Requirements Form. Authorisation codes will be sent to each representative in a Cofunds Welcome Letter.

- 24.3 Upon receipt of a Cofunds Welcome Letter the representative should call the Cofunds Adviser Support Team to obtain login details in order to access the Cofunds Website.
- 24.4 Default trading terms will apply to all funds unless enhanced trading terms for discounts, initial commission and trail commission have been agreed between the Adviser and the fund manager. Cofunds will apply enhanced rates upon receipt of an instruction from the fund manager. Set up and maintenance of enhanced trading terms are carried out on an ad hoc basis. Updated terms will go live five Business Days from receipt of a valid fund manager instruction, unless a later start date is requested. The Adviser can monitor its current and future trading terms data using the online reports 'My Trading Terms' and 'Forthcoming Trading Term Changes'.

25. Representative maintenance

- 25.1 The Adviser can add representatives at any time by completing an Intermediary Data Requirements Form, signed by an authorised signatory. Representatives may be registered individuals or other Adviser staff (for example including but not limited to management and administrative staff) who require access to the Cofunds service.
- 25.2 In the event that the Adviser makes a change that affects the static data held by Cofunds, the Adviser should contact Cofunds in writing. Where the Adviser changes details relating to Levels 1 (Group), 2 (Company), 3 (Office) or 4 (Representative), Cofunds will require written confirmation, on company headed paper signed by an authorised signatory.
- 25.3 Cofunds will issue the Cofunds Intermediary Authorisation Code for the additional representative.
- 25.4 Should the Adviser firm change its registered name, a written instruction, on company headed paper signed by an authorised signatory from the Adviser firm, must be forwarded together with a copy of the new Certificate of Incorporation on change of name.
- 25.5 In the event that a representative leaves the Adviser firm, for example through resignation or retirement, the Adviser must instruct Cofunds in writing and appoint a replacement representative for its Customers. Access to the Cofunds Website for the leaving representative will be removed. Additionally, the Customer will not be able to access their investments until a new representative is appointed.

26. Changes to static data

- 26.1 In the event that the Adviser makes a change that affects the static data held by Cofunds, the Adviser should contact Cofunds. Where you change details relating to Levels 1 (Group), 2 (Firm), 3 (Office) or level 4 (Representative) Cofunds will require written confirmation, on company headed paper signed by an authorised signatory. New Level 4 Representatives can be added at any time by submitting a completed Intermediary Data Requirement Form, signed by an authorised signatory.
- 26.2 Should the Adviser change its registered name, a written instruction, on company headed paper, signed by an authorised signatory from the Adviser firm must be forwarded together with a copy of the new Certificate of Incorporation on change of name.
- 26.3 If requested, Cofunds will forward a letter to the Adviser confirming that the amendment instruction has been processed.

- 26.4 In the event of a take-over or merger of, by or with another Adviser, Cofunds records will need to be updated. Each Adviser should inform Cofunds separately of the merger activity, detailing the new structure for the Adviser firm. The instruction must be sent in writing on company headed paper to Cofunds using the Intermediary Data Requirements Form (if appropriate) together with an accompanying letter from an authorised signatory.
- 26.5 Where any changes have occurred to the Adviser's authorised status or the types of business the Adviser is authorised to conduct it is the Adviser's responsibility to inform Cofunds in writing within an appropriate timeframe.
- 26.6 A new Adviser Agreement for the Cofunds Platform or the Intermediary Data Requirements Form are to be signed by an authorised signatory who represents the merged Adviser firm.
- 26.7 Changes to the commission structure for individual fund manager(s) are covered in the Commission section below.
- 26.8 Where a company's structure changes, affecting the Level 2 (Company) status (e.g. a change in authorisation number or company take-over or merger), special rates currently in place will become null and void. New rates should be agreed between the Adviser and the fund manager. These terms will be implemented in line with the process outlined in 25.4.

27. Commission

- 27.1 There will be a standard rate of initial and trail commission for each fund that may vary by product.
- 27.2 Cofunds reflects the Commission terms that the Adviser has in place with the underlying fund manager or provider. If the Adviser has negotiated special arrangements with either of these, Cofunds will reflect these terms upon receiving confirmation from the Adviser and the other party.
- 27.3 Cofunds will be responsible for calculating and distributing the Adviser's initial commission payment in accordance with the rates held for each fund manager. Initial commission is paid on a weekly basis and will be received on or around the Thursday of the week after the transactions have been carried out. The Cofunds and fund manager's share of initial charge (there will be a single rate of initial charge per fund) and the Adviser's commission, will be deducted from the total investment amount prior to the subscription being dealt with the fund manager(s) at a price that excludes initial charge.
- 27.4 The Adviser may choose to reduce its initial commission rate in favour of the Customer. In this instance, the percentage commission waived amount must be specified on the individual Customer application form or can be applied across all transactions by advance agreement with Cofunds. This action will result in an increased amount for Customer investment equal to the value of the commission waived.
- 27.5 Cofunds will release commission weekly in arrears payable to the Adviser firm by BACS. An online weekly commission statement will support the payments.
- 27.6 Where the Customer has chosen to exercise their cancellation rights or a forced sale has been effected, no Commission will be payable on that purchase and any Commission paid (including VAT where applicable) in respect of the relevant transaction shall immediately be repaid. The Commission will be clawed back by

means of a negative entry on the Commission statement. Where a debtor position occurs, the relevant Commission amount will be payable by the Adviser to Cofunds, on demand.

- 27.7 Trail commission will be accrued daily and paid to the Adviser monthly on all appropriate holdings, by BACS or exceptionally by cheque. An online monthly statement will support any payments.
- 27.8 Customers may change Advisers during the life of their Cofunds investment. The new Adviser will receive trail commission from the date they become the Customer's nominated Adviser.
- 27.9 Where the Customer transfers their investment from another manager, trail commission will apply from the date of the transfer via re-registration or the date of investment of a cash transfer (if applicable) with Cofunds at rates agreed with Cofunds. The trail commission payable will be the normal prevailing rate for the fund manager and Adviser. Any pre-existing arrangements will not be maintained.
- 27.10 Cofunds reserves the right to claw back trail commission if it has been paid incorrectly to an Adviser.
- 27.11 Cofunds reserves the right to claw back single premium and transfer value Commission on the transfer out of or surrender of pensions, bonds or other investment products, where instructed to do so by the Product Provider. If a customer exercises any right to transfer or surrender the whole or any part of such a Product, this right shall apply. Where Commission is reclaimed in this way, it shall be clawed back in accordance with the procedure in 27.6 above.
- 27.12 All calculations for the purposes of trail commission will be made using the systems developed by Cofunds for the Platform generally. Accordingly, Cofunds will only collect trail commission from fund managers and pay trail commission to the Adviser for the period that holdings are recorded on Cofunds systems.

28. Adviser support team

- 28.1 Cofunds provides an Adviser Support Team, which serves as a single point of contact for the Adviser. The Adviser Support Team telephone number is 0845 604 4001. A telephone service will be available from 9:00am to 5:00pm Monday to Friday. Cofunds does not offer this service to Customers and will in the first instance direct the Customer back to the Adviser.
- 28.2 Calls may be recorded.
- 28.3 Cofunds also offers a 'How Do I?' section on the Cofunds Website, which may assist to answer any queries the Adviser may have.

29. Complaints process

- 29.1 Cofunds will deal with complaints from the Adviser on behalf of its Customer either in writing to Cofunds or verbally via the Adviser Support Team, in line with FSA requirements.
- 29.2 Cofunds will normally refer all Customer enquiries and requests to the Adviser. However, Cofunds will deal with complaints direct from Customers. In such cases Cofunds will provide the Adviser with copy correspondence.
- 29.3 Cofunds will manage the resolution of the complaint in accordance with FSA Rules and will keep the Adviser informed of the progress to resolution of the complaint. The Adviser will assist with the resolution of the same where appropriate.
- 29.4 In the event that the Customer has been disadvantaged by a Cofunds error in relation to their holding, they will be put back in the position that they should have been in had the error not occurred. Cofunds does not pay interest on client monies but reserves the right to do so in the future. Cofunds will not compensate the Adviser for time spent. Cofunds will however ensure that the Adviser's Customers have not been disadvantaged.
- 29.5 Complaints regarding fund selection or fund performance will be directed back to the Adviser and fund manager(s). Cofunds will not take responsibility for complaints of this type.

30. Management information

- 30.1 Cofunds will be responsible for producing regular ISA reports and returns for the HMRC. These reports will be forwarded directly to the HMRC.
- 30.2 Cofunds can provide an electronic file showing the position in respect of current Customers, holdings and transaction history on those holdings on a weekly basis. An electronic file reflecting additional daily changes of the same is also available.
- 30.3 Cofunds will prepare and forward the Commission reports as outlined in the Commission section above.

31. Contacts

- 31.1 All correspondence including applications, instructions and account maintenance for Customers and Advisers should be directed to following address in Cofunds.

Cofunds Limited
PO Box 1103
Chelmsford CM99 2XY
Telephone: 0845 604 4001

SCHEDULE 1: Additional Procedures for Debit Card Payments

These procedures apply where Cofunds agrees to accept payments made using a Customer's debit card or other electronic payment token ("Debit Card") with the Customer's authority.

- Debit Card details obtained from the Customer must be limited to those required to process the payment. The Debit Card PIN code must never be requested.
- The Adviser must ensure that the cardholder name matches the Customer's name
- The computer system which will be used to connect to RBS Worldpay systems for the purpose of entering the Debit Card details must be adequately secured in accordance with Payment Card Industry Data Security Standard (PCI-DSS). At a minimum the computer system must be protected by the use of a firewall, up-to-date and vendor supported antivirus software and kept up to date with operating system and application vendor issued security patches.
- Debit Card data must not be retained/stored by the Adviser in any form unless the Adviser can fully comply with PCI-DSS cardholder data storage requirements. At a minimum, electronically held data must be encrypted and the encryption keys secured; paper records should be stored in a purpose built secure filing cabinet or safe.
- The Card Verification Code /Value (CVC2 /CVV2 3 digit code) is not required for payment by this method and must not be obtained from the Customer or recorded in any way.
- Where Debit Card data is being collected over the phone and phone calls are recorded, the Adviser must ensure that the resultant recording is adequately secured (as for electronically recorded data above) Any Debit Card data held/retained by the Adviser must be securely disposed of once it is no longer required
- The Debit Card must only be used by the Adviser in accordance with the Customer's instruction and in using the Debit Card the Adviser confirms that such instructions have been received
- Access to the Debit Card details must be restricted to those authorised persons who have a valid business reason for accessing that data
- Advisers must maintain a policy on the usage of computer systems that will be used for Debit Card processing and ensure staff who will have access to Debit Card data are aware and recognise the risks to which the cardholder would be exposed if such data was made available to unauthorised persons.
- Procedures must be put in place to ensure only authorised personnel have physical and/or logical access to the computer system.
- Authorised users on Cofunds secure Website must ensure that their authentication details to that Website are kept secret and not used by any other person
- It is the responsibility of the Adviser to inform the cardholder of any actual or suspected unauthorised access or usage of the Debit Card data.

