



## **TERMS OF BUSINESS**

### **1. Scope**

- 1.1 These Terms Of Business set out the conditions upon which Healthy Investment (“the Society”) accepts business from an Intermediary.

“Business” means all Contracts of Long-term Insurance and Specified Investments as both those terms are defined in the Regulated Activities Order 2001.

- 1.2 The Society reserves the right, at its discretion, not to accept business from an Intermediary. The Society will not accept business from an Intermediary who ceases to be authorised by the Financial Services Authority (“FSA”) to carry out regulated activities.
- 1.3 The Intermediary is the agent of the client in relation to all aspects of the Business except insofar as is necessary to give effect to the personal responsibilities of the Intermediary to the Society as set out herein.
- 1.4 The Intermediary undertakes to the Society that no business will be introduced to the Society as a consequence of the activities of another person which contravene Section 19 of the Financial Services and Markets Act 2000 (“the Act”).

### **2. Commission**

- 2.1 All matters relating to the payment of commission by the Society to the Intermediary shall be governed by the Rules as set down by the FSA from time to time (“FSA Rules”).
- 2.2 The Society will credit or pay commission on all Business submitted to the Society by the Intermediary and accepted by the Society. The Society will also credit or pay commission on Business submitted to the Society by another Intermediary and accepted by the Society where that other Intermediary has relinquished his right to the commission in respect of that Business in favour of the Intermediary and no other person has any valid claim to such commission.
- 2.3 The amount of such commission shall be calculated according to the rates currently in force shown in the Schedule attached. The Society reserves the right, on giving notice to the Intermediary, to alter these rates.
- 2.4 In the event of the Intermediary ceasing to be authorised, pursuant to Section 19 of the Act or where he or the client notifies the Society that he is no

longer to be the agent of the client, the Society reserves the right to cease paying commission.

- 2.5 The Society's statement of account shall be the prime record of commission due to the Intermediary.
- 2.6 Commission will be paid to the Intermediary or their Network 14 days from the date of acceptance. Such commission will be subject to clawback in accordance with the following scale:
  - i) Year 1: 100% clawback
  - ii) Year 2: 50% clawback
  - iii) Year 3 onwards: No clawback

Clawback of commission is also applied on partial withdrawals from our Investment Bond and our Single Premium ISA above the 5% annual withdrawal allowance using the above scales.

Ethical Child Trust Fund

- i) Year 1: 100% clawback (single premiums only)
- ii) Year 2 onwards: No clawback

### **3. Documentation**

- 3.1 The Intermediary must pass on immediately without amendment any documentation which is either supplied by the Society for the benefit of or completion by the client, or provided by the client in relation to the contract.
- 3.2 The Intermediary will clearly communicate the identity of the Society to the customer.
- 3.3 The Society reserves the right to send communications direct to the client.
- 3.4 The Intermediary must produce to the Society on demand such records, books and accounts as the Society may reasonably require in connection with Business effected with the Society.
- 3.5 Evidence of the identity of all third parties introduced by the Intermediary will have been obtained and recorded under procedures maintained by the Intermediary in accordance with the provisions of the European Council Directive 91/308/EEC, the UK Money Laundering Regulations in force at the time (1993 SI No. 1933), the guidance Notes for Insurance and Retail Investment products (and all Directives, Regulations and Guidance Notes issued in substitution thereof or in amendment or addition thereto) and any requirements of the Society from time to time notified to the Intermediary.
- 3.6 The Intermediary will identify the third parties and will, without detraction from the obligations referred to above, forward to the Society with the documents for the transaction such duly completed form relating to

verification of their identity (the “Verification Form”), as the Society shall require from time to time. The Intermediary acknowledges that, for the purposes of paragraph 3.5 above, the Society will rely upon the information provided by the intermediary on the Verification Form.

3.7 The Intermediary will agree to indemnify and keep indemnified the Society from and against all costs, claims, demands, liabilities, expenses, damages or losses (including without limitation any direct or indirect consequential losses, lost profit and loss of reputation, and all interest, penalties and legal and other professional costs and expenses) arising out of or in connection with the intermediary’s negligence, default or breach of these Terms.

**4. Payment of Premiums Through the Intermediary**

4.1 If the Intermediary undertakes to the client to pass monies to the Society, he must do so promptly.

4.2 The Intermediary may not collect monies on behalf of the Society.

**5. Variation**

5.1 The Society reserves the right to vary the terms of business contained in this letter subject to one month’s notice being given to the Intermediary except in the circumstances where changes in the FSA Rules or relevant legislation are required to take effect earlier than that date, in which event notice of variation will be given as soon as reasonably practicable. Such variation will not affect contracts in force or proposals for contracts received by the Society before variation to the terms of business takes effect.

**6. Termination of Agreement**

6.1 The Society reserves the right to terminate this agreement without notice in appropriate circumstances where it comes to the attention of the Society that the Intermediary fails to satisfy FSA Rules or may be in contravention of The Act.

Signed on behalf of Healthy Investment

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**Mr Peter Green**  
**Chief Executive**

Signed on behalf of \_\_\_\_\_

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**Agency Ref Nos:** \_\_\_\_\_

**Commission Rates -IFA**

**effective**

**13th January  
2009**

**Premium  
Frequency**

**Product Type**

**Term  
(years)**

**Rate  
%**

Premium Frequency	Product Type	Term (years)	Rate %
Regular	With Profits Endowment with and without life cover  (age restriction: child - minimum term 10 years up to age 16)  (age restriction for the with profits endowment with life cover: adult - 17 years next birthday up to 65 years next birthday)  ( age restriction for the with profits endowment without life cover – maximum age 70 next birthday)	10	45
		11	49
		12	53
		13	57
		14	61
		15	65
		16	68
		17	71
		18	74
		19	77
		20	80
		21	
22			
23			
24			
25			

Single	Investment Bond (Series 3)  ( <i>new money to the Society only</i> )  ( <i>age restriction: 80 years of age</i> )	open ended	6.5	
Single/Reg	ISA  ( <i>age restriction: 18 years +</i> )	open ended	3	
Single/Reg	Ethical Child Trust Fund	open ended	3 of all contributions received plus 0.5 of the fund from month 13 for the duration of the contract	

**Healthy Investment**

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Healthy Investment is the trading name of the Rechabite Friendly Society Limited, and is an incorporated Society within the meaning of the Friendly Societies Act 1992

*Authorised and regulated by the Financial Services Authority*

FSA Registration Number 109994