

Your Service Level Agreement with Cofunds

The Legal & General Portfolio Bond

1. Adviser Take-On

- 1.1 In order to gain use of the Cofunds service, you must complete the Adviser 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 us you accept the Adviser Agreement with Cofunds (the "Agreement") and will be able to place business.
- 1.2 Cofunds will create a unique identity (Authorisation code) for each Representative within five days of receipt of the Adviser Data Requirements Form. Your Authorisation code(s) will be sent to you in your Cofunds Welcome Pack.
- 1.3 The Welcome Pack will contain letters for each Representative, which the Adviser must distribute in order that each Representative may sign and return the Authentication slip (required for security purposes). The web account will be set up at the same time.
- 1.4 You must provide your FSA Authorisation code on the Adviser Data Requirement Form.

2. Adviser Maintenance

- 2.1 In the event that you make a change that affects the static data held by Cofunds, the instruction must be advised in writing, signed by an authorised signatory.
- 2.2 In the event of a take-over or merger of, by or with another Adviser, Cofunds' records will need to be updated. The Intermediaries will severally inform Cofunds of the merger activity, detailing the new structure for the Firm. The instruction must be sent in writing to Cofunds using the Adviser Data Requirements Form together with an accompanying letter from an authorised signatory.
- 2.3 Where any changes have occurred to your authorised status or the types of business you are authorised to conduct, it is your responsibility to inform Cofunds in writing within an appropriate timeframe.
- 2.4 Changes to the commission structure for individual Fund Manager(s) are covered in the Commission section of this document.

3. Representative Maintenance

- 3.1 You can add Representatives at any time in writing to Cofunds, signed by an authorised signatory. Representatives may be Registered Individuals or other Adviser staff (for example management, administration) who require access to the Cofunds Service.
- 3.2 In the event that you make a change that affects the Legal & General Portfolio Bond static data held by Cofunds, the instruction must be advised in writing, signed by an authorised signatory.
- 3.3 Cofunds will issue the Cofunds Adviser Authorisation Code and request security information for authentication purposes for the new Representative.
- 3.4 In the event that a Representative leaves, for example through resignation or retirement, you must instruct Cofunds in writing and if necessary appoint a replacement Representative for their Clients. Access to the Cofunds website for the Representative will be removed.

4. Quotes Service

- 4.1 The provision of standard charge quotes is only available via the online facility provided on the Cofunds Website. In the event that you require a quote for a high allocation, initial charge, Will Trust, a quote where the allocation rate exceeds the maximum permitted 107%, or you have any other enquiry with regard to the access and use of the online quote facility, please contact the Service Centre. Provision of a quote in one of the exceptional circumstances previously quoted will take place within one business day if received prior to 3pm.

5. Introducing a new Client to Cofunds

- 5.1 Before Cofunds can take a new Client onto its books, you must:
 - (a) Provide the Client with copies of the Cofunds' Customer Agreement and the Legal & General Portfolio Bond Key Features and Fund Key Features Schedule documents.
 - (b) Identify the Client(s) and all Trustees for the purposes of the FSA Money Laundering Regulations and confirm to Cofunds that you have done so by submitting an appropriate Anti-Money Laundering certificate as detailed by the JMLSG (Joint Money Laundering Steering Group).
 - (c) Submit to Cofunds a completed application, together with an acceptable form of payment. Cofunds will accept the payment in the following forms.
 - Personal Client cheque, including joint accounts, drawn on a UK bank account, Building Society
 - Cheque with Client's name printed and endorsed by the Building Society Cheque issued from your client money account and endorsed with the Client's name where you are authorised to hold client money
 - Cheque issued by a FSA regulated company providing it is appropriately endorsed with the Client's name
 - CHAPS Payment from your Clients account by prior agreement.
 - Cofunds reserve the right to refuse any payment where we determine insufficient details have been provided.

6. Money Laundering Requirements

- 6.1 A Money Laundering certificate must be completed for all applicants and trustees (where relevant) and submitted with the application and with either references that will enable Cofunds to obtain the evidence or certified copies of the evidence obtained. You will be responsible for keeping records of the forms of identification accepted as proof of name and address.
- 6.2 Cofunds reserve the right to complete further Money Laundering checks where it is deemed necessary.
- 6.3 Further original documentary evidence may be required for overseas clients and/or Bond applications valued at £250,000 or above as required by Legal & General.

- 6.4 If Cofunds is required but is unable to verify the applicants / trustees identity through electronic checks, we will contact you to request appropriate evidence. Any policies will not be put in force until satisfactory evidence has been received for all bond applicants/trustees.
- 6.5 If satisfactory evidence is not obtained within 45 days of receipt of the application form, the application will not be proceeded with and the money returned to its original source.

7. Completing and submitting a Legal & General Portfolio Bond application

- 7.1 Please complete the Adviser details section of the application form in full. The commission style and details of any sacrifice (as per the Client's personal illustration) must be entered on the application form to ensure that the appropriate amount of commission is paid.
- 7.2 You may provide your own deal reference number on the application (subject to a maximum of 15 characters), which will be included in your management information files.
- 7.3 You are responsible for ensuring that the application is completed in full and all applicants have signed and dated the Declaration. The Client(s) must initial any alterations to the application form.
- 7.4 Cofunds do not accept instructions to purchase units/shares in the Legal & General Portfolio Bond funds. The fund selection must be expressed as a percentage of the total cash amount invested into the Legal & General Portfolio Bond.
- 7.5 Following receipt of the fully completed application form by Cofunds, the Legal & General Portfolio Bond will be put into force within four business days, subject to acceptance by the product provider and satisfactory completion of money laundering checks.
- 7.6 Increments to a Legal & General Portfolio Bond must be made using a Legal & General Portfolio Bond application form and must quote the existing policy number. A maximum of five increments are available per Legal & General Portfolio Bond.
- 7.7 If you submit a Legal & General Portfolio Bond application written under trust, the trust form or, for an existing trust, a certified copy of the trust deed must be submitted with the application. Please note that trustees must be entered on the application form as applicants. The trust forms/trust deeds will be returned to the owners.
- 7.8 Where payment is made by CHAPS, subject to prior agreement, it must be received in the Cofunds bank account no later than two business days following receipt of the application.
- 7.9 All applications must be sent to the Cofunds address, as detailed in 25.1.
- 7.10 The product provider will normally issue policy documents on the fourth business day after the policy has been put into force.

8. Unacceptable Applications

- 8.1 An application will normally be forwarded to the product provider by Cofunds on the business day on which it is received but no later than the next business day. Where we are unable to forward the application due to missing or unclear information and where clarification may be obtained by telephone, the Cofunds Referrals Team will contact you as soon as is practicable. The application will not be forwarded to the product provider until satisfactory clarification has been received. Where any issue requiring clarification is not resolved within one business day of receipt of the application, the application will be returned to you, together with the related cheque.
- 8.2 Where the application cannot be accepted (for example, if the Client declaration has not been signed and dated), the application form (and cheque where appropriate) will be returned to you normally by the end of the following business day of receipt. Should a cheque be banked prior to omissions/errors identified on an application form, Cofunds will return the application to you and hold the monies in a client money bank account upon return of the fully completed application. Cofunds is unable to provide you with prior notification of the rejection.

9. Surrenders

- 9.1 Cofunds will accept at any time instructions in writing for a partial or full surrender, providing the instructions are clear and signed by all owners. An instruction to surrender a number of units/shares in a fund(s) is not acceptable.
- 9.2 If the Legal & General Portfolio Bond is partially or fully surrendered, where applicable, a surrender charge will apply. It is your responsibility to ensure that your clients are aware of these charges.
- 9.3 For a partial or full surrender over a certain amount (which is determined by Legal & General and subject to periodic change), Cofunds require the policy document submitted with the surrender instruction.
- 9.4 If the policy documents are lost or not available a Form of Indemnity is required signed by the owner alongside a covering letter signed by all owners and Trustees where applicable.
- 9.5 You are responsible for forwarding the completed surrender instruction to Cofunds although instructions received direct from your Clients will be accepted.
- 9.6 Where a Client's bank details have been provided, a payment will be made by BACS directly into your Client's bank account. Where bank details are not available, payment will be made by cheque directly to your client money account or to your Client.
- 9.7 Confirmation of the surrender and the proceeds will be sent to your Client within seven business days of receipt of valid documentation including, where appropriate, the original policy schedule giving evidence of ownership. Proceeds will not be paid unless satisfactory money laundering checks have been carried out.

- 9.8 Payments to third parties will not be made unless to another FSA regulated firm
- 9.9 A Chargeable Event may arise from full or partial surrender of all or some of the policies in the Legal & General Portfolio Bond. In this event, a Certificate will be sent to your client in accordance with the terms outlined in the Legal & General Portfolio Bond Policy Provisions.

10. Regular Withdrawals

- 10.1 Regular withdrawals can be set up at the start of the Legal & General Portfolio Bond or at any time in the future. Instructions to set up a regular withdrawal after policy inception must be signed by all owners and submitted to Cofunds.
- 10.2 Regular withdrawals can be started, stopped or varied at any time subject to signed instructions from all owners. Confirmation of the changes will be sent to your Client normally within ten days of receipt of the variation. Please note that limits apply. For more information please refer to the Legal & General Portfolio Bond Product Guide.
- 10.3 Any regular withdrawal payment, which is greater than 5% of the value of the Legal & General Portfolio Bond, is considered a Chargeable Event and a certificate will be sent to the owner.
- 10.4 If incorrect bank details are supplied for a regular withdrawal payment and the payment fails, Cofunds will contact you for the correct bank account details. If these are not supplied to us within seven business days, the regular withdrawal will be stopped.

11. Switches

- 11.1 Instructions to switch between life funds in the Legal & General Portfolio Bond will be forwarded by Cofunds subject to receipt of clear instructions signed by all owners.
- 11.2 All or any part of the funds can be switched into any of the available funds, subject to the maximum number of funds that can be held within the Legal & General Portfolio Bond and the minimum holding requirement in each fund. If distributor units are required, all investments must be made into one, or a combination of, the Distribution Funds and the Property Fund.
- 11.3 No charge is currently made for the first 12 switches in a Legal & General Portfolio Bond over any 12-month period. However, the product provider will levy a charge, currently £25 per switch, for all switches in excess of this limit.
- 11.4 Legal & General Portfolio Bond switch statements will be issued to your client no later than six business days from the instruction being accepted.

12. Bulk Instructions

- 12.1 Cofunds require 30 days notice of any bulk transaction or maintenance instructions.

13. Client Interface and Reporting

- 13.1 Cofunds will only provide information to you in respect of Clients where you are the Nominated Adviser.
- 13.2 Information on your Client investments is available on request from the Service Centre by phone. The response may be verbal or in writing. On a half yearly basis, statements detailing the activity during the last period and valuations will be forwarded to your Client and available to you on the website. Valuations of your Client's investments are also available via the Cofunds website.
- 13.3 Policy information will be sent to your clients as detailed in the relevant sections of this Service Level Agreement (SLA). Copies of policy correspondence will be made available to you on the Cofunds website.
- 13.4 Statements detailing the activity and valuations of the Legal & General Portfolio Bond will be issued at least annually to your client. A copy of your Client statements will be made available to you on the Cofunds website.

14. Cancellation Rights

- 14.1 Your Client will have their right to cancel the Legal & General Portfolio Bond if they exercise the right within 30 days of receipt of the cancellation notice. A cancellation notice will be forwarded directly to your Client's address as required in the Financial Services Authority's Conduct of Business Sourcebook, Chapter 6, Section 6.7 Cancellation and withdrawals.
- 14.2 If your Client does not wish to proceed with the Legal & General Portfolio Bond, within the cancellation period, the cancellation form should be sent to Cofunds.
- 14.3 Cancellation notices received after the 30-day period may be rejected. If the client wishes to continue with surrendering the policy, early surrender charges may apply
- 14.4 The refund payment will be made no later than six business days after receipt. The client will bear the loss resulting from any market fluctuations
- 14.5 Payment of the refund will be made to the source of the funds and may be delayed until we have confirmation that the Client's cheque for the investment has been cleared.
- 14.6 Commission payments may have already been made to the Adviser. Where the Client cancels their application, the commission is clawed back. This is covered in greater detail in the Commissions section

15. Death of a Client

- 15.1 You are responsible for notifying Cofunds of the death of your Client immediately after it is made known to you. Notification should be given in writing. Where Cofunds becomes aware of the death of a Client via a third party source, you will be notified in writing.
- 15.2 You or the Personal Representatives are responsible for forwarding the satisfactory proof of death, which should be in the form of an original death certificate.
- 15.3 If the death is of a single case or last survivor of joint cases, the Legal & General Portfolio Bond will cease and benefit will become payable after satisfactory proof of death, proof of title and any other documents that may be deemed necessary to pay the benefit is received.
- 15.4 A Chargeable Event occurs when the life assured or last survivor dies, a Chargeable Event Certificate will be issued when the death claim is paid.

16. Corporate Actions

- 16.1 Legal & general will be notified of any corporate actions being proposed by the Fund Manager(s). Following such notification, Legal & General will write to your Clients to explain the implications of the proposed corporate action.
- 16.2 If the corporate action involves any change to the Client's holding or payment of any monies the Client will be kept fully informed by Cofunds. If a payment has to be made to the Client, where possible this will be by a BACS payment into the bank account for which Cofunds holds details. Otherwise, a cheque will be drawn in favour of the Client and sent to the Client's address.

17. Client Maintenance

- 17.1 You are responsible for notifying Cofunds in writing of any change to the Client's details. Such notification should be given as soon as possible after you become aware of the relevant change. Following notification of a change with appropriate documentation Cofunds will amend the Client's records and confirm the same to you and your Client in writing.
- 17.2 Cofunds will record any changes, subject to receipt of appropriate documentation, within five business days.
- 17.3 You are responsible for notifying Cofunds of your Client's intention to change his or her bank account for natural income or regular withdrawal payments. Such notification must be in writing. Cofunds will execute the change within seven business days of receipt. In the event that the Client's address is found to be incorrect Cofunds will not accept any further instructions until confirmation of the correct address is received. You will be responsible in this event for obtaining the Client's new address and confirming with Cofunds that our records are correct.

18. Legal & General Portfolio Bond Natural Income

- 18.1 Natural Income from the Legal & General Portfolio Bond Distributor units can be requested when the investment is made or at any time in the future and can be paid monthly or half yearly. Distributor units must be purchased at least five business days prior to the distribution date to qualify for Natural Income.
- 18.2 For Legal & General Portfolio Bond the distribution rate is declared on 31 May and 30 November each year and paid to your Client by BACS on or around the 14 June and 14 December.
- 18.3 Natural Income can be stopped at any time but all Distributor units must be exchanged for accumulation units of a similar value.

19. Change of Nominated Adviser

- 19.1 Cofunds will only deal with Clients through an Adviser.
- 19.2 If a Client 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.
- 19.3 If an adviser is not registered with Cofunds and an existing Cofunds Client wishes to move their Legal & General Portfolio Bond from the Cofunds platform, they will be required to contact us for available options.

20. Commission

- 20.1 A range of Legal & General Portfolio Bond commission styles are available. These styles may be enhanced in accordance with the sales account agreement you have directly with the product provider.
- 20.2 You may sacrifice initial commission to gain additional allocation of units for your client subject to a maximum allocation rate.
- 20.3 Initial commission will be accrued daily and paid to you weekly.
- 20.4 Where a Client has chosen to exercise their cancellation rights, or a full or part surrender has occurred within the first 3 years of the initial charge option, the initial commission paid will be clawed back. Where a debtor position occurs, action may be taken to recover the commission amount.
- 20.5 Trail commission will be accrued daily and paid to you monthly on all appropriate holdings. For the Legal & General Portfolio Bond the payment amount will be calculated on the monthly anniversary date of each policy in effect.
- 20.6 Clients may change Intermediaries during the life of their Cofunds investment. For Legal & General Portfolio Bonds the new Adviser will receive trail commission on the next monthly anniversary of the policy following the date the change became effective.
- 20.7 Cofunds reserve the right to claw back trail commission if it has been paid incorrectly to an Adviser.

- 20.8 Cofunds will arrange to pay commission weekly in arrears to the Adviser Firm via BACS, with exceptions via cheque. A single weekly payment will be made in respect of the commission earned in relation to the Legal & General Portfolio Bond with initial and trail commission consolidated. All payments will be received by the Adviser firm on the same day of the week in which the payments are issued.
- 20.9 Cofunds will issue a weekly combined commission statement, which will detail a breakdown of commission information relating to all commission payments issued to the Adviser firm in that particular week.

21. Cofunds Service Centre

- 21.1 Cofunds provide a Service Centre, offering a single point of contact for Intermediaries. The telephone number for the Services Centre is 0845 604 4001. A telephone service will be available from 9:00 am to 5:30pm Monday to Friday. Cofunds do not offer this facility to end Clients and will in the first instance redirect the Client back to the Adviser. Calls to this number may be recorded

22. Complaints Process

- 22.1 Cofunds will deal with complaints from you on behalf of your Client either in writing to Cofunds or verbally via the Service Desk. All complaints received by Cofunds are acknowledged within five business days of receipt and handled within the Complaint Handling procedures as detailed by FSA DISP 1.4 either by Cofunds or the product provider.
- 22.2 Cofunds will normally refer all Client enquiries and requests to the Adviser. However, Cofunds will deal with complaints direct from Clients. In such cases Cofunds will provide you with copy correspondence.
- 22.3 Cofunds will ensure that all clients are not financially disadvantaged by Cofunds errors. Cofunds will not compensate Intermediaries for any inconvenience.
- 22.4 Adviser Service related complaints will be handled by the Cofunds Complaints Department.
- 22.5 Complaints regarding fund performance or fund selection will be directed to the relevant FSA authorised firm. Cofunds will not take responsibility for this type of complaint.

23. Online Services

- 23.1 Cofunds will make certain of the facilities of the Fund Market available to the Adviser through the Website. Access to the Website is subject to the relevant provisions of this Agreement and also to any terms of use published on the Website from time to time.

24. Data Services

- 24.1 Cofunds can make available management information for download or access on-line via a data site. Access to this data is not automatic and must be granted by the relevant Sales representative
- 24.2 Cofunds will provide a single firm level username and password to access the management information.
- 24.3 The Adviser will be responsible for managing the account and making the data available to the required areas within the firm.

25. Contacts

- 25.1 Communications should be directed to the following points in Cofunds:

All correspondence including applications, instructions and account maintenance for Clients, complaints and Intermediaries and requests for literature

Cofunds Limited
PO Box 1103
Chelmsford CM99 2XY

Telephone: 0845 604 4001

The Cofunds Website is www.cofunds.co.uk.

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