

# Terms of Business for Financial Advisers



# Terms of Business

Please read these terms of business carefully and save them for future reference. These terms of business set out the terms upon which AXA IM UK (defined below) accepts business from a financial adviser in respect of the authorised funds managed by AXA IM UK. A financial adviser is deemed to have read, understood and accepted these terms of business with effect from the date on which a financial adviser places business with AXA IM UK. If there is anything you do not understand, please contact your AXA IM UK representative or alternatively by email at [advisers@axa-im.com](mailto:advisers@axa-im.com) or by telephone on 0345 7775511. Further details of AXA IM UK and its funds can be found at: <https://adviser.axa-im.co.uk>.

These terms of business are for financial advisers only and should not be made available to clients.

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# 1 Definitions

## 1.1 Unless the context otherwise requires:

“Advised” means business which is placed with AXA IM UK in respect of which the Financial Adviser has provided advice to its Customer;

“authorised person” shall have the meaning given in Section 31 of the Financial Services and Markets Act 2000;

“AXA Group” means the group of companies of which AXA S.A. is the ultimate parent;

“AXA IM UK” means AXA Investment Managers UK Limited whose registered office is at 7 Newgate Street Limited or another subsidiary of AXA IM S.A. as may be notified to the Financial Adviser from time to time;

“business” means a regulated activity as defined by Section 22 of the Financial Services and Markets Act 2000;

“Business Day” means a day on which AXA IM UK is open for business or where appropriate, or, as otherwise defined in the Prospectus of a Fund;

“Cancellation Rules” means the rules set out in Chapter 15 of the FCA’s Conduct of Business Sourcebook which forms part of the FCA Handbook;

“Commission Rules” means the rules set out in Chapter 6 of the FCA’s Conduct of Business Sourcebook which forms part of the FCA Handbook relating to the payment, receipt and disclosure of commissions and inducements;

“Customer” means a client or customer of the Financial Adviser;

“Data Protection Legislation” means (i) applicable laws and regulations related to the protection of personal data, including the Data Protection Directive (95/46/EC) and the General Data Protection Regulation ((EU) 2016/679) (the “GDPR”) and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, and (ii) where applicable, in the event the GDPR is no longer directly applicable in the UK, any successor legislation to the GDPR or the Data Protection Act 1998.

“Dealing Day” means the Business Day on which an order is received by AXA IM UK or the Business Day after that day if the order is not received by AXA IM UK prior to the valuation point of the relevant Fund (subject to AXA IM UK’s discretion to alter this time without notice);

“Distance Marketing Directive” means the Directive of the European Parliament and of the Council concerning the distance marketing of consumer financial services (2002/65/EC);

“Execution Only” means business which is placed with AXA Investment Managers UK Limited in respect of which the Financial Adviser has not provided its Customer with advice;

“Financial Adviser” means any person, firm or company which is authorised and regulated by the FCA and which under such authorisation is permitted to provide financial advice to its Customers and/or arrange transactions in investments and to whom these Terms of Business apply;

“FCA” means the Financial Conduct Authority or such other regulatory authority as may replace it in whole or in part from time to time;

“FCA Handbook” means the FCA’s handbook of rules and guidance as may be amended from time to time;

“FCA Rules” means any section or rule as applicable to these Terms of Business, made by the FCA under the Financial Services and Markets Act 2000 and as contained in the FCA Handbook as may be enacted or amended from time to time;

“Fund” a sub-fund of an open ended investment company (also known as an investment company with variable capital) or an authorised unit trust managed by AXA IM UK;

“Holding Company” has the meaning given to it by Section 1159 of the Companies Act 2006;

“KIID” means the “Key Investor Information Document” for any or a number of the Funds or such other document as may replace it from time to time as required by the FCA Rules;

“ISA” means an individual savings account within the meaning of the Individual Savings Account Regulations (SI 1998/1870) 1998 (as amended);

“Prospectus” means the Prospectus of any or a number of the Funds;

“Share” means a share or a unit in a Fund;

“SID” means the Supplementary Information Document, produced by AXA IM UK which should be read with the KIID;

“Subsidiary” has the meaning given to it by Section 1159 of the Companies Act 2006;

“Terms and Conditions” means AXA IM UK’s authorised funds and ISA terms and conditions, as may be updated from time to time; and “Terms of Business” means these Terms of Business as amended.

1.2 In these Terms of Business, the use of “it” shall include “he” or “she” where appropriate (and “its” and “itself” shall be construed accordingly) and the singular shall include the plural and vice versa where the context so permits.

1.3 Any reference to a statute, statutory instrument, rule, EU directive or regulation, shall be construed as a reference to such statute, statutory instrument, rule, EU directive or regulation as amended, re-enacted or replaced from time to time.

## 2 Operative date

2.1 These Terms of Business set out the conditions upon which AXA IM UK accepts business from Financial Advisers with effect from 3 January 2018 and replace and supersede all or any previous terms of business with AXA Fund Managers Limited, AXA Framlington Unit Management Limited, AXA Sun Life Fund Managers Limited or Sun Life Trust Management Limited.

## 3 Scope

3.1 AXA IM UK reserves the right, at its discretion, not to accept business and/or instructions from Financial Advisers. AXA IM UK will not accept business from a Financial Adviser who notifies it or upon becoming aware of it having suffered any event as set out in clause 3.4 of these Terms of Business.

3.2 The Financial Adviser acts in the capacity of the agent of its Customers in relation to all aspects of the business conducted under these Terms of Business, except to the extent that any personal responsibilities of the Financial Adviser to AXA IM UK are set out in these Terms of Business. The Financial Adviser shall not act as the agent of AXA IM UK and accordingly shall have no authority, and shall not hold itself out as having any authority, to incur any expense on behalf of AXA IM UK or commit AXA IM UK in any way. In particular the Financial Adviser has no authority to collect contributions or subscriptions on behalf of AXA IM UK other than in its normal course of business as an agent of its Customers.

3.3 The Financial Adviser shall, to the extent that it may act as principal in relation to Shares under the Financial Services and Markets Act 2000, be transacting business with AXA IM UK as a professional client for the purpose of the FCA Rules. Otherwise, the Financial Adviser acknowledges that, even though the Financial Adviser will act as the agent of the Customer, AXA IM UK will treat the Customers as its clients for the purposes of the FCA Rules.

3.4 The Financial Adviser shall notify AXA IM UK if:

(i) any principal or any of its directors or partners has been charged with, or convicted of, an offence involving fraud or other dishonesty; or

(ii) the Financial Adviser or any principal, director or partner enters into a voluntary arrangement with creditors or commences or has bankruptcy or liquidation proceedings instituted against them, or has a receiver appointed over their assets; or

(iii) the Financial Adviser ceases to be an authorised person; or

(iv) the Financial Adviser transfers its business and assets to another person, firm or company; or

(v) the Financial Adviser shall have been suspended from conducting business by the FCA or the relevant regulatory body and/or is under investigation by the FCA or the relevant regulatory body; or

(vi) there is any change in the scope of the Financial Adviser’s regulated activities which may affect the business conducted under these Terms of Business.

3.5 The Financial Adviser agrees to conduct all of its business with the utmost integrity and in good faith at all times.

3.6 The Financial Adviser acknowledges that it will not, directly or indirectly, offer, transfer or sell Shares to a US Person and warrants that has and will on a continuing basis take all necessary steps to determine that all of its Customers who are or become beneficial owners of Shares are not US Persons. US Person shall have the definition as set out in the Prospectus for the relevant Fund.

## 4 Commission

4.1 All matters relating to the payment of commission by AXA IM UK (or by its agents or delegates), to the Financial Adviser shall (where relevant) be in accordance with the FCA Rules and these Terms of Business. In the event of any conflict between the FCA Rules and these Terms of Business, the FCA Rules shall prevail.

4.2 Subject to clauses 4.4, 4.5 and 4.7 below, AXA IM UK will credit or pay commission on all business submitted to AXA IM UK by the Financial Adviser and accepted by AXA IM UK, except where:

(i) the Financial Adviser confirms in writing to AXA IM UK that it does not wish to receive commission; or

(ii) AXA IM UK introduces a product(s) which is not designed to pay commission which may include, but not be limited to, any share or unit classes in the Funds other than those designated by the letter “R”; or

- (iii) AXA IM UK decides to cease the payment of commission on transactions in a particular Fund; or
- (iv) AXA IM UK at its discretion decides not to pay commission to the Financial Adviser and notifies the Financial Adviser in writing in advance of the first transaction in Shares by such Financial Adviser; or
- (v) the commission is offset against the purchase price of a product in order to give a discount; or
- (vi) the FCA Rules prohibit such payments.

4.3 AXA IM UK does not pay initial commission. Save as set out below, the amount of such commission and the terms of payment of the same shall be as individually notified to or agreed with the Financial Adviser.

4.4 The rates of commission may be reduced by AXA IM UK at its discretion in respect of past or future transactions on giving 30 days' notice to the Financial Adviser.

4.5 In respect of business submitted to AXA IM UK by the Financial Adviser to which the Financial Adviser has ceased to be the servicing agent of the Customer, AXA IM UK will cease to pay renewal commission to the Financial Adviser on receipt of written instructions from the Customer.

4.6 AXA IM UK shall credit or pay commission on the business submitted to AXA IM UK by another Financial Adviser and accepted by AXA IM UK where that Financial Adviser has relinquished its right to the commission in respect of that business in favour of a new Financial Adviser and no other person has any valid claim to such commission.

4.7 The Financial Adviser must comply with all relevant FCA Rules relating to business submitted to AXA IM UK and, in particular, the Commission Rules and rules relating to anti-money laundering. In particular the Financial Adviser shall:

- (i) notify AXA IM UK whether it will place any or all business on an Execution Only basis. If so, AXA IM UK will require that an Execution Only Declaration is signed which, will form part of these Terms of Business;
- (ii) set up an additional agency code, to be able to distinguish between Execution Only and Advised business, if both types of business may be placed;
- (iii) deal with any payments received by it from Customers in accordance with the FCA's Commission Rules, including making any necessary disclosures to its Customers;
- (iv) return any payments made by AXA IM UK which are prohibited by the FCA's Commission Rules and to which it is therefore not entitled, whether or not formally demanded by AXA IM UK; and
- (v) provide AXA IM UK with any information that it may

reasonably require to enable it to ensure and monitor compliance with the FCA's Commission Rules.

4.8 In addition to its right to reduce or cease the payment of commission under clauses 4.2, 4.4 and 4.5, AXA IM UK reserves the right to cease payment of commission with immediate effect:

- (i) if, in the sole opinion of AXA IM UK, the payment of any commission becomes unlawful under the FCA Rules, including but not limited to the Commission Rules for the avoidance of doubt; or
- (ii) if the Financial Adviser ceases to be an authorised person; or
- (iii) if the Financial Adviser notifies AXA IM UK that it is no longer the servicing agent of the Customer; or
- (iv) if the Financial Adviser transfers his business and assets to another person, firm or company; or
- (v) during any period of suspension or investigation of the Financial Adviser by the FCA or other relevant regulatory body; or
- (vi) pending clarification by the Financial Adviser and the appropriate authorities of any notice referred to in clauses 4.8 (i) or (iv); or
- (vii) upon the death of the Financial Adviser if a sole trader (save in the event of the transfer or transmission of the Financial Adviser's business to a duly authorised person); or
- (viii) if in the sole opinion of AXA IM UK, the Financial Adviser fails to act in accordance with his duties as a Financial Adviser including, but not limited to, any breach of the FCA Rules or these Terms of Business.

4.9 AXA IM UK's statement of account (which may be contained in writing or electronic form) shall be the conclusive record of commission due and/or remitted to the Financial Adviser, save in the case of manifest error or omission. The Financial Adviser agrees that it is responsible for reviewing the statement of account to ensure that it represents the full amount of commission due to the Financial Adviser. In the event of manifest error or omission, the Financial Adviser should contact AXA IM UK as soon as possible following identification of such error or omission. If the Financial Adviser has not claimed any unpaid amount of commission within 365 days of the end of the month in which the business to which such commission relates was placed by the Financial Adviser with AXA IM UK, it shall waive its right to such commission and AXA IM UK shall have no liability to the Financial Adviser in respect of such commission.

4.10 Subject to any specific terms and conditions relating to any products or save as set out in this clause 4, AXA IM UK will pay or reinvest commission to the Financial Adviser on a monthly basis, unless the Financial Adviser

is otherwise notified by AXA IM UK. AXA IM UK may defer payment of commission until such minimum amounts as may be prescribed by AXA IM UK from time to time, are due and payable to the Financial Adviser.

Payment of commission will be by BACS, on receipt by AXA IM UK of the Financial Adviser's bank details. In both circumstances, Financial Advisers will be provided by AXA IM UK with statements of account containing details of all commission payments.

4.11 Any commission paid in respect of business introduced without the required authorisation or cancelled in exercise of any statutory right shall be repaid to AXA IM UK. The Financial Adviser agrees to indemnify AXA IM UK against any loss sustained by AXA IM UK arising out of business introduced without the required authorisation or as a result of any other breach of these Terms of Business.

4.12 Where any loss arises to AXA IM UK as set out in clause 4.11 or any commission is repayable by the Financial Adviser to AXA IM UK and commission is credited to the Financial Adviser in respect of other business introduced by the Financial Adviser, AXA IM UK will effect reimbursement by debiting the Financial Adviser's account with the amount of such liability or commission or interest thereon. Any excess will be repayable by the Financial Adviser.

4.13 If the Financial Adviser notifies AXA IM UK that it does not wish to receive commission, AXA IM UK shall be discharged from all future obligations to pay commission to the Financial Adviser until advised to the contrary by the Financial Adviser.

4.14 Commission shall only be payable to one Financial Adviser in respect of any business accepted by AXA IM UK and, if two or more registered Financial Advisers claim commission relating to any business, AXA IM UK shall have absolute discretion to determine which Financial Adviser is or should be recognised by the Customer as his/her agent.

4.15 The Financial Adviser undertakes to disclose the amount of any commission payable to its Customer in respect of any business in accordance with the FCA's Commission Rules.

4.16 If a Customer registers a complaint which results in any investment being refunded to the Customer, no commission shall be payable to the Financial Adviser in respect of such business and any commission already paid shall be repaid to AXA IM UK by the Financial Adviser within 14 days of receiving notice in writing from AXA IM UK or it may be deducted by AXA IM UK from commission payments due.

4.17 Whenever under these Terms of Business any sum of money shall be recoverable from or payable by the Financial Adviser, the same may be deducted from any sum then due or which at any time thereafter may

become due to the Financial Adviser under these Terms of Business or any other contract with the Financial Adviser. Exercise by AXA IM UK of its rights under this clause 4.17 shall be without prejudice to any other rights or remedies available to AXA IM UK under these Terms of Business, or otherwise, howsoever, at law or in equity.

4.18 If any commission is paid to a Financial Adviser who is not an authorised representative of a network and such Financial Adviser becomes an authorised representative of a network, subject to the limitations in the FCA's Commission Rules, AXA IM UK shall continue to pay renewal commissions directly to such Financial Adviser unless requested to make such payments to the network of which it has become an authorised representative. If any commission is paid to a network for the services of an Financial Adviser who later ceases to be an authorised representative of such network (the 'First Network') and becomes an authorised representative of another network (the 'Second Network'), then AXA IM UK shall continue to pay renewal commissions directly to the First Network unless the First Network relinquishes its rights to such renewal commissions in favour of the Second Network. If a Financial Adviser ceases to be an authorised representative of a network and continues in business as an authorised person and does not become an authorised representative of any other network, AXA IM UK shall continue to pay renewal commissions directly to the network to which it ceases to be an authorised representative unless such network relinquishes any right to the relevant commissions.

4.19 AXA IM UK shall have the right to set off any sums due to it, against commission due to the Financial Adviser, regardless of when such commission is or was payable (including, for the avoidance of doubt, any sums payable before these Terms of Business came into effect).

4.20 AXA IM UK shall use reasonable endeavours to ensure that the Financial Adviser's account with AXA IM UK, and the business introduced on behalf of its Customers, shall be administered in an efficient and business-like manner. However, the Financial Adviser accepts that errors and omissions may occur from time to time. In such circumstances, the commission payable to the Financial Adviser (or any fees payable direct by its Customer) shall remain the sole source of remuneration for the Financial Adviser and the Financial Adviser accepts that AXA IM UK shall not accept liability for any claim for additional remuneration or compensation from the Financial Adviser or from its Customers.

## 5 Documentation

5.1 The Financial Adviser must pass on immediately, without amendment, any documentation which is either supplied by AXA IM UK for the benefit of or completion by the Customer, or provided by the Customer in relation to the contract.



5.2 The Financial Adviser agrees to provide its Customers with the up-to-date KIID, SID and Terms and Conditions relating to any Fund which it advises on, promotes or arranges a transaction in and to offer to obtain the Prospectus for that Fund if the Customer requests it. Such documents are available from the AXA IM UK website as further detailed in clause 6.1.

5.3 The Financial Adviser shall provide the KIID and SID for the applicable Share class invested in by or on behalf of the Customer in accordance with FCA Rules, which, in the European Union, means that delivery will occur prior to the initial sale or exchange into such Share class and that the Customer shall be provided with the latest version available as indicated in clause 6.1. If the Financial Adviser is not using AXA IM UK's Application Form, it will obtain the Customer's confirmation that they have been provided with the latest version of the KIID and that they have read and understood it.

5.4 The Financial Adviser shall draw to the attention of AXA IM UK any facts or matters concerning the Customer and the nature of any business involved, that could affect AXA IM UK's decision as to whether or not to accept such business.

5.5 The Financial Adviser must show its FCA (or equivalent) authorisation number and the status of its Customer (e.g. execution only) on each proposal for any contracts submitted to AXA IM UK.

5.6 The Financial Adviser also agrees to notify AXA IM UK where a transaction in Shares is not an advised sale. Any transactions which are made without such notification will be classified by AXA IM UK under the FCA's Product Sales Data ("PSD") reporting requirements as advised sales. In addition, under the PSD requirements all transactions must include the Financial Adviser's FCA reference number and in the case of a Financial Adviser which is part of a network or where the Financial Adviser has a principal, the FCA reference number of the Financial Adviser's network or principal.

5.7 AXA IM UK shall be entitled to communicate directly with the Customers of the Financial Adviser including but not limited to the provision of periodic statements of account save that the Financial Adviser may notify AXA IM UK in writing that AXA IM UK should not send promotional literature to any of its Customers.

5.8 The Financial Adviser must produce to AXA IM UK on request, such records, books, notices and other documents and information as AXA IM UK may reasonably require in connection with business effected with AXA IM UK to enable it to comply with any requirement of the FCA Rules of any other Designated Professional Body (as such term is defined in the FCA Rules) or any enforcement officer of any such body or to deal with any complaint made against AXA IM UK in connection with business effected under these Terms of Business. All books, documents, computer software and hardware belonging to AXA IM UK and in the

possession of the Financial Adviser must at all times be available to AXA IM UK for inspection, and be delivered up to AXA IM UK by the Financial Adviser on demand.

5.9 AXA IM UK shall not be obliged to waive any deadline for the receipt of any applications for any business or any terms and conditions relating to any business and AXA IM UK may in its absolute discretion reject any application for business which is incomplete or which shall have been completed incorrectly.

## 6 Website and electronic mail

6.1 Information and documentation about the Funds (including the KIIDs, SID, Terms and Conditions, Prospectus and application forms) may be sourced from AXA IM UK's website: [www.axa-im.com](http://www.axa-im.com). KIIDs may also be obtained from FundsLibrary: [www.fundslibrary.co.uk](http://www.fundslibrary.co.uk). The reference and link to the FundsLibrary website is provided as-is, for convenience, and without any liability for AXA IM UK. AXA IM UK provides no warranty and accepts no liability for such website.

6.2 In addition Financial Advisers may communicate with AXA IM UK by email: [advisers@axa-im.com](mailto:advisers@axa-im.com). Dealing instructions by email will not be accepted by AXA IM UK or its representatives.

6.3 Where the Financial Adviser requests information in relation to its Customers' holdings or the Funds from AXA IM UK, AXA IM UK may at its discretion, and subject to compliance with any applicable regulations governing the disclosure of such information, send such information to the Financial Adviser by email. The Financial Adviser acknowledges that there are risks of omissions, errors, misstatements, fraud or unauthorised interventions by third parties inherent within the use of email and the Financial Adviser assumes all and any risks involved with the use of email by AXA IM UK.

## 7 Market timing

The Financial Adviser undertakes that where it has reasonable grounds to suspect that a Customer is engaged in short term trading of Shares to exploit time zone differences and/or imperfections or deficiencies in the computation of the net asset value of a Fund through increased costs and/or a dilution of earnings ("Market Timing") it will use its best endeavours to resist any attempt by such Customer to engage in Market Timing and further undertakes to notify AXA IM UK in this event.

## 8 Anti-money laundering

8.1 In connection with all transactions with AXA IM UK, the Financial Adviser hereby gives an assurance that:

(i) evidence of the identity of all third parties introduced by the Financial Adviser will have been obtained and recorded under procedures maintained by it in accordance with the provisions of the European Parliament and Council Directive 2015/849 on prevention of the use of the financial system for the purpose of money laundering, UK Money Laundering Regulations 2017, the Proceeds of Crime Act 2002, the Guidance Notes for the Financial Sector published by the Joint Money Laundering Steering Group (and all directives, regulations and guidance notes issued in substitution thereof or in amendment or addition thereto), and any requirements of AXA IM UK from time to time notified to it; and

(ii) it will identify the third parties and will, without detracting from its obligations referred to above, forward to AXA IM UK with the documents for the transaction, such duly completed forms relating to verification of third party identities as AXA IM UK shall require from time to time.

8.2 Where an exemption to or waiver of identification check applies under the applicable anti-money laundering requirements, the Financial Adviser will give AXA IM UK written details of the exemption or waiver and explanation of why, for the particular transaction, it applies. Any failure by the Financial Adviser to supply such information on a timely basis may result in delayed execution of the relevant trade in Shares.

8.3 AXA IM UK may also carry out its own verification of identity of Customers whether or not it is legally obliged to do so. The Financial Adviser agrees to provide all reasonable assistance to and such documentation as may be required by AXA IM UK to enable it to do so. Any failure by the Financial Adviser to provide such assistance on a timely basis may result in delayed execution of the relevant trade in Shares.

8.4 AXA IM UK shall not have any liability for any loss that may result from delayed execution of a trade in the circumstances described in this Clause 8.

## 9 Obligations of the Financial Adviser

9.1 The Financial Adviser:

(i) shall perform its obligations under these Terms of Business in compliance with all applicable laws and regulations (including in relation to the conduct of

its business, its dealings with potential and actual Customers, its receipt of any commission, fees or non-monetary benefits, systems and controls and risk management, conflicts, the use of any relevant website, assessing suitability and appropriateness and its product governance obligations), all terms and conditions, including guidelines and restrictions, relating to the placement and/or distribution of the Shares and all provisions of the relevant Prospectus;

(ii) shall, in conducting business in respect of Shares, comply with the terms of the Prospectus, the Terms and Conditions and any other constitutional documents of the relevant Fund(s);

(iii) shall neither actively nor passively promote, market or sell any Fund in jurisdictions where the relevant Fund/Share has not been registered for the public offering of Shares;

(iv) shall not distribute, offer, sell or provide advice to Customers in relation to Funds it does not sufficiently understand. Where necessary it shall request AXA IM UK to provide additional information or training to gain the requisite understanding and knowledge of the Funds in order to effectively provide the services contemplated by these Terms of Business;

(iv) shall provide to AXA IM UK such information and data relating to the sales of Shares or on any product review carried out by the Financial Adviser as reasonably requested by AXA IM UK and as required under applicable laws and regulations;

(v) shall promptly inform AXA IM UK of any complaint relating to the Funds, the Shares or AXA IM UK which comes to the attention of the Financial Adviser;

(vi) undertakes to ensure that any information, including statements and representations, regarding the Funds and Shares which the Financial Adviser provides to its Customers is solely derived from the Prospectus, KIID or such other information as provided by AXA IM UK; and

(vii) shall only use the Funds' marketing and promotional documents provided by AXA IM UK and shall not amend or alter such documents in any way.

9.2 AXA IM UK will make the following information available on its website (as detailed in clause 6.1) or on reasonable request:

(i) appropriate information on the Funds (including details of costs and charges in respect of each Fund);

(ii) the target market identified by AXA IM UK for each Fund; and

(iii) information regarding the appropriate channels for distribution of each Fund.

This information will be provided in the format of the European MiFID Template (“EMT”) or such other format as AXA IM UK may determine. AXA IM UK will also provide the Financial Adviser with appropriate information on its product approval process on request. The Financial Adviser acknowledges that the EMTs for the Funds have been prepared on a voluntary basis to assist the Financial Adviser in determining its distribution strategy for the Funds. The target market, and any negative target market, for each Fund has been determined based on AXA IM UK’s theoretical knowledge of, and past experience with, the relevant Fund or similar funds, the financial markets and the needs, characteristics and objectives of potential end investors. The Financial Adviser shall ensure that it (i) understands the EMT and any other relevant materials provided to it and (ii) determines a distribution strategy and target and negative target market (at a sufficiently granular level) using both the EMT and the information it has on its own Customers. The provision of the EMT is without prejudice to the Financial Adviser’s other obligations under applicable laws and regulations in relation to the conduct of its business, including disclosure to Customers, product governance arrangements and assessing suitability and appropriateness. The Financial Adviser further acknowledges that each EMT is subject to change and that it is the Financial Adviser’s responsibility to ensure that it has the latest version and to contact AXA IM UK if it requires any further information on the Funds.

## 10 Payments through the Financial Advisers

- 10.1 If the Financial Adviser undertakes to the Customer to pass monies to AXA IM UK, it must do so promptly and without deduction.
- 10.2 All payments made to AXA IM UK should be in the name of “AXA IM UK Limited” (unless otherwise indicated).
- 10.3 Subject to regulations currently in force regarding anti-money laundering for the financial sector, payments to AXA IM UK shall only be made by authorised persons.

## 11 Dealing

- 11.1 Subject to the Terms and Conditions and the relevant Prospectus, orders for the sale or purchase of Shares placed or arranged by the Financial Adviser may be made in writing or by telephoning 0345 777 5511 or any other number notified to the Financial Adviser by AXA IM UK. Where orders are placed by telephone, payments must be made on receipt of, and in accordance with, the instructions set out in the purchase contract note. Requests made in writing for the sale or purchase of Shares should be addressed to AXA IM UK Limited, PO Box 10908, Chelmsford CM99 2UT.

11.2 When placing an order for or arranging the sale or purchase of Shares the Financial Adviser shall provide to AXA IM UK forthwith:

- (i) the full name and address of each of the Customer(s) for whom the Financial Adviser is acting;
- (ii) notification of whether cancellation rights are required to be offered by AXA IM UK to the Customer in respect of the transaction;
- (iii) notification, if it is the case, that the transaction is not an advised sale;
- (iv) verbal confirmation that the Customer has received a hard copy of the latest version of the KIID and that the Customer has read and understood this document prior to instructing the Financial Adviser to deal on their behalf in accordance with the Distance Marketing Directive. Where a Customer has not received a hard copy of the KIID, AXA IM UK will not continue with the trade until such point as a hard copy of the latest KIID has been supplied to the Customer and the Financial Adviser confirms that the Customer has received, read and understood it;
- (v) the Financial Adviser’s FCA (or equivalent) reference number; and
- (vi) such other information as may be requested by AXA IM UK including but not limited to the amount of commission that shall be payable to the Financial Adviser.

11.3 If the details, specified in clause 11.2, are not provided by the Financial Adviser, AXA IM UK may at its discretion refuse to effect the transaction, or unless the Financial Adviser is not authorised to deal as a principal, AXA IM UK may effect the transaction on the Financial Adviser’s own account.

11.4 Where an order for the purchase of Shares placed by the Financial Adviser on behalf of a Customer is cancelled by that Customer in accordance with the provisions of the Cancellation Rules, and prior to payment for any such Shares a shortfall calculated under the said provisions is payable to AXA IM UK, the Financial Adviser shall be responsible for procuring the payment by the Customer of that shortfall.

11.5 Cheques relating to the repurchase of Shares shall be drawn in favour of the named registered unit holders and crossed “Account Payee Only” provided that AXA IM UK may however, in its absolute discretion, accept and carry out alternative written payment instructions issued and signed by all the registered unit holders. Payment may be made for the credit of a client money account of the Financial Adviser if the Financial Adviser is authorised to hold client money.

11.6 Payments in respect of any trade effected by or through the Financial Adviser must be received by AXA IM UK in cleared funds on the day the trade is placed with AXA IM UK. AXA IM UK shall be entitled in its absolute discretion, without giving prior notice to the Financial Adviser, to cancel, in whole or in part, any contract in respect of which the amount due remains unpaid and the Financial Adviser shall be responsible for procuring the payment by the Customer of any shortfall in the value of the Shares cancelled. This provision shall not be effected by any requirement to serve a cancellation notice under the Cancellation Rules in respect of the transaction in question. The Financial Adviser shall indemnify AXA IM UK against any loss suffered by AXA IM UK from AXA IM UK failing to receive such payment in full.

11.7 All orders in respect of ISA transactions must be accompanied by settlement funds, either in the form of a cheque with a duly completed and signed application form or, if appropriate, a direct debit mandate form for regular savings. Orders shall be executed at the appropriate prices on the Dealing Day.

11.8 All ISA transfers must be in writing on the appropriate Transfer Application Form. AXA IM UK shall arrange for the transfer to be completed.

11.9 The Financial Adviser will observe the dealing procedures specified by AXA IM UK from time to time and as required by the FCA Rules.

11.10 Where an incomplete or ambiguous application form is received, AXA IM UK will reject and return it, although for deals of over £50,000, AXA IM UK will try to contact the Financial Adviser to complete any missing details. For deals of less than £50,000, AXA IM UK will try to contact the Financial Adviser once prior to the Fund’s valuation point to clarify the information so that the application form can be processed.

## 12 Variation

12.1 AXA IM UK reserves the right to vary these Terms of Business, subject to 30 days’ notice in writing by post or email or as notified on AXA IM UK’s website, being given to the Financial Adviser, except in circumstances where changes in UK legislation or the FCA Rules or regulations prescribed by Her Majesty’s Revenue and Customs are required to take effect earlier than this date, in which event notice of the variation will be given as soon as reasonably practicable.

12.2 The Financial Adviser shall not be entitled to sub-contract or transfer any of its rights and obligations hereunder without AXA IM UK’s prior written consent.

## 13 Termination

13.1 These Terms of Business may be terminated by the Financial Adviser or AXA IM UK serving written notice on the other at their principal place of business (or such other address as either party may intimate in writing to the other). Notice shall be deemed to be served 48 hours after being sent by first class pre-paid post, or, where delivered in person, upon delivery.

- 13.2 These Terms of Business will terminate immediately:
- (i) in the circumstances mentioned in clause 3.4 (i), (ii), (iii) or (v); or
  - (ii) in the case of sole trader, upon death of the principal; or
  - (iii) in the case where the Financial Adviser is in breach of any of these Terms of Business and fails to remedy the breach (if capable of remedy) within 30 days of being required to do so by AXA IM UK giving notice to do so.

13.3 On termination of these Terms of Business the Financial Adviser shall continue to provide AXA IM UK, on request, with any details relating to its Customers which AXA IM UK may require to comply with its regulatory or legislative requirements after termination.

13.4 On termination any rights, obligations and liabilities of each party accrued up to and including the date of termination shall not be effected by such termination.

## 14 Data protection

14.1 In the performance of its duties under these Terms of Business, each party may receive or have access to personal data that may be protected by Data Protection Legislation (the “Personal Data”). As a consequence, each party undertakes to: (a) strictly comply, both during the term of this Agreement and after its termination or expiration, with the Data Protection Legislation; (b) assist the other party in (i) complying with the Data Protection Legislation, in particular for the fulfilment of the parties’ obligation to respond to requests for exercising data subjects’ rights, and (ii) demonstrating such compliance; and, (c) perform obligations as described in these Terms of Business in such a way that will not cause the other party to breach any of its obligations under Data Protection Legislation, in any country.

14.2 The Financial Adviser acknowledges and consents that Personal Data from its employees will be held, used, disclosed and processed for the purposes of (a) performing the services and obligations as set out in these Terms of Business, and (b) complying with any applicable legal, tax or regulatory obligations including legal obligations



under company law, tax law and anti-money laundering legislation. AXA IM UK will not process such Personal Data for any other specific purposes (except where the Financial Adviser or its employee has given specific written consent) or on any other instructions other than the written instructions of the Financial Adviser. No Party shall commercially exploit the Personal Data of the other Party.

14.3 Personal Data received by either party shall not be retained for a duration exceeding the duration of these Terms of Business, and upon termination or expiration of the Terms of Business, each party undertakes, upon request, to either delete or return Personal Data to the other party, unless the Personal Data is retained solely for the purpose of maintaining a record of the business relationship between the parties and/or compliance with regulatory or legal requirements.

14.4 Each party shall implement appropriate technical and organisational security measures to ensure: (i) protection of Personal Data against accidental or unlawful destruction or access, as required by Data Protection Legislation including, as appropriate, encryption and pseudonymisation of Personal Data and the ability to restore availability of and access to Personal Data; and, (ii) the security, confidentiality, integrity and availability of Personal Data. Furthermore, each party shall implement processes to assess and evaluate the continued effectiveness of such measures.

14.5 The Financial Adviser acknowledges and agrees that Personal Data may be transferred by AXA IM UK to countries outside of European Economic Area where data protection laws may not offer an adequate level of protection, including for the purposes of processing, hosting or granting remote access to the Personal Data. In such case, AXA IM UK warrants that (i) any transfer is subject to appropriate safeguards in accordance with Data Protection Legislation and, (ii) enforceable data subject rights and effective legal remedies are available. The Financial Adviser shall ensure that the data subjects have been informed and consented to such transfer.

14.6 Each Party shall respond as soon as possible to any information request by the other Party concerning these measures and shall immediately notify the other Party in the event: (i) of any issue or incident likely to impact compliance with this clause 14 and/or the Data Protection Legislation; (ii) it becomes aware of any breach of the Data Protection Legislation by itself or any of its sub-contractors in connection with these Terms of Business.

14.7 Data subjects have a right of access, right to object and right to correct Personal Data for legitimate reasons. Such rights may be exercised by email to the following address: [dataprivacy@axa-im.com](mailto:dataprivacy@axa-im.com).

14.8 The Financial Adviser acknowledges that, where Customers are registered holders of Shares in the Fund, AXA IM UK shall hold and process such Customers' Personal Data in accordance with and subject to the relevant disclosures in the SID, Terms and Conditions, Prospectus and application forms. The Financial Adviser shall ensure that such Customers have received the SID, Terms and Conditions and application form before submitting business to AXA IM UK.

## 15 Intellectual property

15.1 The Financial Adviser agrees that it does not have and will not assert any rights in and to the trademarks, copyright or other intellectual property of AXA IM UK or in any of AXA IM UK's products and shall not use, copy or deal with such intellectual property except as expressly permitted by AXA IM UK.

15.2 The Financial Adviser will not produce, publish or distribute any promotional documentation, pamphlets or other materials, or establish any internet sites, containing or otherwise using any trademarks, logos or other intellectual property of which AXA Group is the registered proprietor unless it shall first have obtained a written licence to do so. For the avoidance of the doubt, this clause shall not apply in respect of the distribution to the Financial Adviser's Customers of materials supplied by AXA IM UK for this purpose.

## 16 Indemnity

16.1 The Financial Adviser shall indemnify and keep indemnified AXA IM UK against all losses, costs, expenses (including without limitation legal fees), damages, liabilities, actions, proceedings, claims and demands arising from:

(i) any failure by the Financial Adviser to comply with the provisions of the Financial Services and Markets Act 2000 and the FCA Rules, or any other statutes, rules, regulations or requirements of any territory which may apply to the Financial Adviser including, without limiting the foregoing, the introduction by the Financial Adviser of any business beyond its authorisation or "permissions" conferred by the FCA or the relevant regulator; or

(ii) the Financial Adviser causing AXA IM UK to fail to comply with the provisions of the Financial Services and Markets Act 2000 and the rules of the FCA, the Distance Marketing Directive or any other statutes, rules regulations or requirements of any territory which may apply to AXA IM UK; or

(iii) any breach by the Financial Adviser of any of these Terms of Business including without limiting the foregoing, any failure to provide promptly the information required pursuant to clause 11.2; or

(iv) the failure of the Financial Adviser to notify AXA IM UK that cancellation rights are required to be offered to a customer in respect of a transaction; or

(v) the provision by the Financial Adviser to AXA IM UK or any Customer of incorrect information; or

(vi) the reliance by AXA IM UK upon any term contained in an agreement between the Financial Adviser and its Customer; or

(vii) AXA IM UK not receiving payment for any contract effected by the Financial Adviser or AXA IM UK not receiving a shortfall arising as a result of the cancellation of an order under the Cancellation Rules.

## 17 Anti-bribery, corruption and tax evasion

17.1 The Financial Adviser shall:

(i) comply with all applicable laws, regulations, and sanctions relating to anti-bribery, anti-corruption and anti-tax evasion including but not limited to the Bribery Act 2010 and the Criminal Justice Act 2017 ("Relevant Requirements");

(ii) comply with the AXA IM UK Anti-Bribery and Corruption Policy which is available on its website at [www.axa-im.com](http://www.axa-im.com);

(iii) have and shall maintain in place, at all times, its own policies and procedures, including adequate procedures under the Bribery Act 2010 and reasonable prevention procedures under the Criminal Finances Act 2017, to ensure compliance with the Relevant Requirements and will enforce them where appropriate;

(iv) immediately notify AXA IM UK if a foreign public official becomes an officer or employee of the Financial Adviser or acquires a direct or indirect interest in the Financial Adviser and the Financial Adviser warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of these Terms of Business;

(v) immediately notify AXA IM UK of any request or demand from a Customer or third party (including an employee of the Financial Adviser) to facilitate the evasion of tax in connection with the business effected under the terms of these Terms of Business;

(vi) ensure that all persons associated with the Financial Adviser or other persons who are performing services

in connection with these Terms of Business are subject to each of the obligations and requirements set out in this clause 17 and that any breach of such obligations or requirements by any such persons will be notified to AXA IM UK without delay; and

(vii) provide such written certification and supporting evidence of compliance with this clause 17 and the Relevant Requirements as AXA IM UK may reasonably request.

17.2 Breach of this clause 17 shall be deemed a material breach of these Terms of Business.

17.3 For the purpose of this clause 17:

(i) the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively;

(ii) the meaning of reasonable prevention procedures shall be determined in accordance with any guidance issued under section 47 of the Criminal Finances Act 2017; and

(iii) a person associated with the Financial Adviser includes any subcontractor of the Financial Adviser.

## 18 International Tax Compliance

18.1 Under the applicable legislation enacted to enable the UK government to comply with its obligation in relation to international tax compliance, including European Union directives the US provisions commonly known as the Foreign Account Tax Compliance Act or "FATCA" and other intergovernmental agreements, AXA IM UK, is obliged to collect and verify information about the identity and nature of the investors in the Funds and to supply it to HM Revenue & Customs. Such information will be automatically shared by HM Revenue & Customs with their overseas counterparts in relevant jurisdictions.

18.2 The Financial Adviser undertakes to provide to AXA IM UK details of its status for FATCA purposes, and its Global Intermediary Identification Number ("GIIN") where applicable. The Financial Adviser further undertakes to inform AXA IM UK immediately if it should be or become a non-participating foreign financial institution.

18.3 The Financial Adviser undertakes to provide AXA IM UK (or its delegate) with such assistance and cooperation as AXA IM UK (or its delegate) shall reasonably require to enable it to comply with its international tax compliance obligations as described in clause 18.1 above, including, but not limited to, ensuring that its Customers provide all necessary information to AXA

IM UK (or its delegate) and that such Customers are aware of how such information will be processed, under the UK regulations to enable the Fund concerned to satisfy its obligations under them.

## 19 Miscellaneous

- 19.1 In no event shall any delay, failure or omission on the part of AXA IM UK in enforcing, exercising or pursuing any right, power, privilege, claim or remedy which is conferred by these Terms of Business or arises hereunder be deemed to be or construed as:
- (i) a waiver thereof, or of any other such right, power, privilege, claim or remedy; or
  - (ii) operating so as to bar the enforcement or exercise thereof, or of any other such right, power, privilege, claim or remedy, in any other instance at any time or times thereafter.
- 19.2 Telephone conversations and other electronic communications with the Financial Adviser may be recorded or monitored by AXA IM UK.
- 19.3 These Terms of Business together with any statutory provision, regulation or other document incorporated by reference herein shall represent the entire agreement between AXA IM UK and the Financial Adviser unless and to the extent they are varied in accordance with clause 12.
- 19.4 Neither AXA IM UK nor the Financial Adviser intends any provision of these Terms of Business to be enforceable by any person other than themselves or their permitted successors or assignees. In particular, no terms shall be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person not a party to them.
- 19.5 Nothing in these Terms of Business shall constitute or be construed as constituting a partnership, joint venture or any other co-operative entity between the Financial Adviser and AXA IM UK and neither party has any authority to bind the other except as contemplated in these Terms of Business.
- 19.6 If any part of these Terms of Business are found by any court of competent legal jurisdiction, to be illegal, invalid or enforceable then that provision shall, to the extent required, be ineffective but without affecting any other provisions of these Terms of Business.

- 19.7 The Financial Adviser agrees to be bound by the strictest confidentiality relating to all dealings under these Terms of Business and, in particular, without the prior written consent AXA IM UK shall not divulge to any other person (other than to an affiliate or to its or their duly authorised agents, which affiliates and agents in each case, shall have been duly appraised of the confidential nature of such information) any non-public information concerning any other party or such party's business or customers, unless compelled to do so by a court or regulatory or administrative body of competent jurisdiction.
- 19.8 These Terms of Business shall be governed by and construed in accordance with the laws of England and Wales and the Financial Adviser and AXA IM UK submit to the exclusive jurisdiction of the English Courts.
- 19.9 Any complaints or grievances arising under these Terms of Business shall be addressed in writing to the Compliance Officer at AXA IM UK Limited, PO Box 10908, Chelmsford CM99 2UT.







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