

Terms of business

with Financial Intermediaries.



Terms of business

Applicable to UBS' UK Funds and Jersey Funds

Dear Intermediary,

As you will be aware all intermediaries carrying on investment business, including dealing in units of unit trusts or shares in open-ended investment companies, must be appropriately authorised. These Terms of Business govern the relationship between UBS Asset Management Funds Limited and/or UBS Asset Management (UK) Limited (each the "Company") and the Intermediary and the terms upon which the Company permits an Intermediary to make a UBS Fund available to the Intermediary's Clients. By transacting with the Company, you are deemed to have read, understood and accepted the Terms of Business set out herein. These Terms of Business take effect from 3 January 2018 and supersede any previous Terms of Business issued to the Intermediary for these purposes. For the avoidance of doubt these Terms of Business do not apply to Intermediaries who have individual agreements with the Company. An Intermediary shall be deemed to have accepted these Terms by any of the following actions: making a UBS Fund available to the Intermediary's Clients; introducing a Client to a UBS Fund or otherwise submitting business to a UBS Fund on a Client's behalf; or accepting a payment from the Company or a UBS Fund in relation to a UBS Fund (whether for historic or new business and where permitted by the applicable laws and regulations).

1. Definitions

- 1.1. Unless otherwise defined herein, the following terms shall have the following meanings:
 - 1.1.1. "Act" means the United Kingdom Financial Services and Markets Act 2000;
 - 1.1.2. "Client" means an actual or potential client of the Intermediary;
 - 1.1.3. "Client Money Regulations" means the FCA Rules set out in the FCA's Client Assets Sourcebook ("CASS");
 - 1.1.4. "Distribute" means offering, recommending or selling an investment or providing an investment service to a client;
 - 1.1.5. "Distributor-Only Information" means such information and/or material made available by the Company as contemplated by these Terms and which, either: (i) is identified and/or marked as for use and/or dissemination only to distributors; and/or (ii) a member of the Group and/or a UBS Fund has indicated that such information and/or material should not be made available to End Clients;
 - 1.1.6. "Distributor Product Governance Information" means such information received by the Company from the Intermediary as required and contemplated by Clause 11;
 - 1.1.7. "End Clients" means the person or group of persons who are the final clients in the intermediation chain;
 - 1.1.8. "FCA" means Financial Conduct Authority or any successor entity;
 - 1.1.9. "FCA Rules" means the applicable rules and guidance set out in the FCA's Handbook of Rules and Guidance;
 - 1.1.10. "Group" means UBS AG together with any member of its group, as defined in section 421 of the Act;
 - 1.1.11. "Intermediary" means an independent intermediary, broker or other professional adviser or intermediary, and for the purposes of this definition "independent" shall mean that such person or entity is not a member of the Group nor an appointed representative (as defined in the FCA Rules) of any member of the Group;
 - 1.1.12. "Jurisdiction" means those jurisdictions where shares are registered for promotion and sale to the public, unless the Company has instructed the Intermediary otherwise;
 - 1.1.13. "KIID(s)" means the current version of the relevant key investor information document(s) issued from time to time;
 - 1.1.14. "Laws" means all applicable laws, regulations, rules in any relevant jurisdiction, including without limitation the FCA Rules, the KYC Requirements and the Anti-Bribery Requirements;
 - 1.1.15. "Lead Distributor" means a firm within the scope of MiFID in its capacity as a distributor of a UBS Fund that is manufactured by an entity that falls outside the scope of MiFID and which Distributes that UBS Fund itself and/or through sub-distributors;
 - 1.1.16. "Manufacturer" means a firm which creates, develops, issues and/or designs funds, either on its own or in collaboration with another manufacturer;
 - 1.1.17. "MiFID" means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;

- 1.1.18. "MiFID Delegated Directive" means Commission Delegated Directive (EU) 2017/593 of 7 April supplementing MiFID of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or receipt of fees, commission or any monetary or non-monetary benefits;
 - 1.1.19. "MiFID Distributor" means a firm, whether or not regulated by MiFID, which offers, recommends or sells investments or provides investment services to clients;
 - 1.1.20. "MiFID Firm" means a firm which is subject to MiFID;
 - 1.1.21. "Product Document" means any or all of the following (as the context requires) issued by or in respect of a UBS Fund: (i) prospectus or offering memorandum; (ii) simplified prospectus or KIID or any other pre-contractual disclosure document that is required to be provided by Laws in a Jurisdiction; (iii) constitutional documents such as the articles of association, trust deed or instrument of incorporation; (iv) any relevant application form; (v) any policy document, contract or other terms and conditions; and (vi) any investor notice, report or communication in respect of a UBS Fund required by Laws to be produced for investors, in each case as amended from time to time and including any supplements thereto;
 - 1.1.22. "Product Governance Requirements" means Articles 16(3) and 24(2) of MiFID, Articles 9 and 10 and Recitals 15 to 20 of the MiFID Delegated Directive, ESMA's Guidelines on MiFID II product governance requirements dated 2 June 2017 and applicable local laws, rules, regulations and guidance implementing such European legislation in the relevant Jurisdiction;
 - 1.1.23. "Retail Client" means as defined by the applicable FCA Rules;
 - 1.1.24. "Settlement Day" means the third business day following the day on which the contract was made;
 - 1.1.25. "Share" or "Shares" means shares or units in any UBS Fund whether or not invested directly or indirectly through an Individual Savings Account, platform, fund supermarket, nominee account or other wrapper product;
 - 1.1.26. "UBS Fund" means a collective investment scheme or unit-linked life policy domiciled in the United Kingdom or Jersey, in each case managed, operated, provided or distributed by the Company;
 - 1.1.27. "US Persons" has the meaning given to the term in the relevant Product Documents.
- 1.2. Any: (a) reference to a statute, regulation or rule shall include any such statute, regulation or rule as amended, re-enacted or replaced from time to time; (b) word or phrase not specifically defined in these Terms shall have the meaning given to it in the FCA Rules.
 - 1.3. The headings used in these Terms are for reference purposes only.
 - 1.4. Where the Intermediary carries out any relevant activities pursuant to these Terms in any Jurisdiction other than the United Kingdom, any reference to the FCA shall be construed as reference to the competent financial services regulator in that Jurisdiction, and any reference to the FCA Rules shall be a reference to the equivalent rules (if any) of that regulator.

2. Scope and Regulatory Matters

- 2.1. The Intermediary warrants to the Company that: (a) it has all the necessary authorisations, licenses, registrations and consents required by the Laws to enable it to conduct the activities provided for under these Terms in accordance with all applicable Laws ("Permissions"); (b) it shall provide evidence of such Permissions to the Company on request; and (c) it shall notify the Company immediately in writing should its Permissions be altered, suspended or revoked in any way which affects business conducted or to be conducted under these Terms.
- 2.2. To the extent that the Intermediary is permitted to do so by its Permissions, the Company grants the Intermediary the non-exclusive right to make the UBS Funds available to the Intermediary's Clients in the Jurisdictions, at all times subject to these Terms, the Laws, the relevant Product Documents and the Intermediary's obligations to its Clients under the Laws.
- 2.3. These Terms and the Product Documents are the only terms and conditions on which the Company and the UBS Funds will transact business with the Intermediary and constitute the entire agreement between the parties relating to the Terms' subject matter, except that the Company may vary or supplement these Terms in accordance with Clause 16 below. For the avoidance of doubt no terms supplied by the Intermediary or referred to in correspondence or elsewhere by the Intermediary shall amend, supplement or override these Terms. Where there is any conflict between these Terms of Business and the Product Documents, the terms of the Product Documents shall prevail.

- 2.4. The Company will not accept business from an Intermediary who is not or ceases to be authorised pursuant either to the Act, or in the case of the Channel Islands and the Isle of Man, equivalent legislation. The Company also reserves the right at its discretion to cease to accept business from, or to refuse any particular business proposed by, an Intermediary at any time.

3. Agency

- 3.1. Subject to Clause 3.2, the Company shall regard the relevant UBS Fund or (where applicable) the issuer of the relevant UBS Fund, as its sole "client" for the purposes of the FCA Rules and not the Intermediary.
- 3.2. If the Intermediary deals with a Company as agent for an underlying Client (such as when it places an order for the purchase or sale of Shares on behalf of a Client), where required to do so by the FCA Rules, the Company shall regard the Intermediary as its "client" for that limited purpose. In these circumstances: (a) the Company shall classify the Intermediary as a professional client under the FCA Rules; and (b) the Intermediary shall only place deals in Shares in accordance with the authority given to it by its Client. In these circumstances, the Intermediary warrants and represents that it has the full authority of the relevant Client to enter into the transactions in Shares on its behalf and that each such Client is eligible to enter into each such transaction in Shares. Where the consent of a Client is required whether under any relevant Laws or under the terms of any Product Documents, the Company is entitled to accept the express written consent of the Intermediary as the consent of the Client and the Intermediary warrants and represents that it is authorised to give such consent.
- 3.3. Under no circumstances shall the Intermediary hold itself out as the agent of the Company, the UBS Funds or the Group or make any representation express or implied that its acts are approved by the Company, the UBS Funds or the Group or are the responsibility of the Company, the UBS Funds or the Group. The Intermediary has no authority whatsoever to: (a) market, promote, distribute, sell, advise on or otherwise deal in Shares outside of the Jurisdictions without obtaining the Company's prior written consent, such consent to be granted or withheld at the Company's absolute discretion; (b) bind any Company or UBS Fund; or (c) collect contributions or receive monies on behalf of the Company or a UBS Fund or to advertise or promote any of the Group's products or services, other than in its normal course of business.
- 3.4. The Company is entitled to assume, without enquiry, that any information which the Intermediary gives it about a Client is complete and accurate and that it remains so unless the Intermediary advises the Company otherwise.
- 3.5. The Company will have no relationship with and owe no regulatory or contractual duties to any Client of the Intermediary, to the fullest extent possible under the Laws.
- 3.6. The Intermediary acknowledges and agrees that the Company is not required to provide, and has not provided, it with any advice as to the suitability or otherwise of any UBS Fund for the Intermediary or any particular Client or type of Client and that it is the sole responsibility of the Intermediary to advise its Clients, if required, on the suitability of any such UBS Fund.
- 3.7. The Intermediary has not relied upon any representations other than those set out in the Product Documents or made expressly in these Terms. The Intermediary shall not make or purport to make any representation in relation to the Company or a UBS Fund that is not contained within and wholly consistent with the Product Documents (except where it has obtained the relevant UBS Fund's prior written consent).
- 3.8. The Intermediary shall obtain each Client's consent to the extent necessary for the Intermediary to comply with its obligations under these Terms.

4. Compliance with Regulations

- 4.1. The Intermediary acknowledges, agrees and warrants that it will comply with all relevant Laws which may apply to its activities in relation to the UBS Funds, including (but not limited to) in relation to its dealings with Clients, its preparation and use of any relevant literature and its use of any relevant website. The Intermediary shall not do anything which may render the Company, any member of the Group and any UBS Fund in breach of any Laws. The Intermediary undertakes to ensure that all of its and its affiliated companies' employees, directors, officers and agents comply with these Terms.
- 4.2. The Intermediary acknowledges that Shares in any UBS Fund that is an unregulated collective investment scheme under the Act can only be marketed in accordance with the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (SI2001/1060) and the FCA Rules. The Intermediary warrants and agrees that it will only arrange a transaction for a Client in any such Shares if the Intermediary obtains satisfactory evidence that the applicable Laws have been fully complied with, and will provide such evidence to the Company on request.

5. US Residents

- 5.1. As detailed in the relevant Product Documents, US Persons are not eligible to invest into the UBS Funds. All investment requests received from or on behalf of US Persons will be rejected. The Intermediary acknowledges and agrees that it will conduct all necessary customer verification checks to ensure that Clients that are US Persons do not invest or attempt to invest in the UBS Funds, and that the Intermediary shall notify the Company on subsequently becoming aware of any Client that is a US Person.

6. Tax reporting

- 6.1. Individual Self Certification Tax Regulations require the Company or the relevant UBS Funds to collect certain information about each investor's tax residency. The Intermediary acknowledges (and shall disclose to its Clients) that:
 - 6.2. in certain circumstances, the Company or the relevant UBS Funds may be obliged to share such information on an investor's account with HMRC or other tax authorities;
 - 6.3. as part of the application process for Shares, applicants will be asked to complete an Individual Self Certification that requires that investor to consent to: (a) provide the UBS Fund with the necessary information; and (b) the disclosure by the Company or the UBS Fund (as applicable) of such information to the relevant tax authorities in accordance with applicable tax Laws;
 - 6.4. as part of the application process for Shares, applicants will have to provide information on all countries, inclusive of the United Kingdom or the United States of America (if applicable), in which they are resident for tax purposes and the associated Tax Reference Numbers / Tax Identification Numbers.
- 6.5. The Intermediary must, at the Company's request, notify it as to whether it is a participating FFI (within the meaning of the Foreign Account Tax Compliance Act (US)) and provide any other information to the Company as reasonably requested by it from time to time for the purposes of it considering any relevant issues arising under the Foreign Account Tax Compliance Act or other equivalent or similar applicable Laws.

7. Settlement and Payments

- 7.1. Unless otherwise agreed between the Company and the Intermediary, payment in respect of any Share purchase affected by or through the Intermediary must be received by the Company in cleared funds on or before the Settlement Day. The Company shall be entitled without giving prior notice to the Intermediary, to cancel, in whole or in part, any contract in respect of which the amount due remains unpaid after the applicable Settlement Day. This provision shall not be affected by any requirement to serve a cancellation notice in respect of the transaction in question.
- 7.2. The Intermediary shall keep the Company and the relevant UBS Fund indemnified from any and all losses suffered by the Company as a result of the failure by the Intermediary or its Client to make due payment by the Settlement Day in accordance with these Terms. For the purpose of this provision losses shall include any loss resulting from the cancellation or the closing out of any contract by the Company and, without limitation by the foregoing, any other loss or expense incurred by the Company directly or indirectly as a result of a failure of the Intermediary to comply with 7.1 above. The Company may retain any profits made by it in such circumstances.
- 7.3. The Company reserves the right at its absolute discretion to defer giving effect to any order for Shares until after receipt by it of cleared funds and/or any documentation required under these Terms or the relevant Product Documents. The Company and the relevant UBS Fund(s) shall not be responsible for any loss suffered by the Intermediary or the relevant Client as a result of such deferral.
- 7.4. All repurchase payments shall be made within five business days of receipt by the Company of the duly completed form of renunciation or such other instruction reasonably acceptable to the Company, by a cheque drawn in favour of the first-named registered shareholder and crossed "Account Payee" or, at the discretion of the Company, by a telegraphic transfer to an account authorised by the Intermediary or its Client. The Company may at its absolute discretion accept and carry out written payment instructions issued and signed by all the registered holders.
- 7.5. In accordance with the Client Money Regulations the Intermediary shall immediately pass to the Company all monies in respect of Share purchases given, transferred or sent to the Intermediary by a Client.
- 7.6. The Intermediary shall promptly check contract notes and confirmations provided to it from time to time in respect of dealing in Shares, and shall notify the Company promptly of any errors or suspected errors.

8. Remuneration

- 8.1. Without limitation, the Intermediary acknowledges and agrees that applicable Laws may prohibit certain firms from receiving fees, commissions and/or non-monetary benefits ("Remuneration") in respect of the sale of Shares in certain circumstances. It also acknowledges and agrees that, in those circumstances, the Company, the UBS Funds and the issuers of the relevant UBS Funds (each being a "UBS Party") may be prohibited by Laws from paying or providing such Remuneration. For this reason, without limitation, no commission shall be paid by a UBS Party where to do so would be in breach of the Laws. The Intermediary acknowledges that where a UBS Party reasonably believes that it would be a breach of applicable Laws or these Terms either for a UBS Party to pay commission or the Intermediary to receive commission in respect of a particular Client, then the relevant UBS Party may cease to pay such commission. The Intermediary undertakes to provide the Company with the information required for the relevant UBS Party to ascertain whether a payment would breach applicable Laws or these Terms.
- 8.2. To the extent that a UBS Party pays or provides to the Intermediary and/or any of the Intermediary's affiliates any Remuneration, the Intermediary represents and warrants to the Company each time the Intermediary and/or any of the Intermediary's affiliates receive such Remuneration, that the Intermediary and/or the Intermediary's affiliates are entitled to receive such Remuneration in accordance with all Laws.
- 8.3. To the extent that the Intermediary and/or any of its affiliates receive Remuneration and retain it (rather than transferring it to End Clients), the Intermediary represents, warrants and undertakes to the Company that it and/or its relevant affiliates are entitled to receive such Remuneration in accordance with the Laws and that such receipt of Remuneration will not give rise to conflicts with the Intermediary's duty to act honestly, fairly and professionally in accordance with the best interest of its Clients.
- 8.4. To the extent that Remuneration is paid or provided to the Intermediary and/or the Intermediary's affiliates, the Intermediary represents and warrants that save where permitted under the FCA Rules such Remuneration does not relate to and/or is not calculated in respect of investments made by Retail Clients in the United Kingdom (whether or not through agents acting on the Intermediary's or their behalf such as platforms and portfolio managers).
- 8.5. Subject to Clauses 8.1 to 8.4, the Company shall pay commission to the Intermediary at such rate or rates and at such time or times as it shall from time to time notify to the Intermediary. If, for any reason and at any time, the Intermediary and/or the Intermediary's affiliates are not entitled to receive and/or retain such commission or any other Remuneration, the Intermediary shall notify the Company immediately in writing.
- 8.6. Without prejudice to the payment of commission already accrued due and payable, but subject to Clauses 8.1 to 8.4, the Company reserves the right to reduce or fully withdraw the rate of commission in respect of past or future transactions at any time on giving notice of any such reduction or withdrawal to the Intermediary.
- 8.7. The Intermediary shall not arrange, recommend or enter into any transaction in Shares unless the Intermediary has made such disclosures to the Client in respect of commission or other Remuneration that will be received by the Intermediary (or any related party of the Intermediary) and other matters as, at the relevant time, as are required to be disclosed by the FCA Rules. The Intermediary acknowledges that it is its full and sole responsibility to comply with any applicable transparency and disclosure requirements with respect to its activities in connection with the Shares.
- 8.8. Without limitation to the foregoing, the UBS Party may at its discretion, cease paying commission to the Intermediary:
- 8.9. if the Intermediary ceases to be an authorized or exempted person under the Act or if the Intermediary's authorisation is suspended or varied such that it is no longer permitted to engage in the activities contemplated hereunder; or
- 8.10. in respect of any transaction for a person for whom the Intermediary has ceased to be the agent or properly authorised; or
- 8.11. if where an individual the Intermediary shall become bankrupt, compound with or assign the firm or effects for the benefit of creditors, have goods seized in execution or, where a company, the Intermediary goes into liquidation or receivership or is subject to an administration order;
- 8.12. if the Intermediary fails to comply with these Terms;
- 8.13. if the Intermediary is subjected to an investigation by the FCA or any other competent regulatory, judicial or government authority; or
- 8.14. upon the death of the Intermediary, if an individual sole trader, save in the event of transfer or transmission of the Intermediary business to a duly authorised person.
- 8.15. This Clause 8 shall survive the termination of these Terms.

9. Intermediary Duties

- 9.1. In connection with all transactions with the Company and/or a UBS Fund, the Intermediary hereby acknowledges and agrees that:
 - 9.1.1. it is obligated to comply with all applicable Laws relating to the identification of clients and identification and prevention of money laundering that may apply from time to time when carrying out any transaction pursuant to these Terms, including, without limitation, (a) the Criminal Justice Act 1993; (b) the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017; (c) the Proceeds of Crime Act 2002; (d) the Terrorism Act 2000 and (e) the guidance notes of the Joint Money Laundering Steering Group and the FCA Rules, as amended or substituted from time to time (together the "KYC Requirements");
 - 9.1.2. it has full responsibility for verifying the identity of each Client and the maintenance of records with supporting evidence, including the methods used to verify each Client's identity in accordance with the KYC Requirements; and
 - 9.1.3. upon reasonable request, the Intermediary will provide to the Company such identification documentation and evidence of compliance with the KYC Requirements as the Company shall require;
- 9.2. In the event that the Intermediary fails to comply with the KYC Requirements to the Company's satisfaction, the Company reserves the right to: (a) refuse to effect transactions in a UBS Fund, withhold redemption proceeds and/or retrocessions and/or cease to accept any further transactions in any UBS Fund from the Intermediary; and (b) terminate these Terms with immediate effect.
- 9.3. The Intermediary will comply with the requirements of the UK Bribery Act 2010 and any other applicable Laws relating to anti-bribery and anti-corruption (together the "Anti-Bribery Requirements"), in relation to its activities relating to the UBS Funds.
- 9.4. The Intermediary shall promptly report to the Company: (a) any request or demand for any financial or other advantage of any kind received by the Intermediary or any financial or other advantage it gives or intends to give whether directly or indirectly in connection with the subject matter of these Terms; (b) any breach of these Terms; (c) any change to the status of the Client for the purposes of the KYC Requirements, the Anti-Bribery Requirements and/or any other applicable Laws.
- 9.5. The Intermediary shall have and shall maintain in place policies and procedures to ensure compliance with these Terms and the Laws, including (but not limited to) the KYC Requirements and the Anti-Bribery Requirements, and will enforce such policies and procedures where appropriate.
- 9.6. The Intermediary shall keep and maintain accurate and complete records, books, notices and other documents and information as are necessary to demonstrate compliance with these Terms and/or to comply with any Laws (including, for the avoidance of doubt, the KYC Requirements and the Anti-Bribery Requirements), and must produce to the Company on request copies of such records.
- 9.7. The Intermediary acknowledges and agrees that the Company may impose additional terms such as, but not limited to, in respect of the Intermediary's activities in relation to UBS Fund, a particular distribution channel, product type or target market and/or eligibility criteria for a UBS Fund. The Intermediary shall: (a) only make available or recommend a UBS Fund to Clients that are eligible to invest in that UBS Fund, as set out in the relevant Product Materials; (b) comply with any restrictions or conditions imposed by the Company in accordance with this Clause; and (c) cease all activity in respect of all or any of the UBS Funds immediately on written notice from the Company.
- 9.8. The Intermediary shall ensure that it will not introduce or effect Share transactions that it knows or reasonably suspects to be linked to market timing and will, upon request, provide to the Company information for its dealing activities where such activities reasonably appear to the Company to be characterised by excessively frequent or large trades.

10. Responsibilities and Obligations Relating to Product Governance

- 10.1. For the purposes of the Product Governance Requirements and the Company's relationship with the Intermediary as contemplated by these Terms, the Intermediary hereby:
 - 10.1.1. acknowledges that, where relevant, in respect of each UBS Fund, the Company may act as Manufacturer and/or Lead Distributor (but not, for the avoidance of doubt, as a MiFID Distributor);
 - 10.1.2. to the extent that the Intermediary is a MiFID Firm, confirms that in respect of the UBS Funds, the Intermediary acts as a MiFID Distributor (but not, for the avoidance of doubt, as a Manufacturer).
- 10.2. Without prejudice to any other rights or remedies conferred on the Company under these Terms, the Company may at any time and without giving any reason instruct the Intermediary to withdraw a particular UBS Fund and/or a class of Share of a UBS Fund from sale, in which case, the Intermediary shall, immediately on receipt of such instruction, take all action necessary to ensure that such UBS Fund and/or class of Share of a UBS Fund is immediately withdrawn from sale in accordance with such instructions. The Intermediary shall ensure that any and all sub-distributors also comply immediately with such instruction.

- 10.3. The Intermediary shall not Distribute and/or arrange for any other person to Distribute any UBS Fund if the Intermediary does not understand such UBS Fund, its features and its risks.
- 10.4. The Intermediary shall ensure that its relevant staff and representatives acting on its behalf possess the necessary expertise to understand the characteristics and objectives of the target market it has identified for each UBS Fund.
- 10.5. The Intermediary shall not permit any individual to Distribute on the Intermediary's behalf (or on behalf of any other person) any UBS Fund where that individual has failed to meet the relevant knowledge and competency standards set out in MiFID.
- 10.6. Each time the Intermediary Distributes (or arranges for any other person to Distribute) a UBS Fund and/or any Shares in such UBS Fund, the Intermediary warrants and represents to the Company that the Intermediary has the necessary information, understanding and knowledge of the UBS Fund and/or any relevant Share in such UBS Fund in order to ensure that the UBS Fund and/or any relevant share in such UBS Fund will be Distributed in accordance with the needs, characteristics and objectives of the target market identified by the Intermediary for the purposes of the Product Governance Requirements.
- 10.7. The Company shall not be liable to the Intermediary, any sub-distributor or any End Client for ensuring that the UBS Funds and/or any relevant Shares in such UBS Funds are only sold or distributed to the target market identified by either the Company or the Intermediary for the purposes of the Product Governance Requirements in respect to which the Intermediary may be subject.
- 10.8. The Company shall not in any circumstances be liable to any of the Intermediary, any sub-distributor or any End Client for ensuring that the UBS Funds and/or any relevant Shares in such UBS Funds are suitable or appropriate for investment by any End Client.
- 10.9. The Intermediary shall ensure that no UBS Fund shall be sold or distributed to any End Client where the needs, characteristics and objectives of that End Client are incompatible with such UBS Fund.
- 10.10. To the extent that the Intermediary is a MiFID Firm, or, it is acting as agent for and/or on behalf of a MiFID Firm, the Intermediary warrants, represents and undertakes to the Company that, to the extent required by the applicable Product Governance Requirements, the Intermediary shall in accordance with all Laws:
 - 10.10.1. determine a target market of End Client for each UBS Fund using all relevant information available to the Intermediary including, without limitation, information obtained from the Company, the UBS Funds, any sub-distributor or End Client;
 - 10.10.2. at all times, have in place adequate product governance arrangements to ensure that:
 - (A) the UBS Funds intended to be distributed are compatible with the needs, characteristics and objectives of the identified target market;
 - (B) the intended distribution strategy for each UBS Fund is consistent with the identified target market;
 - 10.10.3. appropriately identify and assess the circumstances and needs of the clients the Intermediary intends to focus on to ensure that the Intermediary's clients' interests are not compromised as a result of commercial or funding pressures;
 - 10.10.4. identify any groups of End Clients for whose needs, characteristics and objectives the UBS Fund(s) or relevant investment service is not compatible;
 - 10.10.5. have in place procedures and measures, at all times, to ensure that when deciding the range of investment products and services to be Distributed to End Clients and the target market, all applicable laws and regulatory requirements are complied with in particular, those relating to client disclosure, suitability, appropriateness, inducements and conflicts of interest; and
 - 10.10.6. at all times in respect of the Intermediary's product governance arrangements, ensure that:
 - (A) the development and periodic review of such arrangements is communicated to the Company;
 - (B) the Intermediary's management body has effective oversight over such arrangements, including the range of investment products and services offered or recommended and the investment services provided to the respective target markets; and
 - (C) all relevant staff have been trained and possess the necessary expertise to understand: ❶ the characteristics and risks of the UBS Funds the Intermediary intends to Distribute; ❷ the investment services provided by the Intermediary; and ❸ the needs, characteristics and objectives of the identified target market for each UBS Fund.

11. Product Governance Information

- 11.1. Information as regards the UBS Funds (including, without limitation, details on the appropriate channels for distributing the UBS Funds, the product approval process and the Company's target market assessment) will be made available by the Company in such form and through such media as may be determined by the Company from time to time.
- 11.2. Without prejudice to Clause 12, the Intermediary shall ensure that any Distributor-Only Information used by the Intermediary and/or any of the Intermediary's sub-distributors is not made available and/or provided to End Clients. The Intermediary shall assume that all information provided to the Intermediary by the Company is Distributor-Only Information unless the Company has confirmed otherwise.
- 11.3. Without prejudice to Clause 12, the Intermediary shall ensure that all information provided from time to time by the Company that is intended to be communicated to End Clients is so communicated in an appropriate manner and in good time (including, where relevant, through any sub-distributors).
- 11.4. The Intermediary shall provide to the relevant Company (such Company being specified to it) at least annually or in line with such frequency as determined by good market standards and practices and more frequently as the Company may reasonably request from time to time such data and information necessary for the Company to review the UBS Funds and check that: (a) they remain consistent with the needs, characteristics and objectives or the target market identified by the Company; (b) that the intended distribution strategy remains appropriate; (c) that the UBS Funds are being distributed to the target market; and (d) whether the UBS Funds are being sold to End Clients and through such channels as the Company has determined to be the negative target market. Such information shall include, without limitation, the following information in respect of the UBS Funds distributed by the Intermediary and/or by sub-distributors:
 - 11.4.1. information on sales including, without limitation, summary information on the types of clients to whom the UBS Fund has been distributed identifying those sales made outside the target market (in the absence of any permitted exceptions such as where sales are made outside the target market for diversification or hedging purposes) as defined by the Company;
 - 11.4.2. report on sales into the negative target market;
 - 11.4.3. a summary of complaints received;
 - 11.4.4. responses from End Clients to questions that may be suggested by the Company from time to time for the purposes of obtaining feedback from a client sample; and
 - 11.4.5. information on the product governance reviews required to be carried out by the Intermediary for the purposes of the Product Governance Requirements.
- 11.5. Where the Intermediary Distributes the UBS Funds through sub-distributors, the Intermediary shall take all reasonable steps to ensure that the Company receives the Distributor Product Governance Information from the final distributor in the applicable intermediation chain who has Distributed UBS Funds to End Clients.
- 11.6. The Intermediary acknowledges and agrees that the Company may appoint third parties to provide certain services to the Company, including providing and receiving information exchanged between the Company and the Intermediary as contemplated by these Terms. The Intermediary agrees that it shall provide information required by the Company under these Terms to such third parties as notified by the Company to the Intermediary from time to time.

12. Documentation and Disclosures

- 12.1. The Intermediary shall pass to a Client immediately and without any amendment any documents (including any updated or revised documents from time to time) or notices supplied or made available by the Company for the information of or completion by the Client and shall pass to the Company immediately any information or documents provided by the Client in accordance with the Company's or a UBS Fund's requirements. In particular:
 - 12.1.1. the Intermediary shall not effect any purchase of Shares until the Intermediary has provided the Client free of charge a copy of the most recent relevant Product Documents which the Laws require to be supplied or made available to the Client;
 - 12.1.2. without limitation to the foregoing, the Intermediary shall promptly supply to the Client (or arrange for the Company to supply the Client) in good time before a purchase of Shares is made, with a copy of the most recent relevant KIID(s) in a durable medium. Updated KIIDs can be obtained from www.ubs.com/funds
- 12.2. The Intermediary must only use the current Product Documents made available by the Company. The Product Documents: (a) will remain the property of the Company or the relevant UBS Fund (as applicable); (b) may not be amended by the Intermediary; and (c) may only be used for the purposes expressly set out in these Terms and those documents or with the prior written consent of the Company.

- 12.3. The Intermediary shall comply with all relevant disclosure and other requirements relevant to the Client concerned in force under the Laws at the time of recommending, arranging, affecting or making available the Shares, including where relevant (but without limitation), disclosure of any commission payable to it, its polarisation status and details of any cancellation rights. The Company reserves the right to send Product Documents and communications directly to the Client.
- 12.4. The Intermediary shall provide to the Company such information and assistance as the Company reasonably requests for the purposes of enabling it to assess the Intermediary's compliance with these Terms and for the Company or the relevant UBS Fund (as the case may be) to comply with the Laws. Without limitation to the foregoing, the Intermediary shall provide the Company with the following details:
 - 12.4.1. the Intermediary's FCA (or other appropriate regulator) authorisation reference number, if relevant;
 - 12.4.2. confirmation of whether or not the Intermediary is authorised to handle client money for the purposes of the Client Money Regulations;
 - 12.4.3. the information required in order for the relevant UBS Fund to discharge its obligations under any applicable cancellation rules, including: (a) whether or not the relevant Client falls outside one of the exceptions to the requirement to service a cancellation notice; and (b) confirmation that, where required under the FCA Rules, that a cancellation notice has been given to the Client in accordance with such FCA Rules; and
 - 12.4.4. the name and address of each Client.

13. The Internet

- 13.1. Where the Intermediary wishes to market or make available Shares via the internet or on any internet website, the Intermediary shall:
 - 13.1.1. only publish Product Documents;
 - 13.1.2. ensure that its activities in respect of a UBS Fund shall not be considered to be marketing or distribution of Shares outside of the Jurisdictions;
 - 13.1.3. include in its website a waiver of the UBS Parties' (as defined in Clause 8.1) liability in respect of the Intermediary's activities and/or the relevant website; and
 - 13.1.4. be fully responsible for the content of any such website.

14. Indemnity

- 14.1. 14.1. Without prejudice to the indemnity contained in 7.2, the Intermediary shall indemnify and keep indemnified the Company and the relevant UBS Funds for any liabilities, damages, losses, costs and expenses of arising from:
 - 14.1.1. any failure by the Intermediary or any of its or its affiliated companies' employees, directors, officers or agents (each a "Relevant Person") to comply with the provisions of any Laws; or
 - 14.1.2. any Relevant Person causing the Company or UBS Fund to fail to comply with the Laws; or
 - 14.1.3. any breach by a Relevant Person of any of these Terms including, without limiting the foregoing, any failure to provide promptly and accurately the information required hereunder; or
 - 14.1.4. the inaccuracy of any information, statement or instruction made or given to a Client or the Company by a Relevant Person; or
 - 14.1.5. the negligence, wilful default or fraud of any Relevant Person.
- 14.2. The Company will only be liable to the Intermediary for loss suffered by the Intermediary arising directly as a result of negligence, fraud or wilful default by the Company. The Company shall not be liable for special, indirect or consequential damages or losses or for loss of profit, customers, goodwill, reputation or contracts on the part of the Intermediary or any Client. Nothing in these Terms shall exclude or limit any liability of the Company for any matter that it would be illegal or in breach of law for the Company to exclude or limit, or attempt to exclude or limit its liability, or for fraud or fraudulent misrepresentation on the Company's part.
- 14.3. This Clause 14 shall survive termination of these Terms.

15. Service of Documents

- 15.1. Any notice, letter or other document shall be deemed to have been duly served upon either party if it is sent by post to or left at the address of the other party appearing in these Terms or as subsequently notified by either party to the other party in writing.
- 15.2. Any notice, letter or other document sent by first class post shall be deemed to have been served on the business day following that on which it is posted and in proving such service it shall be sufficient to prove that it was properly addressed, stamped and posted.

16. Variation, Assignment and Sub-Contractors

- 16.1. The Company reserves the right to vary these Terms but, except in so far as required by the Laws and without prejudice to the Company's rights under Clause 9.7;
 - 16.1.1. no variation shall affect Share contracts made prior to the time of the variation, and
 - 16.1.2. not less than (14) days' notice shall be given to the Intermediary of and prior to a variation, unless shorter notice of such variation is required as a result of a change in any Laws affecting the Company, the UBS Funds or the Intermediary.
- 16.2. The Intermediary shall: (a) not be entitled to sub-contract, assign or transfer any rights and obligations hereunder without the prior written consent of the Company; (b) ensure that any agents, sub-contractors, representatives, affiliates and delegates appointed by the Intermediary in respect of its obligations hereunder are suitable and subject to sufficient ongoing supervision and monitoring by the Intermediary; and (c) be responsible for the actions of any of its agents, sub-contractors, representatives, affiliates and delegates.
- 16.3. The Company may assign the benefit and burden of these Terms to one or more of its Group at any time and without prior notice to the Intermediary (without prejudice to any liabilities or rights that have already accrued).

17. Dealing and Other Procedures

- 17.1. Dealings in Shares shall be carried out in accordance with the terms of the Product Documents and these Terms of Business.
- 17.2. The Intermediary shall maintain records of all Client applications and orders and promptly provide such information to the Company as the Company may request.
- 17.3. The Intermediary shall deal in the Share classes and sub-funds of UBS Funds that are appropriate to the business being conducted, the regulatory obligations of the Intermediary and the Client's profile.

18. Contracts (Rights of Third Parties) Act 1999

- 18.1. With the exception of any rights conferred on a UBS Fund or a Group company referred to in these Terms, the Company and the Intermediary agree that these Terms shall not be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person other than the Company and the Intermediary and their permitted successors and assigns.

19. Termination

- 19.1. The Company may terminate these Terms with immediate effect by notice in writing to the Intermediary except that such termination shall not affect any transactions in Shares which are outstanding as at the date of termination and shall be without prejudice to any obligation to pay commission that has already accrued. For the avoidance of doubt:
 - 19.1.1. no commission shall continue to accrue or be payable after termination;
 - 19.1.2. no compensation shall be payable to the Intermediary upon termination of these Terms.

20. Data Protection

- 20.1. The Intermediary is, and shall confirm to the Company on request that it is, registered as a data controller under the Data Protection Act 1998 (as such may be amended or replaced from time to time) and/or is registered under applicable data protection legislation in each Jurisdiction where the Intermediary is conducting activities in relation to a UBS Fund ("DP Laws"). The Intermediary will ensure that its registration details include all persons, purposes and other particulars required to be registered under the applicable DP Laws in connection with these Terms and its business generally. The Intermediary will comply with the applicable DP Laws in transacting business with the Company and/or a UBS Fund pursuant to these Terms.

20.2. The Intermediary agrees that, the Company or the relevant UBS Fund may: (a) register information provided in documents submitted by the Intermediary on behalf of a Client and other information relating to the Intermediary's business with credit reference agencies and/or other databases supplying or providing information for business analysis; (b) search (and record details of such search) against the Intermediary and its relevant personnel with credit reference agencies who will supply them with credit information, as well as information from other sources including the Electoral Register; (c) pass information acquired from or in relation to the Intermediary or a Client to law enforcement agencies for the purposes of compliance with the Laws; (d) process, use or disclose information and personal data (within the meaning of the DP Laws) that the Company holds about the Intermediary, its relevant personnel and its Clients, for the provision of services under these Terms of any other agreement between the Intermediary and a UBS Group company, including for the prevention of money laundering, compliance with the Laws, the evaluation of the Intermediary's potential needs, the marketing of financial services products to Intermediaries, or to analyse and track performance of their business; and (e) pass such information and data on to third party service providers used by the Company and/or the UBS Funds. The Intermediary consents (and shall procure that its relevant personnel and Clients from time to time consent) to the processing, use and disclosure of information and personal data for this purpose and to such data or other relevant information being provided by the Company to the UBS Funds and to its Group companies.

21. Trademarks

- 21.1. Subject to the provisions of this Clause 21, the Company hereby grants to the Intermediary a revocable, non-exclusive, non-transferable licence to use the names, logos, trademarks and other intellectual property of the Company and the UBS Funds (together the "Marks") solely for the Intermediary's own internal business purposes and solely to the extent necessary properly to provide the services contemplated by the Terms. Save as set out in this Clause 21, the Intermediary shall only be entitled to use any Mark in accordance with the Company's prior written instructions.
- 21.2. Any consent given by the Company pursuant to this Clause 21 shall automatically terminate on the termination of these Terms and may be withdrawn by the Company immediately by notice in writing to the Intermediary for any reason whatsoever.
- 21.3. The Intermediary shall not be entitled to sub-license any rights granted hereunder to any third party.
- 21.4. For the avoidance of doubt, the Company and the UBS Funds retain all rights, interests, copyright and other intellectual property rights in the Marks, and nothing in these Terms will operated to grant the Intermediary any ownership right in or to any of the Marks

22. Telephone Calls

- 22.1. Telephone calls to and from the Company may be recorded. The Intermediary understands and (for itself and, on behalf and with the knowledge and authority of, its agents, relevant employees, directors, other officers and sub-contractors and, where relevant, its underlying Clients) agrees that the Company may monitor and record electronic communications and telephone conversations, between it and the Intermediary and the Intermediary's underlying Clients, agents, or any other person authorised to act on behalf of the Intermediary in connection with this Agreement (and the Intermediary is advised that the recording of telephone conversations may take place without the use of a warning tone). A copy of the recording of such electronic communications and telephone conversations will be available to the Intermediary upon reasonable request, for a period of five years from their date of creation, or where the FCA has requested them to be kept for a longer period, for a period of seven years from their date of creation.

23. Severability and Waiver

- 23.1. If any provisions of these Terms shall be held or made invalid by a court decision or the Laws, or shall be otherwise rendered invalid, the remainder of these Terms shall not be affected. The waiving by the Company of any rights arising out of a breach of any term of, or failure to meet any obligation under, these Terms on the part of the Intermediary, shall not operate as a waiver in relation to another or a continuing breach of the same term or of another or a continuing failure to meet the same obligation by the Intermediary or in relation to a breach of any other provision of, or failure to meet any other obligation under, these Terms by the Intermediary.

24. Governing Law

- 24.1. These Terms shall be governed and construed in accordance with English Law. The Courts of England and Wales shall have exclusive jurisdiction to settle any dispute arising under these Terms (including non-contractual disputes)

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