

TERMS OF BUSINESS

Life Contracts issued by Old Mutual Guernsey,

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1. SCOPE

Subject to 2 below, this document, together with the Application to Submit Business ("the Application"), sets out the terms and conditions upon which Old Mutual Guernsey, being a branch of Old Mutual Life Assurance Company (South Africa) Limited ("the Insurer") situated in Guernsey accepts business introduced by the Intermediary, detailed in the Application.

2. COMMENCEMENT

An agreement on the aforesaid terms and conditions comes into effect when the Insurer accepts the Application in Guernsey, irrespective of when and where the Intermediary is informed of the acceptance thereof.

3. RELATIONSHIP AND AUTHORITY

- 3.1 It is confirmed that the Intermediary is the agent of the client in relation to all aspects of the business and the Insurer undertakes to respect that relationship in its dealings with the Intermediary's client provided that such relationship does not in any way prejudice the Insurer's standard of service to the client in relation to any contracts held by the client.
- 3.2 The Intermediary shall not be constituted and shall not hold himself out to be or describe himself as an agent, officer, employee or representative of the Insurer. The Intermediary must advise the client that he acts as the agent of the client and not the Insurer.
- 3.3 If the Intermediary has been asked by his client to forward premiums to the Insurer, the Intermediary shall do so promptly and without deduction. The Intermediary has no authority to accept premiums on behalf of the Insurer and shall inform the client that he forwards such premiums as the agent of the client.

4. COMMISSION

- 4.1 The Insurer will credit commission to a commission account opened in the Insurer's books in the name of the Intermediary on all business submitted by the Intermediary and accepted by the Insurer and in respect of which full payment is received by the Insurer. Business must be submitted to the office of the Insurer in Guernsey. The Insurer will also credit commission to the Intermediary on applications submitted, by another intermediary, to and accepted by the Insurer and in respect of which full payment is received by the Insurer provided that the Insurer is satisfied that the other intermediary has relinquished the right to commission in respect of that business in favour of the Intermediary and no other person has any valid claim to such commission.
- 4.2 The amount of such commission shall be in accordance with the then current Schedule of Commission and Fees which the Insurer serves the right to alter on giving seven days notice to the Intermediary.
- 4.3 In the case of all regular premium contracts, issued as a result of applications submitted by the Intermediary, the Insurer may, in its absolute discretion, at the request of the Intermediary pay commission calculated on the full amount of premiums contracted for by the client over the relevant term, although no commission will be payable until the first premium has been received in full and the contract put into effect by the Insurer. The Insurer reserves the right in its absolute discretion not to accede to such request from the Intermediary and is under no obligation to give reasons for its decision. If such request is declined the Insurer will pay commission as and when premium payments are received from the client.
- 4.4 In the event of non-payment of premiums and/or the cancellation of business, the amount, timing and currency of any repayment of commission to the Insurer by the Intermediary will be determined by the Insurer in accordance with its normal business practice, as amended from time to time.
- 4.5 The Insurer reserves the right to reverse all commission credited in respect of an application accepted and if paid recover such commission if the Insurer, having acted upon a faxed application form received from the Intermediary, does not receive the original application form from the Intermediary within fifteen working days of the receipt of the faxed application form.
- 4.6 The Intermediary undertakes to inform the client, on request, and in accordance with the disclosure requirements of any applicable law, of the actual amount of commission payable by the Insurer to the intermediary in respect of the relevant application.
- 4.7 The Insurer reserves the right to cease paying commission other than that due on premiums already paid to the Insurer if:
 - 4.7.1 either the Intermediary or the client notifies the Insurer that the Intermediary is no longer the agent of the client; or
 - 4.7.2 the Intermediary's Terms of Business are terminated.

- 4.8 If the Insurer is notified that the Intermediary has ceased to be the agent of the client and the Insurer has exercised its right to cease paying commission to the Intermediary, the Insurer may, upon being notified by the client, pay commission to any new intermediary appointed by the client.
- 4.9 The Insurer's statement of account (which may be contained in writing, disk, tape, direct on line communication to computer terminal, or any other method of communication agreed by the Insurer and the Intermediary) shall be the prime record of commission due to the Intermediary and except in the case of manifest error shall be final and binding on the parties hereto.
- 4.10 The Insurer reserves the right to require the Intermediary to pay interest on any deficit balance on the Intermediary's commission account with the Insurer if such account has been in deficit for more than three consecutive months. Interest will be charged at the rate of 1.5% per month compound from the date that the account shows a deficit balance to the date on which payment is made to the Insurer or monies credited to the account so that the account is in credit. The Insurer may in its absolute discretion amend the rate of interest charged on the deficit balances.
- 4.11 Any commission credited to the Intermediary's commission account in the Insurer's book will be paid to the Intermediary at least monthly but the Insurer may defer payment of commission until a total of at least £100 or such other amount as the Insurer may notify from time to time is due to the Intermediary. The Insurer may pay the commission by way of telegraphic transfer and deduct the telegraphic transfer fee from the commission payable.
- 4.12 In any situation where the Intermediary instructs payment to any third party of any commissions or other sums due to it hereunder, the Intermediary acknowledges such instructions are payment instructions only, that the relevant business is introduced to the Insurer exclusively by the Intermediary and that such payment constitutes a full and proper receipt and discharge to the Insurer.
- 4.13 All commission shall be payable and paid in Guernsey and all commission payments shall be made in UK Sterling or US Dollars or such other currency as may be agreed in writing between the Insurer and the Intermediary and any transactions conducted by the Intermediary in any other currency shall be converted in to either UK Sterling or US Dollars or such other agreed currency at the exchange rate in force at the time of the relevant commission payment. The Insurer may deduct the cost of the transfer from the commission payable.

5. ANNUAL ADVICE FEE

- 5.1 The Insurer may in its discretion pay the Intermediary an Annual Advice Fee. The Insurer may credit the Intermediary's commission account with such fee.
- 5.2 The amount of such Annual Advice Fee shall be in accordance with the current Schedule of Commission and Fees, which the Insurer reserves the right to alter on giving seven days notice to the Intermediary.
- 5.3 In the event of surrender or partial surrender the Insurer shall cease to pay or reduce the Annual Advice Fee accordingly.
- 5.4 The Intermediary undertakes to inform the client, on request, and in accordance with the disclosure requirements of any applicable law, of the actual amount of any Annual Advice Fee paid by the Insurer to the intermediary in respect of the relevant application.
- 5.5 If the Insurer is notified that the Intermediary has ceased to be the agent of the client and the Insurer has exercised its right to cease paying the Annual Advice Fee to the Intermediary, the Insurer may, upon being notified by the client, pay the Annual Advice Fee to any new intermediary appointed by the client.
- 5.6 The Insurer's statement of account (which may be contained in writing, disk, tape, direct on line communication to computer terminal, or any other method of communication agreed by the Insurer and the Intermediary) shall be the prime record of any Annual Advice Fee which may be paid to the Intermediary. The Annual Advice Fee never the less will remain payable at the discretion of the Insurer.
- 5.7 Any Annual Advice Fee credited to the Intermediary's commission account in the Insurer's book will be paid to the Intermediary in accordance with the current Schedule of Commission and Fees but the Insurer may defer payment of the Annual Advice Fee until a total of at least £100 or such other amount as the Insurer may notify from time to time is due to the Intermediary. The Insurer may at the request of the Intermediary pay the Advice Fee by way of telegraphic transfer and deduct the telegraphic transfer fee from the Annual Advice Fee payable.
- 5.8 All Annual Advice Fees shall be payable and paid in Guernsey and all payments shall be made in UK Sterling or US Dollars or such other currency as may be agreed in writing between the Insurer and the Intermediary and any transactions conducted by the Intermediary in any other currency shall be converted in to either UK Sterling or US Dollars or such other agreed currency at the exchange rate in force at the time of the relevant Annual Advice Fee payment. The Insurer may deduct the cost of the transfer from the Annual Advice Fee payable.

6. RECOVERY

All or any sums of money to be paid or repaid by the Intermediary to the Insurer under these Terms of Business or otherwise shall be payable by the Intermediary on demand but without prejudice to the foregoing the Insurer shall have the right to set off and reclaim such amounts from any other commission due from it to the Intermediary, or from any commission due to the Intermediary from any companies which are part of Quilter plc. The Intermediary agrees that, where any sum of money is due to be paid or repaid to any companies which are part of Quilter plc pursuant to terms of business, or an equivalent form of agreement, between the Intermediary and such other company ("the Debt"), the Insurer may pay any or all commission due to the Intermediary pursuant to these Terms of Business to such other company by way of set off against the Debt.

7. REGULATION

- 7.1 The Intermediary warrants that:
- 7.1.1 it is authorised to carry on the business contemplated by these Terms of Business; and
 - 7.1.2 it has obtained all required authorisations, consents and approvals of the relevant supra-governmental, governmental or regulatory authority or self regulating organisation in the jurisdiction within which it carries on such business; and
 - 7.1.3 that nothing in the business contemplated here under violates any rule, regulation, ordinance, writ, injunction, judgement, decree or award of any court or supra governmental, governmental or regulatory authority.
- 7.2 Where for whatever reason the Intermediary's authorisation is suspended or cancelled he shall immediately notify the Insurer of the suspension or cancellation as the case may be and the reasons giving rise to it.
- 7.3 In particular, but without prejudice to the foregoing, the Intermediary shall not solicit business from residents or citizens (irrespective of their residence at the time of solicitation) of the United States of America (including its legal jurisdictions). More over, the Intermediary shall not solicit business from any person who is a citizen or resident of any country if, because of such citizenship or residence, the holding of any of the Company's products or policies would be unlawful. In particular (but without limitation of the foregoing) the Intermediary will not solicit business from any natural person who is a resident of Guernsey.

8. MONEY LAUNDERING AND CRIMINAL ACTIVITIES

- 8.1 The Intermediary undertakes to:
- 8.1.1 operate in accordance with Guernsey Money Laundering Regulations as issued by the Guernsey Financial Services Commission, or if a FATF country or equivalent, in accordance with the Money Laundering Regulations in force in that jurisdiction;
 - 8.1.2 accept responsibility for verification of the identity of all clients on behalf of whom the Intermediary is acting whenever required by the Guernsey Regulations or the Money Laundering Regulations in force in the FATF or equivalent country;
 - 8.1.3 provide evidence of verification to the Insurer in cases where there may be additional verification or due diligence of the client required.
- 8.2 If the intermediary conducts business outside the United Kingdom, or FATF in a non-FATF recognised jurisdiction, the Intermediary must complete a declaration agreeing to comply with the Insurer's rules and procedures on money laundering a copy of which will be made available upon request. A list of FATF or equivalent jurisdictions is available on request from the Insurer.
- 8.3 The Intermediary undertakes to immediately inform the Insurer if any civil or criminal proceedings are brought against the Intermediary, or if such proceedings are against a client with whom the Intermediary has a business relationship.

9. SOUTH AFRICAN BUSINESS

In Respect of any business conducted by the intermediary in South Africa, the following additional terms apply:

- 9.1 The Insurer will not pay commission in excess of the limits as laid down from time to time in the South African Long-term Insurance Act, irrespective of the rates that may be set out in the Schedule of Commission and Fees. The Insurer will not pay commission to any Intermediary not registered as a financial service provider under the South African Financial Advisory and Intermediary Services Act, after the effective date of that Act, in respect of business submitted after that date.
- 9.2 The Insurer may reverse all commission credited in respect of an application accepted and if paid recover such commission if the client cancels the contract during any "cooling-off" period that may be mandated under the Financial Advisory and Intermediary Services Act, the Policyholder Protection Rules (Long-Term Insurance) 2001 as amended or any similar legislation.
- 9.3 No Annual Advice Fee will be payable to an Intermediary in South Africa not licenced to give advice in terms of the Financial Advisory and Intermediary Services Act.
- 9.4 By agreement the Insurer may remit commission and/or annual advice fee payments to South Africa. The insurer may deduct the cost of the transfer from the amounts payable.
- 9.5 The Intermediary warrants that it is licenced in the appropriate category under the South African Financial Advisory and Intermediary Services Act and that it or any registered representative thereof that may submit applications to the Insurer are fit and proper within the meaning of that Act to do so.
- 9.6 The Insurer may terminate these Terms of Business forthwith if the Intermediary's licence under the South African Financial Advisory and Intermediary Services Act is cancelled, withdrawn or suspended.
- 9.7 The Intermediary undertakes to operate in accordance with the South African Financial Intelligence Centre and Prevention of Organised Crime Acts, (FICA and POCA), and to accept responsibility for verification of the identity of all clients on behalf of whom the Intermediary is acting whenever required by FICA.

10. DOCUMENTATION

- 10.1 The Intermediary must pass on directly without amendment any documentation which is either supplied by the Insurer for the benefit of or completion by the client, or provided in relation to the client's contract with the Insurer.
- 10.2 The Insurer reserves the right to send communications directly to the client, but undertakes to keep the Intermediary informed of all communications with the client, in a manner deemed appropriate by the Insurer, from time to time.

11. INDEMNITY

The Intermediary shall indemnify and keep indemnified the Insurer from any loss resulting to the Insurer arising from any breach by the Intermediary of these Terms of Business.

12. TERMINATION

These Terms of Business may be terminated by either party giving to the other not less than 14 days notice in writing, except that the Insurer may terminate these Terms of Business forthwith:

- 12.1 if required by any law, rule, competent authority or government body to do so; or
- 12.2 if the Intermediary dies, becomes bankrupt (i.e. is sequestrated or liquidated, whether provisionally or finally), enters into an arrangement with creditors or where the Intermediary, being a company, goes into liquidation or is subject to an administration order; or
- 12.3 if the Intermediary is under investigation by any competent authority; or
- 12.4 if the Intermediary commits a material breach of these Terms of Business

13. CONFIDENTIALITY

The Intermediary shall not divulge any confidential information concerning the business or affairs of the Insurer.

14. DATA PROTECTION

The Intermediary agrees that the Insurer may process any information relating to the Intermediary, including holding such information in a manual format or electronic database, in order to satisfy any contractual, regulatory or statutory requirements the Insurer may have and for other related purposes, including monitoring and analysing the conduct of the Intermediary's account, crime prevention, legal and regulatory compliance, and the marketing by the Insurer or associated companies of other services.

15. ADVERTISING

The Insurer's prior written approval must be obtained for the use of any advertising sales or other material which refers to the Insurer or the Insurer's policies products or services.

16. VARIATION

The Insurer reserves the right to vary these Terms of Business subject to seven days written notice being given to the Intermediary except incircumstances where changes are required to take effect earlier than that date, in which event notice of variation will be given to the Intermediary as soon as reasonably practicable. Such variation will not affect policy contracts in force or applications for policy contracts received by the Insurer before the variation to these Terms of Business takes effect.

17. WAIVER

No delay or omission on the part of the Insurer in exercising any rights under these Terms of Business shall be construed as a waiver thereof and any single or partial exercise of such rights shall not preclude any other or further exercise thereof or the exercise of any other rights. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

18. ENTIRE AGREEMENT

The Intermediary hereby acknowledges that these Terms of Business together with any other written agreement between the parties supplemental to these Terms of Business, all guidance notes, procedures and similar written communications provided by the Insurer to the Intermediary represent the entire, complete and exclusive agreement and understanding between the parties. The Intermediary further acknowledges that it has not relied upon any other written or oral representations made to it by the Insurer.

19. NOTICES

Any notice given or made under or in connection with the matters contemplated by these Terms of Business shall be in writing.

- 19.1 Any such notice shall be addressed to the recipient's address appearing on the Terms of Business or to such other address as is subsequently notified to the sender and, if so, addressed, shall be deemed to have been duly given or made as follows:
 - 19.1.1 if sent by personal delivery, upon delivery at the address of the relevant party; or
 - 19.1.2 if sent by post, ten clear Business days after the date of posting; or
 - 19.1.3 if sent by facsimile, on the first Business day (in Guernsey and the Intermediary's country of domicile) after the date of dispatch.
- 19.2 Either party may at any time notify the other of a change to its name, relevant addressee, address or facsimile number provided that such notification shall only be effective on:
 - 19.2.1 the date specified in the notification as the date on which the change is to take place (provided that such date is no less than five clear business days after the date of receipt of the notice); or
 - 19.2.2 if no date is specified or the date specified is less than five clear business days after the date on which notice is given, the date falling five clear business days after notice of any such change has been given.

20. GOVERNING LAW

- 20.1 These Terms of Business shall be governed by and construed in accordance with Guernsey Law.
- 20.2 Each party hereby submits to the non-exclusive jurisdiction of the Courts of Guernsey with regard to any claim or matter arising from these Terms of Business.
- 20.3 In the event of translation of these Terms of Business into any language other than English, the English texts shall prevail.

WE HEREBY CONFIRM OUR ACCEPTANCE OF THESE TERMS OF BUSINESS.

Signed Date

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Authorised for and on behalf of Old Mutual Guernsey

For and on behalf
of the Intermediary
(signature)

PLEASE COMPLETE IN BLOCK CAPITALS

Name

Title

Date

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FAIS Licence No.

Brokerage Name

Brokerage Number