

INTERMEDIARY TERMS OF BUSINESS

1.0 Scope

These Terms of Business set out the conditions on which Morgan Stanley & Co International plc (“MSIP”) will transact business with the Intermediary. They are legally binding and they apply to any dealings in Investments which the Intermediary may carry out with or through MSIP.

2.0 Definitions

2.1 In these Terms of Business, the following expressions have the following meanings, except where the context otherwise requires:

“Act”	means the Financial Services and Markets Act 2000 (or any successor legislation)
“Appointed Representative”	means a person duly appointed and acting as an appointed representative of the Intermediary for the purposes of the Act
“Authorised Person”	means an authorised person for the purposes of the Act
“Business”	means investment business and regulated activities as defined for the purposes of the Act, together with all other forms of banking, credit, insurance and mortgage business and services administered or offered by MSIP from time to time
“Cancellation Rules”	means the FSA rules relating to cancellation
“Client Money Rules”	has the meaning ascribed to it by the FSA Rules
“FSA”	means the Financial Services Authority
“FSA Rules”	means the rules and guidance published by the FSA from time to time, including, without limitation, FSA Guidance Note 7 (2003).
“Intermediary”	means a person or firm introducing Business to MSIP or representing an Investor in relation to any dealings with MSIP
“Investment”	means any of the following which is marketed, provided or administered by MSIP: <ul style="list-style-type: none">• any asset, right or interest which is an investment specified for the purposes of section 22 of the Act;• all other forms of deposit agreements, credit agreements, contracts of insurance, mortgages and other borrowing instruments; and• all forms of contract for management and/or administration of investments, including ISAs, PEPs, self invested personal pensions and any similar or analogous arrangements
“Investor”	means a person who invests in an Investment marketed, provided or administered by MSIP
“ISA”	means an individual savings account
“Marketing Materials”	means all documentation and other materials used for the sale of Investments, including, without limitation, key features, intermediary flyers, retail flyers, press releases, advertisements, sales brochures, application forms and terms and conditions
“MSIP”	means Morgan Stanley & Co International plc
“PEP”	means a personal equity plan
“Settlement Day”	means, in respect of any contract to purchase or invest in an Investment, the date on which payment for that Investment is due as advised by MSIP or the provider of the Investment
“Terms”	means these Terms of Business
“Regulatory Requirements”	means all legal, regulatory and tax requirements that apply in relation to Investments or the provision of Investments from time to time, including, without limitation, provisions of the Act, the FSA Rules and all other applicable laws, regulations, codes of conduct and regulatory requirements.

2.2 Unless the context otherwise requires, words and expressions defined in the Act shall have the same meanings when used in these Terms.

2.3 References in these Terms to any legislation, rules or regulations are to be construed as references to the relevant provisions as amended from time to time and any provisions which replace them from time to time.

3.0 Application

3.1 MSIP will accept for processing applications for Investments and instructions in relation to Investments submitted or introduced to it by the Intermediary in accordance with these Terms.

3.2 MSIP will not accept any applications or instructions from or through the Intermediary if the Intermediary is not, or ceases to be, an Authorised Person.

3.3 MSIP reserves the right, in its absolute discretion, to refuse any particular application or instruction, or to cease accepting applications or instructions from the Intermediary. MSIP will inform the Intermediary as soon as reasonably possible if it decides to exercise this right.

4.0 Agency

4.1 The Intermediary is the agent of the Investor in relation to all Business to which these Terms apply.

4.2 The Intermediary has no authority whatsoever to bind or take or suffer any action on behalf of MSIP and will not hold itself out as having any such authority.

4.3 The Intermediary shall be solely responsible and liable for all its own actions and conduct toward the Investor. The Intermediary agrees that for UK regulatory purposes, it is our sole "customer" or "client" to the exclusion of its underlying principal.

5.0 Making Investments

5.1 Unless otherwise agreed between MSIP and the Intermediary, payment in respect of the purchase of an Investment by an Investor effected by or through the Intermediary must be received by MSIP either by cheque with the duly completed application form, or otherwise in cleared funds on or before the Settlement Day.

5.2 MSIP will be entitled, on giving notice to the Intermediary, to cancel in whole or in part, any contract for purchase of or subscription to an Investment where any amount payable remains unpaid after Settlement Day. The Intermediary will keep MSIP indemnified against any loss, claim or expense resulting from any failure by the Intermediary or the Investor to make payment in accordance with this clause.

5.3 The Intermediary will not do anything, or omit to do anything, which would cause MSIP to breach any rule of any relevant securities or banking authority or relevant stock exchange or market or any other legal or regulatory requirement.

6.0 Sale of Investments

6.1 The Intermediary may request MSIP to sell or realise any Investment held by an Investor.

6.2 All payments made following the sale or realisation of an Investment will be made by a cheque (crossed "Account Payee") or electronic transfer in favour of the Investor. MSIP may in its absolute discretion accept and carry out written instructions for payment to a third party, where these are issued and signed by the Investor.

6.3 At MSIP's sole discretion and upon production of such evidence of Intermediary's authority as MSIP may require. The Intermediary on behalf of an investor may request MSIP to issue a cheque or an electronic transfer of funds in favour of the client money account of the Intermediary, where the Intermediary is authorised to hold client money. MSIP may, in its absolute discretion, refuse such a request. Any payment to the Intermediary under this clause will discharge MSIP's obligations to the Investor. The Intermediary will indemnify MSIP against any loss, claim or expense arising from any payment to the Intermediary.

6.4 The Intermediary will inform MSIP at the time of acceptance of these Terms if it is authorised to handle client money, and if so, will subsequently inform MSIP immediately in the event that such authorisation is altered, suspended or revoked in any way.

7.0 Interest

MSIP may charge interest on any sums payable by the Intermediary to MSIP for its own account or on behalf of an Investor, which remain unpaid after the date on which they become due, at a rate equivalent to three per cent per annum above the base lending rate for the time being of the Royal Bank of Scotland plc (such rate to apply after as well as before judgement). This interest will accrue on a daily basis from the due date up to and including the day when settlement is made.

8.0 **Commission**

- 8.1 Provided that the Intermediary has accepted these Terms by completing, signing and returning the attached form to MSIP, MSIP will pay the Intermediary commission at such rate and such time as initially agreed in writing between MSIP and the Intermediary.
- 8.2 MSIP reserves the right (following consultation with the Intermediary and without prejudice to the payment of any commission already accrued and payable) to vary the rate of commission due by giving not less than 28 days' notice in writing to the Intermediary.
- 8.3 The Intermediary will not recommend any transaction in Investments to an Investor unless the Intermediary has made all disclosures in relation to commission and other remuneration to be received by the Intermediary and other matters as are required to be disclosed under the Regulatory Requirements. All provisions of these Terms relating to the payment of commission by MSIP to the Intermediary are subject to the Regulatory Requirements.
- 8.4 If an Investor exercises a right of cancellation under the Cancellation Rules, any commission (including any VAT) paid in respect of the transaction will immediately be repaid by the Intermediary to MSIP, or in the event that such commission is unpaid by MSIP, such amount shall cease to be due and payable to the Intermediary. Any amount of commission (and any VAT) due to be repaid by the Intermediary (whether or not due to the exercise of cancellation rights) may be offset or deducted by MSIP from any other amounts (whether of commission or otherwise) due from it to the Intermediary.
- 8.5 MSIP may, in its absolute discretion, cease paying commission to the Intermediary:
- 8.5.1 if the Intermediary ceases to be an Authorised Person or, its authorisation is suspended; or
 - 8.5.2 in respect of any transaction for a person whom the Intermediary has ceased to represent (as to which, in any case of doubt or dispute with another Intermediary, the decision of MSIP will be final and conclusive); or
 - 8.5.3 if the Intermediary dies, becomes bankrupt, compounds with or assigns his estate or effects for the benefit of creditors, has his goods seized in execution or, where the Intermediary is a company, if it goes into liquidation or receivership or becomes subject to an administration order; or
 - 8.5.4 if the Intermediary is subject to any enquiry or investigation under the Act or under the rules of the FSA; or
 - 8.5.5 if the Intermediary shall be in material or repeated breach of any provisions of these Terms.

9.0 **Money Laundering**

- 9.1 For the purposes of the UK Money Laundering Regulations 1993 (the "Regulations") and the FSA Rules, you hereby assure us that you will not purchase Investments on behalf of any person in respect of whom you have not obtained and recorded evidence of identity in accordance with your own procedures maintained for the purpose of compliance with the Regulations and the FSA Rules. Each time the Intermediary provides information to MSIP about a new Investor, it will be deemed to warrant that it has complied with this clause in relation to that Investor.
- 9.2 Where an application for Business is received by MSIP direct from an Investor on the introduction of the Intermediary, or in any other case where MSIP considers it necessary or appropriate to make further checks on client identity, acceptance of business will be subject to satisfactory completion of such checks as MSIP may consider appropriate.

10.0 **Documentation**

- 10.1 The Intermediary undertakes to comply with all Regulatory Requirements in force at the time of recommending or arranging a purchase of or subscription to any Investment, including, without limitation, its obligations as to the suitability of any such Investment for the Investor.
- 10.2 The Intermediary will pass to an Investor immediately and without amendment any documents supplied by MSIP for the information of, or completion by, the Investor. The Intermediary will also pass to MSIP immediately any documents provided by the Investor at the request of MSIP.
- 10.3 MSIP will promptly supply to the Intermediary copies of such product literature in relation to an Investment as may be required (and are within its possession) to enable the Intermediary to carry out the Intermediary's obligations set out above.
- 10.4 MSIP reserves the right to send documents and communications direct to the Investor.
- 10.5 The Intermediary will, when requested, provide MSIP with a statement of:
- 10.5.1 the Intermediary's FSA authorisation reference number;
 - 10.5.2 whether or not the Intermediary is authorised to handle client money;

- 10.5.3 in relation to any purchase of or subscription for an Investment, whether or not the Investor is entitled to cancellation rights in relation to the transaction.
- 10.6 The Intermediary undertakes to maintain proper records of all dealings in Investments effected by or through the Intermediary and to allow MSIP or its representatives access to such records upon reasonable notice.
- 10.7 In relation to the Marks the Intermediary:
- (a) acknowledges that MSIP is the owner of the Marks and the goodwill associated therewith;
 - (b) agrees that it will do nothing inconsistent with such ownership and that all use of the Marks by it shall inure to the benefit of MSIP and will be on the behalf of MSIP. The Intermediary agrees further that nothing in these Terms shall be construed as granting to the Intermediary any right, title or interest in the Marks, other than the right to use the Marks in accordance with these Terms;
 - (c) acknowledges that it does not have the authority to grant any third party a licence or a consent or the right to use the Marks; and
 - (d) agrees that it will not at any time modify the Marks. MSIP will have the sole right and discretion to modify the Marks from time to time. The Intermediary will not use the Marks in any unlawful or deceptive manner or in any way that will directly or indirectly tend to impair or lessen the value of the Marks. The Intermediary will not use the Marks in any manner inconsistent with these Terms. The Intermediary agrees to use the Marks only in the form and manner prescribed from time to time by MSIP.
- 10.8 For the purposes of these Terms "Marks" means any trademarks, service marks and logos which relate to "Morgan Stanley", "Morgan Stanley & Co", "Morgan Stanley & Co International plc", or any affiliated company of the Morgan Stanley Group of companies and such other marks as may be designated by MSIP from time to time.
- 11.0 **Confidentiality**
- 11.1 The Intermediary shall, both before and after termination of the arrangements set out in these Terms, keep all information (including information imparted orally) relating to MSIP or any Investment, including information relating to product structure or MSIP's business or affairs, strictly confidential and shall not disclose the same to any person (other than an officer, director, employee or lawyer of the Intermediary) or seek to utilise the same in order to obtain any commercial advantage for themselves or any other person or entity, without the prior written consent of MSIP. All information disclosed by MSIP to the Intermediary remains at all times the property of MSIP. For the avoidance of doubt this provision shall not apply to information which:
- 11.1.1 is set out in any Key Features or other marketing documents produced by MSIP; or
 - 11.1.2 has ceased to be confidential without default on the Intermediary's part; or
 - 11.1.3 has been received from a third party who has not received it in confidence.

12.0 **Data Protection**

Each party warrants to the other that in relation to all Business conducted between them, it has complied and will continue to comply with the provisions of the Data Protection Act 1998 and all relevant guidelines and guidance notes issued from time to time by the Data Protection Commissioner (and any equivalent legislation in other relevant jurisdictions), and will not knowingly do anything or permit anything to be done which may lead to a breach of such provisions by the other party; and agrees to indemnify and keep indemnified the other against all and any loss, damage or liability which the other party may incur from any such breach.

13.0 **Investor Complaints**

- 13.1 MSIP will make reasonable efforts to resolve any complaints by the Intermediary or any Investor in relation to any Investment, other than complaints about the selection or suitability of any Investments.
- 13.2 Under normal circumstances complaints will be routed through the Intermediary and MSIP will not receive complaints directly from Investors. In the event of a direct complaint from an Investor, the Intermediary will cooperate to resolve any such complaint.

14.0 Disclosure

- 14.1 The Intermediary shall disclose immediately to MSIP:
- 14.1.1 any revocation, alteration or suspension of its status as an Authorised Person;
 - 14.1.2 any investigation by the FSA or any other governmental or regulatory authority into its affairs or any query relating to the Investments from such entities;
 - 14.1.3 the imposition of any regulatory sanction against the Intermediary;
 - 14.1.4 the receipt of any material complaint from any Investor about the Intermediary, MSIP or any Investment;
 - 14.1.5 any material breach by the Intermediary of these Terms;
 - 14.1.6 any breach by the Intermediary of any undertaking, representation or warranty contained in these Terms;
 - 14.1.7 if any step is taken with a view to the winding-up, bankruptcy or administration of the Intermediary; or
 - 14.1.8 If the Intermediary is unable to pay its debts as they fall due within the meaning of Section 123 of the Insolvency Act 1986.

15.0 Indemnity

- 15.1 Without prejudice to any other indemnity contained in these Terms, the Intermediary shall indemnify and keep indemnified MSIP from and against any loss, claim, damage or expense incurred by MSIP arising directly or indirectly from:
- 15.1.1 any breach by the Intermediary (or any of its employees, directors, officers or agents) of any of these Terms;
 - 15.1.2 any failure by the Intermediary to provide, promptly and accurately, any information required pursuant to any provisions of these Terms;
 - 15.1.3 any failure by the Intermediary of any of its employees, directors, officers or agents to comply with any Regulatory Requirements applicable to the Intermediary;
 - 15.1.4 any advice given by the Intermediary to Investors; and
 - 15.1.5 any failure by the Intermediary to properly act on, or communicate to MSIP the instructions of an Investor.
- 15.2 MSIP shall not be liable for any loss or damage that is caused by the Intermediary, either directly or indirectly, unless it is the result of MSIP's gross negligence, default or fraud.

16.0 Service of documents

Any notice in writing (including, without limitation, any confirmation or demand) or other document to be served under these Terms may be given by posting or delivering it or by sending it by facsimile transmission or any other transmission. Any notice or demand given by post will be addressed to the registered office of MSIP or the Intermediary as the case may be and will be deemed given two business days after posting and any notice given by delivery, facsimile or electronic transmission will be deemed given upon delivery, facsimile or transmission (as the case may be). In proving service of notice, it shall be sufficient to prove, in the case of delivery by post, that the letter was correctly addressed and was posted by pre-paid first class post or, where appropriate, air mail or, in the case of delivery otherwise than by post (including transmission), that it was delivered to the correct destination.

17.0 Variation

- 17.1 MSIP reserves the right to vary these Terms from time to time by not less than 28 days' notice in writing to the Intermediary provided that:
- 17.1.1 any variation required in order to comply with any applicable Regulatory Requirements may be made by notice in writing with immediate effect; and
 - 17.1.2 no variation shall affect Investments made prior to the time at which the variation takes effect.

18.0 Delegation

- 18.1 The Intermediary will not be entitled to assign, delegate, sub-contract or otherwise transfer, change or part with possession of any of its rights or obligations hereunder without the prior written consent of MSIP.
- 18.2 MSIP may, following the expiry of not less than 28 days' notice to the Intermediary, assign, delegate, sub-contract or transfer any of its rights or obligations hereunder to a third party, provided that the third party is appropriately authorised under the Act and that MSIP will remain liable for all matters so delegated.

19.0 Dealing and other procedures

- 19.1 Services will be provided by MSIP in accordance with the product documentation for each Investment issued by MSIP from time to time.
- 19.2 In respect of applications for the purchase, sale or switching of Investments, the terms and conditions of the provider of the relevant Investment will take precedence over these Terms and will dictate the method by which any transaction is effected by MSIP.

20.0 Termination

- 20.1 Either party may terminate the arrangements set out in these Terms with immediate effect by notice in writing to the other. Termination of these Terms shall be without prejudice to the accrued rights and obligations of the parties and shall not apply to the completion or settlement of any transactions which have then already been initiated by MSIP in accordance with these Terms. In the event that the Intermediary terminates this agreement for any reason it shall be liable to MSIP in respect of any costs incurred by MSIP in respect of the performance of its obligations under these Terms.
- 20.2 Upon termination of these Terms, you will remove any Marketing Materials from public view and cease any promotional or marketing activities and shall not distribute, display or issue any new Marketing Materials without MSIP's prior written agreement.

21.0 Telephone recording

MSIP may use voice recording procedures in connection with receiving orders/instructions and related matters, and MSIP voice records shall be prima facie evidence of the orders/instructions or conversations so recorded, and the Intermediary agrees that such records shall be admissible as such evidence in any legal proceedings. The period of retention of any voice records shall be at our sole discretion.

22.0 Compliance

- 22.1 The Intermediary undertakes to comply with all applicable laws and regulation to which it may be subject in relation to the performance of its obligations under the Terms and to the solicitation of orders for the purchase, redemption or conversion of Investments and in particular will have regard to the restrictions that may apply to such activities in the jurisdiction(s) in which the Intermediary conducts business. MSIP shall not be responsible for monitoring the activities of the Intermediary or its compliance with any applicable law or regulation.
- 22.2 Nothing in these Terms shall restrict any obligation owed by either party to the Act or the FSA Rules or any other applicable law or regulation.

23.0 Force Majeure

Neither party shall be liable to the other for any failure or delay in performance of these Terms if it is due to any event beyond the reasonable control of that party. Such events beyond the reasonable control of a party include, without limitation, any breakdown or failure of transmission, communication or computer facilities, postal or other strikes or similar industrial action and the failure of any relevant stock exchange, clearing house and/or broker for any reason to perform its obligations, acts of God, war, industrial disputes, fire, flood, tempest and national emergencies. The party delayed or prevented from performing shall be entitled to a reasonable period of time to perform the obligations in question.

24.0 Third Party Rights

Nothing under these Terms shall benefit a person who is not a party to it under the Contracts (Rights of Third Parties) Act 1999 and such persons shall have no right to enforce any provisions hereof.

25.0 No Partnerships

Nothing in these Terms shall be deemed to constitute a partnership between the parties.

26.0 Entire Agreement

These Terms contain the whole agreement between the parties relating to the transactions contemplated by these Terms.

27.0 Severability

The invalidity, illegality or unenforceability of any of the provisions of these Terms shall not affect the validity, legality and enforceability of the remaining provisions of these Terms.

28.0 No Waiver

A waiver (whether express or implied) by one of the parties of any of the provisions of these Terms or of any breach of or default by the other party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving party from subsequently enforcing any of the provisions of these Terms not waived or from acting on any subsequent breach of or default by the other party under any of the provisions of these Terms.

29.0 Counterparts

These Terms may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement.

30.0 Governing law and jurisdiction

These Terms shall be governed by English law and shall be subject to the exclusive jurisdiction of the courts of England and Wales

31.0 Acceptance

In order to conduct investment business with MSIP, these Terms of Business must be accepted in writing by completing and returning the attached form. The Intermediary is deemed to have accepted these Terms of Business upon the earlier of (i) the signature of these Terms and (ii) the date of the letter accompanying these Terms..

I/We* confirm my/our agreement to the Terms of Business of Morgan Stanley & Co International plc in the form attached hereto (as amended from time to time).

I/We* confirm that we are duly authorised to enter into these Terms on behalf of

Name of Company: []
Signed: []
Date: []
Capacity of signatory (Director, Partner, own account): []
To which IFA network (if any) does the company belong to? []
Regulatory body: []
Membership Numbers: []
Authorised to hold Client money: YES / NO*

Fee and commission information is contained in the attached fee schedule

VAT registered: YES / NO*
If yes: VAT Number: []

Commission Account Bank details:

Name: []
Address: []
[]
[]
Sort Code: []
Account Number: []
Building Society Roll Number (if applicable) []

*Please delete as appropriate

Please return this form (not the whole document) to:

Morgan Stanley & Co. International plc, Administration Office, Floor 8, Fountain House, 2 Queen's Walk, Reading, RG1 7QF.