

# HSBC Life Terms of Business for Intermediaries (v10)

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Please read this agreement (the 'Agreement') carefully, as it sets out the terms on which HSBC Life (UK) Limited will accept Business from you. By submitting Business to us, you agree to this Agreement. We can vary the terms of this Agreement at any time in accordance with clause 16.

You must sign and return our Application Form. Once you have completed and signed the Application Form and we have accepted it, that Application Form will form part of this Agreement.

This Agreement only operates between you and us; it does not create any contractual relationship between us and any Agent or Customer.

In this Agreement, the terms 'HSBC Life', 'we', 'us' or 'our' mean HSBC Life (UK) Limited. References to 'you', 'your' or 'yourself' mean the relevant Intermediary and, where appropriate, includes your Agents and any person for whom you are responsible.

## 1. DEFINITIONS AND INTERPRETATION

**Adviser Charge** means a charge, which is payable by your Customer to you, in respect of advice or related services to be provided by you to your Customer;

**Adviser Charge Agreement** means an agreement between you and your Customer, documenting the terms on which an Adviser Charge is payable;

**Agent** means any party that you have entered into arrangements with in relation to the submission of Business to us, including any adviser/sales agent employed or engaged by you and/or any Appointed Representative of yours;

**Anti-Bribery Laws** means any anti-bribery or anti-corruption laws or regulations, including but not limited to the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977 or any similar law of any relevant jurisdiction;

**Anti-Money Laundering Requirements** means all requirements designed to prevent, detect and report money laundering and terrorist financing as laid down and amended from time to time by applicable legislation or regulation or guidance thereon, including but not limited to the UK Money Laundering Regulations 2017, the Joint Money Laundering Steering Group Prevention of Money Laundering Guidance Notes for the Financial Sector, the Terrorism Act 2000 and the Proceeds of Crime Act 2002 and other applicable requirements as notified from time to time to you by us which relate to criminal proceeds and terrorist financing (and all statutes regulations, rules and guidance notes which amend, add to or substitute the same);

**Applicable Laws and Regulations** means all statutes, regulations, subordinate legislation, orders and common law (including, but not limited to, Anti-Bribery Laws, Anti-Money Laundering Requirements, Sanctions and fraud), guidance, rules, directions, decisions and principles from Regulators, in each case from time to time applicable to a Party and relevant to this Agreement including without limitation any obligations under FSMA, the PRA Rulebook and the FCA Handbook (including without limitation the FCA's Principles for Business);

**Application Form** means the Application Form as provided by us to apply for an agency with us and forming part of this Agreement;

**Appointed Representative** has the meaning given in section 39 of FSMA;

**Business** means the submission of applications and/or the introduction or referral of Customers in respect of any of the Products;

**Business Day** means any day except Saturday and Sunday or a Public Holiday in England and Wales;

**Commission** has the meaning set out in the FCA Handbook from time to time and is payable in accordance with the Commission Guide;

**Commission Guide** means the guide issued by us from time to time which sets out further details in respect of Commission and which forms part of this Agreement;

**Corporate Insolvency Event** means any of the following events:

- a. if you are a partnership, the partnership dissolves; or
- b. if you are a company or limited liability partnership;
  - i. a winding up petition is presented or a resolution is passed for your liquidation or winding up;
  - ii. a receiver, administrative receiver, administrator, supervisor or encumbrancer takes possession or control of or is appointed over any of your (or the partnership's) assets; or
  - iii. you (or the partnership) become insolvent, unable to pay your (or the partnership's) debts as they fall due or enter into a composition or arrangement for the benefit of creditors;

**Customer** means a person who is a customer of you and wishes to be provided with a Product by HSBC Life or to renew or extend the term of an existing Product;

**Data Protection Legislation** means all applicable data protection and privacy legislation in force from time to time in the UK including without limitation the UK GDPR, the Data Protection Act 2018 (and regulations made thereunder), the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended, and the guidance and codes of practice issued by the applicable Regulator and which are applicable to a party;

**Earning Period** means the period of time, as set out in the Commission Guide or as otherwise notified to you from time to time, across which Commission is earned;

**FCA** means the Financial Conduct Authority or any other body or bodies that supersede it from time to time;

**FCA Handbook** means the handbook of rules and guidance issued by the FCA, as amended from time to time;

**FSMA** means the Financial Services and Markets Act 2000, as amended from time to time;

**HSBC Extranet** means any secure online systems made available to you by us or another member of the HSBC Group in order to submit Business to us and/or access certain information and services made available by us in relation to the Products and/or the Business concluded pursuant to this Agreement, including HSBC Access and the HSBC Life Investments Website;

**HSBC Group** means HSBC Holdings plc, its subsidiaries and associated companies;

**Indemnity Commission** means any Commission that is paid before the date on which the corresponding element of premium is due under the relevant Product;

**Individual Insolvency Event** means if you are self-employed/a sole trader and become insolvent, unable to pay your debts as they fall due, a petition is presented for your bankruptcy or you enter into a composition or arrangement for the benefit of creditors;

**Intellectual Property Rights** means all present and future rights conferred by statute, common law or equity in any territory in or in relation to patents, rights in inventions, copyright and related rights, moral rights, database rights, rights in designs, semiconductor topography rights, trade marks, business and domain names, rights in goodwill or to sue for passing off, and other similar or equivalent rights or forms of protection (whether or not registered or capable of registration) and all applications (and rights to apply) for, and for renewals and extensions of, any such rights as may now or in the future exist anywhere in the world, and Intellectual Property shall be construed accordingly;

**Intermediary** means the intermediary as identified in the Application Form, from whom we accept Business and includes any intermediary acting as a network and/or as a principal for any Agents;

**Investment Products** means the investment bonds which HSBC Life agrees to provide to Customers through you;

**Panel Arrangement** means a protection panel set up by a Panel Management Firm;

**Panel Management Firm** means a mortgage club, compliance/business service provider or similar which operates a Panel Arrangement;

**Parties** means you and us and 'Party' shall be construed accordingly;

**Personal Data Breach** means the accidental or unlawful destruction, loss, alteration, corruption, unauthorised disclosure of, or access to, Relevant Personal Data transmitted, stored or otherwise processed by a Party pursuant to this Agreement;

**PRA** means Prudential Regulation Authority or any other body or bodies that supersede it from time to time;

**PRA Rulebook** means the PRA's Rulebook of rules and guidance;

**Products** means the Protection Products and Investment Products;

**Product Literature** means the literature relating to the Products produced by HSBC Life and supplied to you for the purposes of this Agreement (including, without limitation, Product terms and conditions and all key features documents, policy booklet, brochures and applications forms);

**Protection Products** means the protection products which HSBC Life agrees to provide to Customers through you;

**Regulated Activities** means the activities specified as such in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended from time to time;

**Regulator** means any governmental or other regulatory body or authority who at the time the Business was transacted was involved in regulating or supervising the conduct of you and/or your obligations and responsibilities of the Parties under this Agreement, including the FCA, the PRA and the Information Commissioner's Office (or any successor replacement from time to time);

**Relevant Personal Data** means all personal data processed by a Party in connection with this Agreement; 'controller', 'data subject', 'personal data', 'processing', 'processor' and 'supervisory authority' have the meanings given to them in the UK GDPR;

**Sanctions** means any international economic or trade sanctions adopted, administered or enforced by the United Nations, the United States, the European Union, Hong Kong or the United Kingdom;

**UK GDPR** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act of 2018; and

**User** means any person nominated by you to have access rights on your behalf to the HSBC Extranet.

1.1. In this Agreement:

- a. any clause headings in this Agreement are included for convenience only and shall have no effect on the interpretation of this Agreement;
- b. a reference to a 'person' includes a natural person, corporate or unincorporated body (in each case whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns;
- c. a reference to a 'company' includes any company, corporation or other body corporate, wherever and however incorporated or established;
- d. unless the context requires otherwise, words in the singular include the plural and vice versa;
- e. any words that follow 'include', 'includes', 'including', 'in particular' or any similar words and expressions shall be construed as illustrative only and shall not limit the sense of any word, phrase, term, definition or description preceding those words;
- f. a reference to legislation, statutory provision or regulatory provision is a reference to that legislation amended, extended, re-enacted or consolidated from time to time and a reference to legislation includes all subordinate legislation made under that legislation; and
- g. the Commission Guide and Application Form are expressly incorporated into and form part of this Agreement. In the event of a conflict between any provision in this Agreement and the Commission Guide and/or the Application Form, the terms of this Agreement (and any additional terms specified by HSBC in writing from time to time) shall prevail.

## 2. SUBMITTING BUSINESS

- 2.1. We can only accept Business from you if you are authorised to submit that Business to us as an intermediary by the FCA or exempt from the need for authorisation.
- 2.2. You will only submit Business in respect of Customers who are eligible for the Products in respect of which you are submitting the Business.

- 2.3. If any of the following happens you must notify us immediately:
- a. any of the details you have provided to us about yourself changes, including but not limited to:
    - i. any material changes to the information provided in the Application Form; and
    - ii. where you appoint a new Agent, or an Agent is suspended or their appointment is terminated;
  - b. any agency and/or terms of business agreement you have with another provider is revoked, suspended or terminated;
  - c. you are fined, disciplined and/or subject to a regulatory investigation by any Regulator;
  - d. the scope of your authorisation or exemption from any Regulator changes;
  - e. the scope of your permissions to conduct Regulated Activities changes;
  - f. anything which materially affects your ability to perform your obligations under this Agreement;
  - g. any of the events in clause 15.2 occur or are likely to occur;
  - h. you cease to be authorised by the FCA or any other relevant Regulator or cease to be exempt from the need for authorisation, if any such authorisation or exemption is suspended, if notice of suspension or revocation is given or you apply to become de-authorised or no longer exempt;
  - i. the legal form or structure of your firm changes including, without limitation:
    - i. if your firm changes from a partnership to a limited company or limited liability partnership; and/or
    - ii. changes to any of the directors or partners in your firm;
  - j. you, your principal or any of your (including your Agents') partners, directors or employees:
    - i. are charged with or convicted of any offence of dishonesty such as fraud or theft;
    - ii. are subject, as applicable, to an Individual Insolvency Event or a Corporate Insolvency Event; or
    - iii. are investigated in connection with, are charged with or convicted of any offence under the Bribery Act.
- 2.4. You shall fully explain your role to the Customer and make it clear that you act in all respects as the agent of the Customer.
- 2.5. You must not act or hold yourself out in any way as our agent. In particular, you must not:
- a. sign any document or paper on our behalf;
  - b. bind us or purport to bind us to any contract with a third party;
  - c. accept premiums or contributions for Business on our behalf or claim to be able to do so; or
  - d. collect information from a Customer on our behalf as our agent.
- 2.6. If you are a company or a limited liability partnership and if requested by us, you shall procure that every director and/or partner (as applicable) executes a guarantee and indemnity in the form required by us.
- 2.7. If the legal structure of your firm is that of a partnership, you procure that any person that becomes a partner of your firm on or after the date you commence submitting Business to us shall enter into a deed of adherence as required by us.
- 2.8. We reserve the right to accept or decline any Business from you and we are under no obligation to accept Business from you.

### **3. BUSINESS CONDUCT**

- 3.1. We are required to monitor and record the Business you submit to us. We may report instances to the FCA where you submit Business to us outside the scope of your permission or exemption granted by the FCA.
- 3.2. In the event of a breach of this Agreement and, in particular, if you incur an FCA or PRA reportable debt, we reserve the right to share this information with other financial institutions (including indirectly such as through the Elixir industry database), credit reference agencies and the appropriate regulatory authorities.

- 3.3. We shall specify an identified target market of the Products ('Target Market') and shall make this available to you, along with all appropriate information on the Products.
- 3.4. You must:
- a. comply (and, for the avoidance of doubt, ensure that any Agent complies) with all Applicable Laws and Regulations or requirements which are otherwise notified to you by us. You are responsible for any non-compliance of any such party of all Applicable Laws and Regulations or requirements otherwise notified to you by us in relation to the submission or proposed submission of Business;
  - b. have appropriate quality assurance/ sales quality processes in place (including without limitation adequate scripting and/or call flows);
  - c. ensure that you only distribute the Products in accordance with the characteristics, objectives and needs of the target market;
  - d. have appropriate complaints monitoring and recording in place;
  - e. have a suitable training and competency scheme in place to deliver appropriate customer outcomes;
  - f. have appropriate information security policies to comply with good industry practice;
  - g. have in place, and will keep in place, appropriate professional indemnity insurance in accordance with the FCA requirements;
  - h. have not had within the last five (5) years, and not currently have any pending, legal prosecutions which have impacted or may impact your compliance with Applicable Laws and Regulations;
  - i. maintain the appropriate regulatory permissions (authorisation) or exemptions and consents to conduct the Business within the scope of this Agreement;
  - j. have appropriate vulnerable customer policies and processes in place in accordance with the FCA requirements;
  - k. provide us with information as reasonably requested to ensure that we are able to comply with all Applicable Laws and Regulations;
  - l. inform your Customer of all Commission, fees and any other remuneration that is required to be disclosed by the FCA or other Applicable Laws and Regulations, in the manner required, in respect of any Business conducted under this Agreement;
  - m. ensure that your Customer receives any information that we provide to you for release to that Customer in a prompt manner and without amendment and, where applicable, so as to comply with the applicable Data Protection Legislation;
  - n. ensure that your Customer has been provided with the opportunity to review relevant Product Literature in respect of any Business conducted under this Agreement;
  - o. ensure that all information and communication provided by you to us on behalf of, or in respect of, your Customer is true, accurate and complete and issued in accordance with your Customer's wishes, directions and instructions;
  - p. ensure that your Agents receive any documentation and/or other information in a prompt manner and without amendment, as required by us from time to time;
  - q. make any documentation, books, computer software or hardware which belong to any member of the HSBC Group available for inspection and return them to us immediately if we ask for them to be returned; and
  - r. not amend any Product Literature.
- 3.5. You and we will deal with complaints or expressions of dissatisfaction made by your Customers in relation to the Business and/or Products in accordance with the Dispute Resolution: Complaints sourcebook in the FCA Handbook ('DISP'), including but not limited to complaints forwarding rules set out in DISP 1.7.
- 3.6. We agree to give you, and you agree to give us, as promptly and fully as possible, any information necessary to allow either you or us to investigate and respond to any complaints or expressions of dissatisfaction made by your Customers in relation to the Business and/or Products.

- 3.7. You must keep full and accurate records of any business, documents and information relevant to our relationship with you, your relationship with your Customers and your obligations under this Agreement, at all times in accordance with Applicable Laws and Regulations.
- 3.8. You shall allow us and/or our agents to inspect and audit your (and your Agents') records, accounts, processes, procedures, and any other information relevant to the Business, your Customers and this Agreement at any time on reasonable notice from us, including after our relationship ceases.
- 3.9. We may record and monitor telephone calls for quality and training purposes, to ensure we have accurate records of your or your Customers' instructions and to help with fraud prevention.

#### **4. AGENTS**

- 4.1. You shall be responsible for:
  - a. ensuring that your Agents are aware of and comply with this Agreement; and
  - b. all acts and omissions of each Agent under this Agreement, as if they were acts or omissions of yours.
- 4.2. You shall help us to deal with any issues we may have with your Agents.
- 4.3. We may prohibit or suspend a particular Agent's ability to submit Business under this Agreement with immediate effect by serving written notice on you.
- 4.4. Without prejudice to clause 15.2, an Agent's ability to submit Business under this Agreement will cease automatically and with immediate effect in respect of that particular Agent if the circumstances in clause 15.2 apply to that Agent.

#### **5. HSBC EXTRANET**

- 5.1. We may make certain information and services available to you by electronic means through the HSBC Extranet. Where we do so, you and all Users shall be subject to additional terms and conditions which can be found when accessing the HSBC Extranet.
- 5.2. You shall:
  - a. exercise all due care and control over who has access to the HSBC Extranet;
  - b. make sure that you and any Users (including Agents) keep secure any information used to access the HSBC Extranet, for example passwords, digital certificates and identifiers ('Security Information');
  - c. ensure that your Users do not share Security Information with any other person;
  - d. make sure you can uniquely identify any Users;
  - e. promptly notify us of any changes to the Users, including when a User leaves your employment, ceases to represent you or be an Agent of yours, or should no longer have access to the HSBC Extranet for any reason; and
  - f. comply with all security procedures, instructions and guidelines issued by us from time to time in respect of the use of the HSBC Extranet.
- 5.3. We will not be liable for any losses, costs or damages to you or your Customers that may be incurred as a result of any unauthorised use of the HSBC Extranet.

#### **6. COMMISSION**

- 6.1. This section only applies to Business on which Commission can be paid (in accordance with the requirements set out in the FCA Handbook). For Business on which Commission is not paid, please see the section on Adviser Charging below. For the avoidance of doubt, this section will not apply in relation to Investment Product business.
- 6.2. The Commission payable to you by us is currently treated as exempt from Value Added Tax (VAT) but in the event that the VAT position changes such that VAT becomes payable, then all Commission paid to you will be deemed to be inclusive of any applicable VAT.
- 6.3. The Commission Guide, documents and correspondence explain the different Commission options which may be available to you as well as frequency and method of payment. The amount of Commission will be as notified to you from time to time and as applicable at the time of the transaction of the Business.

- 6.4. We reserve the right to change our Commission terms and rates in accordance with clause 16. The changes will apply to:
- a. any new Business submitted to us on or after the effective date of the change; and
  - b. where notified by us, any additional premium in relation to existing Business where the application to vary, amend or renew the Product is submitted to us on or after the effective date of the change.
- 6.5. We reserve the right not to pay you Commission or cease paying Commission in the following circumstances:
- a. we reasonably determine that another intermediary is entitled to be remunerated for the Business submitted to us;
  - b. we determine that another product provider is responsible for remunerating you;
  - c. we have told you that we will not accept Business from you but the Business is still submitted to us;
  - d. you write to us to tell us that you do not wish to receive any Commission;
  - e. the Business is out of the scope of your permissions granted by the FCA;
  - f. you cease to be authorised or exempt through your own choice or the FCA or other applicable designated and regulated professional body suspends or revokes your authorisation or exemption;
  - g. you do not have the necessary permissions to continue providing services or receive Commission in respect of the Business the Commission relates to;
  - h. your Customer has notified us that you do not provide ongoing services to them in relation to the Business or your Customer has terminated their agreement with you in connection to the Product;
  - i. your Customer terminates their contract with us;
  - j. we do not receive the relevant premium due for Business from the Customer;
  - k. we have not received a completed personal guarantee from your directors and/or partners (as applicable) where this has been requested by us;
  - l. as a result of our financial stability checks on you, we have reasonable grounds to be concerned over your ability to trade as a going concern;
  - m. your failure to achieve the minimum persistency standards as notified to you by us from time to time;
  - n. in relation to any Business to cover your own life or that of a person in your family or that of your employees, directors, officers, Agents or representatives;
  - o. this Agreement terminates in accordance with clause 15.2;
  - p. we reasonably believe we may be prohibited by Applicable Laws and Regulation from doing so;
  - q. you have already been paid or have agreed to be paid via Adviser Charge in respect of the Business; or
  - r. you are in breach of any of your obligations under clause 3.
- 6.6. Where you submit Business to us through any Panel Arrangement, you acknowledge that we may pay commission directly to the Panel Management Firm in respect of Business submitted by you. You shall have no rights in respect of any such commission paid to the Panel Management Firm.

## **7. REPAYMENT OF COMMISSION**

- 7.1. Commission shall be repayable if:
- a. we have paid you Commission but you were either not entitled to that payment, or we have overpaid you;
  - b. the Business to which the payment relates is cancelled from inception (including during any applicable cooling-off period) or declared void or does not start;
  - c. your Commission payment is dependent on certain conditions being met and those conditions are not met;
  - d. we have not received any premium in respect of Business for which we have paid you Commission;

- e. we have paid Indemnity Commission but the Product has been amended so that a lower premium is payable by the Customer within the applicable Earning Period; or
  - f. we have paid Indemnity Commission but your Customer cancels, or we cancel or terminate, the Business to which the payment relates during the Earning Period.
- 7.2. All unearned Indemnity Commission is held by you on trust for us as a debt owed to us until it is earned under the terms of this Agreement (including the Commission Guide).
- 7.3. If you fail to make payment in full within 28 days of our notifying you an amount is due and payable to us, without prejudice to our rights under clause 10, we may charge daily compound interest on the outstanding amount at a rate of 2% above the Bank of England base rate from time to time. The interest shall be calculated and applied from the date the amount originally became due until the date on which payment of the amount outstanding is made. You will also have to repay us any legal fees, costs or expenses we incur as a result of seeking to recover the debt from you.

## **8. ADVISER CHARGING**

- 8.1. The provisions of this clause 8 shall only apply in respect of Investment Product business.
- 8.2. We may be willing to facilitate the payment of Adviser Charges to you on behalf of a Customer. Where we do this, it shall be in accordance with the instructions from the Customer. We are not obliged to facilitate an Adviser Charge and we reserve the right to refuse to do so without liability to you or the Customer, where:
- a. we deem such payment to be contrary to the FCA's Principles for Business;
  - b. we have not received sufficient consent from the Customer to our satisfaction;
  - c. there are insufficient funds in the Product to maintain a required minimum balance and meet the Adviser Charge;
  - d. we are prevented by Applicable Laws and Regulation from making such a payment;
  - e. your Customer instructs us to cease such facilitation;
  - f. we become aware that you are no longer providing ongoing services to the Customer;
  - g. you suffer a Corporate Insolvency Event or Individual Insolvency Event (as applicable); or
  - h. you do not have the necessary regulatory permissions or exemptions to continue providing services or receive Adviser Charges in respect of the Business the Adviser Charges relates to.
- 8.3. We will pay any Adviser Charges directly into the bank account nominated by you on your Application Form.
- 8.4. At no time shall we be responsible to you or the Customer for the non-payment of or shortfall in any Adviser Charges due to you.
- 8.5. You shall notify us without delay if you cease to provide a Customer with on-going services.

## **9. INTEREST**

- 9.1. We will not pay interest to you for the late or non-payment of Commission or Adviser Charge.

## **10. SET-OFF**

- 10.1. You must settle any debt you owe to us within ten (10) Business Days. Alternatively, we may set-off any liability of ours to you against any liability of yours to us, however that liability has arisen and whether it is present or future, and liquidated or unliquidated.
- 10.2. Our rights under clause 10.1 are without prejudice to any other rights or remedies available to us.

## **11. INDEMNITY**

- 11.1. You will indemnify and keep us indemnified (for ourselves and on behalf of all members of the HSBC Group) against any claims, losses, damages, costs and expenses incurred by us or any members of the HSBC Group as a result of the occurrence of any of the following:
- a. you or your Agents submit Business beyond your authority under this Agreement or the scope of your permissions or exemptions granted by the FCA;
  - b. any omission or breach of this Agreement by you or your Agents;



- c. your or your Agents' failure to comply with any Applicable Laws and Regulations;
- d. you infringe any of the Intellectual Property Rights of any member of the HSBC Group; and/or
- e. a claim by a Customer that you should not have received an Adviser Charge or that you have been overpaid an Adviser Charge.

## 12. FINANCIAL CRIME

- 12.1. With respect to Investment Product business, you acknowledge that we will place reliance on you to apply all Customer due diligence (CDD) and enhanced due diligence (EDD) measures, including identification and verification of the identity of your Customers, in accordance with Anti-Money Laundering Requirements. By entering into the Agreement, you consent for us to place such reliance on you for the purpose of meeting our CDD obligations under Applicable Laws and Regulations.
- 12.2. Where we place reliance on you, you acknowledge that we remain responsible for compliance with the Anti-Money Laundering Requirements in connection with the Product(s) provided to your Customer.
- 12.3. Our minimum key requirements for reliance are:
  - a. you have implemented and maintain a compliance programme, which is designed to comply with Applicable Laws and Regulations, including Sanctions, Anti-Bribery Laws, fraud and, in particular, the Anti-Money Laundering Requirements;
  - b. you confirm that you have a legal and regulatory compliance programme that includes a designated officer that is responsible for coordinating and overseeing your compliance programme;
  - c. you confirm that you have undertaken CDD and, where applicable, EDD measures on your Customers in accordance with the Anti-Money Laundering Requirements, which includes identifying and verifying the identity of your Customers and, where applicable, their beneficial owners;
  - d. upon on-boarding your Customer, you may be required to submit a pro-forma to us to confirm that the Customer has been satisfactorily identified and verified in accordance with the Anti-Money Laundering Requirements and a copy of the Know Your Customer form (including the source of wealth and source of fund information where relevant);
  - e. you must, on an on-going basis, notify us in a timely manner of any Customers that you have identified and assessed to present a heightened level of sanctions, money laundering fraud and/or bribery or corruption risk as notified to you as part of the Anti-Money Laundering Requirements;
  - f. premium payments may only be made (i) directly by your Customer from a bank account in the Customer's name or (ii) on the Customer's behalf directly by an insurance company with which they hold an alternative investment product, where the insurance company is subject to similar CDD regulations.
- 12.4. You confirm that neither you nor your Customer is a target of Sanctions.
- 12.5. You shall not deal directly or indirectly with a target of Sanctions in connection with your dealings with us or in relation to this Agreement.
- 12.6. You have not and undertake that you shall not, directly or indirectly, offer, pay, promise to pay or authorise any bribe, other undue financial or other advantage or make any facilitation payment to, or receive any bribe or other undue financial or other advantage from, a public official or a private party in connection with this Agreement or any transactions undertaken for or on behalf of us.
- 12.7. You shall not take any action or make any omission that would cause you or us to be in breach of applicable laws relating to the failure to prevent the facilitation of tax evasion, including the UK Criminal Finances Act 2017 and any foreign anti-tax evasion facilitation laws.
- 12.8. You represent that you are not currently under actual or threatened investigation, inquiry or audit by any government authority in relation to any potential offence involving money laundering, sanctions, bribery, corruption or failure to prevent the facilitation of tax evasion.
- 12.9. In connection with the performance of this Agreement, you shall:
  - a. promptly report to us any breach or suspected breach of this clause;

- b. assist us in investigating and remedying any such breach or suspected breach of this clause;
- c. notify us immediately if you become a target of or have or become aware of any dealings, directly or indirectly, involving a target of Sanctions.

12.10. Where we place reliance on you:

- a. you must retain and maintain all records relating to your Customer, including CDD or EDD, for a period of at least five (5) years from the end of your relationship with your Customer; and
- b. upon request, you will provide us with copies of these Customer records as soon as practicable. In the event that the Customer records are maintained for you by a third party, you will put in place arrangements to enable the third party to provide the Customer records to you, to the extent permitted by Applicable Laws and Regulations.

### **13. INTELLECTUAL PROPERTY**

- 13.1. Intellectual Property Rights in any material provided to you shall remain in the ownership of, as applicable, us or the HSBC Group member originating, providing or having title to the same whether relating to the name, corporate symbols or logos of the HSBC Group or otherwise.
- 13.2. You may link to the HSBC Group websites homepages with our prior written agreement and provided that there is no implication that the HSBC Group sponsors you or that there is a partnership or joint venture between the HSBC Group and you.
- 13.3. Subject to the above you shall not use our name, brand, logos or any other of our materials or those of any other member of the HSBC Group without prior written consent from the owner of the relevant name, brand, logo or material.

### **14. DATA PROTECTION**

- 14.1. Each Party shall comply with all Data Protection Legislation applicable to its processing of Relevant Personal Data.
- 14.2. Each Party shall ensure that any Relevant Personal Data that it provides to the other Party has been obtained in compliance with applicable Data Protection Legislation, and shall take such steps as are required, including the giving of information, making of notices and obtaining of valid consents, to ensure that the other Party is entitled to process such Relevant Personal Data for the purposes of the Agreement including any ongoing administration of the Products.
- 14.3. Each Party shall be responsible for providing appropriate Privacy Notices in respect of processing of Relevant Personal Data for which it acts as data controller. The Intermediary shall notify its Customers that their personal information will be processed in accordance with our Privacy Notice prior to transferring their information to us.
- 14.4. Each Party shall use reasonable commercial endeavours to ensure that any Relevant Personal Data it provides to the other Party from time to time is accurate and up to date.
- 14.5. The Parties acknowledge and agree that, as regards processing of the Relevant Personal Data, each Party acts as a controller in respect of such processing, and it is not intended that either Party shall act as a processor to the other Party in respect of any Relevant Personal Data.
- 14.6. If, at any time, a Party is of the opinion that it is processing Relevant Personal Data as a processor on behalf of the other party, it shall immediately: (a) cease any processing where it may be acting as a processor; (b) notify the other Party immediately of such processing; and (c) process such Relevant Personal Data as a processor solely on the written instructions of the other Party.
- 14.7. Should you receive a complaint, request, enquiry or demand from or on behalf of a data subject or supervisory authority in relation to the processing of Relevant Personal Data (including but not limited to any request for rectification or erasure of personal data or restriction of processing), you shall promptly and in any event within five (5) Business Days notify us in writing of such request.
- 14.8. Each Party will implement appropriate security, technical and organisational measures in respect of the integrity and confidentiality of the Relevant Personal Data whilst in its possession to ensure that the Relevant Personal Data will not be recorded, disclosed, processed, deleted, lost, damaged, altered, used or otherwise tampered with in an unauthorised, accidental or unlawful manner and to protect the Relevant Personal Data in accordance with the relevant Data Protection Legislation. Such security, technical and organisational measures shall include (without limitation):

- a. Taking reasonable steps to ensure the reliability of any individuals who have access to Relevant Personal Data; and
  - b. Ensuring a level of security appropriate to the harm that might result from such unauthorised or unlawful processing or accidental loss, destruction or damage of, and appropriate to the nature of, the Relevant Personal Data.
- 14.9. You shall immediately notify us in writing of any Personal Data Breach or breach of the provisions of this clause 14 or if any complaint is made by a supervisory authority relating to Relevant Personal Data.

## **15. SUSPENSION, TERMINATION AND CONSEQUENCES OF TERMINATION**

- 15.1. Either Party may terminate this Agreement or suspend your ability to submit Business under this Agreement, in each case with immediate effect at any time and without needing to provide any reason by serving written notice on the other Party in accordance with clause 18.
- 15.2. This Agreement will terminate automatically and with immediate effect in the following circumstances:
- a. you are self-employed/a sole trader and die;
  - b. you suffer or become subject to a Corporate Insolvency Event or an Individual Insolvency Event (as applicable);
  - c. you cease trading; or
  - d. the FCA suspends or revokes your authorisation under the FSMA or you do not have the necessary permissions to continue providing services in respect of the Business.
- 15.3. If this Agreement is terminated:
- a. you will be liable for any overpayment resulting from any Commission paid after the Agreement terminated; and
  - b. any amounts you owe to us will become due immediately.
- 15.4. If this Agreement is terminated, we will cease payment of any Adviser Charges to you.
- 15.5. Termination of this Agreement shall be without prejudice to:
- a. any accrued rights or obligations existing at the date of termination or any rights; and/or
  - b. obligations contained in this Agreement which expressly or by implication are intended to survive the termination of this Agreement (including without limitation clauses 7 and 11).

## **16. VARIATION**

- 16.1. We can vary the terms of this Agreement at any time with immediate effect. We will make you aware of any variation as soon as we reasonably can and we may use the HSBC Extranet to do so. Any Business submitted to us after the date of variation shall be deemed to be subject to the amended terms and your submission of Business shall constitute your acceptance of the amended terms.
- 16.2. Any variation shall not affect the terms applicable to Business submitted to us prior to the date of variation except to the extent required by Applicable Laws and Regulations.
- 16.3. The version of this Agreement on the HSBC Extranet supersedes all previous agreements between us.

## **17. CONFIDENTIAL INFORMATION**

- 17.1. Each Party shall keep any information concerning the business, affairs, agents, customers, clients or suppliers of the other Party, including the Business ('Confidential Information') strictly confidential and use it solely to exercise its rights and/or fulfil its obligations under this Agreement, to administer the Business and/or for checks, reviews and access required for compliance with Applicable Laws and Regulations or internal policies or procedures ('Permitted Purpose').
- 17.2. A Party may disclose Confidential Information only:
- a. if the other Party has given its prior written consent;
  - b. if and to the extent that such Confidential Information is required to be disclosed by Applicable Laws and Regulations, any Regulator or a court of competent jurisdiction;

- c. to its professional advisers in connection with this Agreement;
  - d. if it is already in the public domain, unless it has been disclosed in breach of this Agreement; or
  - e. to HSBC group members and its and your respective contractors, suppliers and personnel solely for the Permitted Purpose under an appropriate obligation of confidentiality.
- 17.3. Where you submit Business to us through any Panel Arrangement, we may disclose Confidential Information (including limited personal data) concerning you, the Business and/or your Agents to the Panel Management Firm in relation to your use of that panel and Business submitted through it.

## 18. NOTICE

- 18.1. Notices under this Agreement shall be in writing (which includes email). The addresses and email addresses for service of notices are as follows (or as otherwise notified to the other Party from time to time):
- a. HSBC:
    - i. Address: Administration Office, HSBC Life (UK) Limited, PO Box 1053, St Albans, Herts, AL1 9QG
    - ii. Email address:
      - If you distribute Protection Products: lifebdmsupport@hsbc.co.uk
      - If you distribute Investment Products: bondbdmsupport@hsbc.com
      - If you distribute both Investment Products and Protection Products, either of the above two email addresses
  - b. Intermediary:
    - i. Address: the address of the Intermediary which is listed as the principal place of business address on the FCA financial services register
    - ii. Email address: the email address included in the Application Form
- 18.2. Notices may be given, and shall be deemed received:
- a. by first-class post: two (2) Business Days after posting;
  - b. by hand: on delivery; and
  - c. by email: at the time of transmission or, if this time falls outside business hours, the next Business Day (business hours means 9.00am to 5.00pm Monday to Friday on a Business Day).
- 18.3. This clause does not apply to notices given in legal proceedings or arbitration.

## 19. GENERAL

- 19.1. Save in respect of fraud or death or personal injury caused by negligence neither HSBC Life nor any HSBC Group member shall be liable for any indirect or consequential loss incurred by you, your employees, Agents or network members whether arising as a result of HSBC Life's acts or omissions or otherwise.
- 19.2. The Parties confirm that no term under this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to it, including but not limited to, an Agent.
- 19.3. The Parties agree that this Agreement constitutes the entire agreement between them and supersedes all previous agreements, understandings and arrangements between them, whether in writing or oral in respect of its subject matter.
- 19.4. Each Party acknowledges that it has not entered into this Agreement in reliance on, and shall have no remedies in respect of, any representation or warranty that is not expressly set out in this Agreement except in the case of fraudulent misrepresentation. No Party shall have any claim for innocent or negligent misrepresentation on the basis of any statement in this Agreement.
- 19.5. No announcement or other public disclosure concerning this Agreement or any of the matters contained in it shall be made by, or on behalf of, you without our prior written consent (such consent not to be unreasonably withheld or delayed), except as required by law, any court, any governmental, regulatory or supervisory authority (including any recognised investment exchange) or any other authority of competent jurisdiction.

- 19.6. Each Party shall at the request of the other, and at the cost of the requesting Party, do all acts and execute all documents which are necessary to give full effect to this Agreement.
- 19.7. We may assign, subcontract or encumber any right or obligation under this Agreement, in whole or in part, without your prior written consent.
- 19.8. You shall not assign, subcontract or encumber any right or obligation under this Agreement, in whole or in part, without our prior written consent.
- 19.9. Nothing in this Agreement constitutes, or shall be deemed to constitute, a partnership between the Parties.
- 19.10. If any provision of this Agreement (or part of any provision) is or becomes illegal, invalid or unenforceable, the legality, validity and enforceability of any other provision of this Agreement shall not be affected.
- 19.11. If your legal structure is a partnership, the partners in your firm shall be jointly and severally liable to us in respect of your obligations under this Agreement and any breaches by you of this Agreement.
- 19.12. If any clause becomes or proves to be illegal, invalid or unenforceable, in whole or in part in any way, this will not affect the validity of any other clause or the other parts of the relevant clause.
- 19.13. No failure, delay or omission by us in exercising any right, power or remedy provided by law or under this Agreement shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that or any other right or remedy. No single or partial exercise of any right, power or remedy provided by law or under this Agreement shall prevent any future exercise of it or the exercise of any other right, power or remedy.

## **20. GOVERNING LAW AND JURISDICTION**

- 20.1. This Agreement and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.
- 20.2. The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Agreement, its subject matter or formation (including non-contractual disputes or claims).

### **HSBC Life (UK) Limited**

HSBC Life (UK) Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our firm reference number is 133435.

HSBC Life (UK) Limited is a member of the Association of British Insurers. Registered Office: 8 Canada Square, London E14 5HQ. Registered in England (United Kingdom) number 88695. [hsbc.co.uk](http://hsbc.co.uk)

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