

Independent Financial Advice Centre
39 High Street
Billericay
Essex CM12 9BA
Tel 01277 630873



Terms of Business Agreement 2007.

Before providing you with any investment business or service it is important that you know on what basis we intend to conduct business with you. Our terms of business may comprise of more than one document, but where it does we will advise you. This Terms of Business Agreement commences with immediate effect on receipt by you and will apply to any investment business transacted until otherwise agreed.

INDEPENDENT FINANCIAL ADVICE CENTRE.(I.F.A.C.)

is Authorised and regulated by the Financial Services Authority and is authorised by the Authority as an INDEPENDENT ADVISER to transact investment business as follows:

- Arranging (bringing about) deals in investments;
- Making arrangements with a view to transactions in investments;(e.g. including Individual Savings Accounts; Personal Pensions; Stakeholder Pensions; Unit Trusts etc., but excluding the direct purchase of Shares or any other categories of Investment on which we are not authorised to give Advice or execute.
- Advising on investments (including Occupational Pension Transfers and Occupational Pension Scheme Opt Outs)

We offer independent financial advice. If we do have some form of interest in any business that we are transacting for you, or we become aware that our interests or those of one of our clients conflict with your interests, we will advise you in writing and seek your consent before carrying out your instructions.

We do not handle clients' money. This means that all cheques must be made payable to the issuer of the investment unless it is for the settlement of our fees. In addition, we will not accept cash for the purpose of investment unless it is in settlement of our fees. All investments will be registered in your name unless you first agree in writing. We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them, where a number of documents are involved we may await arrival of them all before forwarding them to you.

During the course of our business we come across products and services that we believe may be of interest to you. Unless you specifically request us not to, we may contact you to advise you of any products we think may be of interest. This will generally be done in writing, but we may also contact you by phone or by other interactive methodology. If we do we will restrict this to between 8.00am and 9.00pm at your place of work or residence. Occasionally it may be necessary for us to contact you by fax in relation to investment business and you accordingly authorise us to contact you by telephone or fax. Your authority may be withdrawn by advising us in writing that you no longer wish to be contacted by telephone or fax.

We will be glad to advise you at any time, but, unless specifically requested to do so, we will not carry out a review of any investments that you have already taken out previously or that we have already arranged on your behalf.

You or your appointed agent may inspect contract notes, vouchers and entries in our books (manual and electronic), which relate solely to your investments. We reserve the right to provide copies where providing originals would allow you access to information relating to other clients. We may charge you at a rate agreed in advance for such copies. All our transaction records will be retained for at least six years.

Where we are required to verify your identity in accordance with the Criminal Justice Act 1993 and the Money Laundering Regulations, no investment or other transaction of any type will be made until such verification has been obtained.

Where investment business services are provided to I.F.A.C. by third parties then circumstances may arise which warrant the disclosure of more than just your basic contact details. On these occasions you agree that personal information held by I.F.A.C. may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to such third parties. You agree that this information may be provided to them on paper or electronically.

Personal information provided by clients will be retained on computer records and or on paper and will not be disclosed to other parties except to our auditors, lawyers or compliance consultants and any other organisation requiring access under the regulations or exercising their legal entitlement to such access or in accordance with requirements to disclose.

We agree that the data we hold shall be fairly and lawfully processed, processed for limited purposes, adequate relevant and not excessive, accurate, not kept longer than necessary but also as required by our regulator, processed in accordance with your rights, secure and will not transfer it outside the EEA without adequate protection.

Investment Objectives

Where we are providing advice on investments, we need to determine your attitude to Investment Risk. The result of these discussions will in all relevant cases, be confirmed in writing, by us to you in our suitability letter and be deemed to form part of this Terms of Business agreement. Attached to this terms of business letter is an explanation of investment risk and a section for you to complete and sign as a written record of our discussion (appendix 1).

Remuneration

Most product providers and other institutions with which investments are made pay commission to us. In the case of transactions in life assurance, pensions, unit trusts and other regulated collective investments and in investment trust companies shares held in an ISA or regular savings scheme, and whether through another intermediary or not, you will receive written details of our commission or remuneration before the transaction(s) are completed. If we receive a commission or other form of benefit from the issuer of a security or another intermediary, we will inform you, but will only advise you of the specific amount should you request it.

Where we receive commission from a product provider on a "level" or "single" premium costed basis (i.e. in total at commencement of the contract or as regular contributions are paid) for regular premium contracts and, providing premiums are maintained, either continuously or irregularly, we will be entitled to the commission from that provider on the initial investment, and any increases made through our agency, for a period of not less than 60 premium payments from the date of the policy or increase.

Unless you specifically give instructions that we should be remunerated on a fee-paying basis, we shall receive commission from the product providers and institutions who issue the investments. If we propose to make a charge, we will agree its basis in writing with you before carrying out any chargeable work. These fees will be calculated in accordance with the following scale of Fees and Charges: -

FEES AND CHARGES.

In order to adapt to the rapidly changing requirements of the Financial Services market, we have introduced an alternative "Fee-based" system of remuneration that will operate when:

- you prefer to directly pay costs yourself.
- the commission available from actual or prospective purchases of Products is deemed inadequate to cover our costs and expenses. Examples of this would be "C.A.T. standard Individual Savings Accounts (ISAs); Stakeholder Pensions and some Mortgage Loan arrangements and/or where the extent of the Advice required is particularly complex.

Where a Fee basis applies, you will be notified of this BEFORE we accept your instructions. Fees will be calculated to cover the following business functions:

- Receiving your enquiry details.
- Travelling to/from appointed meeting(s) as necessary.
- Consultancy time to include full discussions relating to Financial Background, your ambitions and objectives, your attitude to Investment Risks and other relevant Planning topics.
- Analysis of Client financial needs and matching solutions.
- Research into the relevant marketplace to select Products and Providers that are best suited - this to include Pricing, Flexibility of Product Design, Investment Performance track record, quality of pre and post Sale Service.
- Presentation and Explanation of our Recommendation(s) and reasons for them.
- Receiving and implementing your Instructions.
- Administration and processing.
- After sales Reviews - automatic or "on request" bases, according to Client preference.

For details of our current fees, please refer to our fee agreement.

IF YOU SELECT THE COMMISSION OPTION AND SUBSEQUENTLY CEASE TO MAINTAIN PREMIUM PAYMENTS ON THE CONTRACT(S) PRIOR TO THE END OF THE INITIAL COMMISSION EARNING PERIOD AS SHOWN IN THE

RELEVANT QUOTATION(S), WE RESERVE THE RIGHT TO CHARGE A FEE not exceeding the outstanding balance of Initial Commission due to us. NO FEE WILL BE CHARGEABLE IN RESPECT OF CONTRACTS CANCELLED FROM OUTSET UNDER THE TERMS OF THE CANCELLATION NOTICE ISSUED BY THE PRODUCT PROVIDER.

If we receive (in respect of your business), Commission or any other form of Benefit from a Product Provider or from another intermediary, we will inform you of this fact but will not advise you of the amounts involved unless you request this information.

If you have any complaint about the advice you receive or a product, which you have taken out through us, please write to the Compliance Officer, at our address shown. We will provide you with a copy of our Complaints Procedure at the time as well as details of what action you may take if you are not happy with the outcome of any complaint you may make, including details of the Financial Ombudsman Service whose scheme of which we are members. If you make a valid claim against us in respect of investments that we arrange for you and we are unable to meet our liabilities in full, you may be entitled to seek redress from the Financial Services Compensation Scheme. Details of the cover provided by the scheme are given in a leaflet, which we will send to you at your request. Further information is available from the Financial Services Authority and the Financial Services Compensation Scheme.

Whilst this agreement governs the Terms that apply in regard to Regulated business, we may also provide Advice in respect of classes of business that are not Regulated by the Financial Services Authority (e.g. Mortgages, some forms of Life, Illness and Health Insurances). This Agreement will apply in full to such transactions, unless we advise you in writing, to the contrary.

We require our clients to give us instructions in writing. We will accept oral instructions at our discretion, which should then be confirmed in writing by you to us. Our authority to act on your behalf may only be terminated in writing, at any time, without penalty, by either party without prejudice to the completion of any transactions initiated prior to receipt of such notice. Such notice will be effective when received and opened by us either electronically or by other written media.

Unless otherwise agreed this terms of business will remain in force until such time as it is terminated or if we deliver to you a new terms of business, which will thereupon, become effective. All transactions initiated prior to notice of termination shall be handled and completed as if the terms of business remained in force.

When you instruct I.F.A.C. to act as your **INDEPENDENT FINANCIAL ADVISER**, we recommend that you transfer your existing policies and investments into our agency so that we may receive communications direct from the product providers concerned. Should any commission be payable on such a product we shall become entitled to receive it.

I/We instruct all product providers and insurance companies to accept this (or a photocopy thereof) as my/our authority to transfer the policies/investments into the agency of I.F.A.C. and/or to provide them with such information as they require in regard to contracts in my/our names(s).

I/We accept and agree to the Terms of Business as stated in this notice and the Appendices thereto.

Signed..... Signed..... Date.....

Name..... Name.....

Signed for Independent Financial Advice Centre

Signed

Name.....

Date.....

Appendix 1

INVESTMENT OBJECTIVES & INVESTMENT RISK.

Whilst these Terms of Business remain in force, we may need to provide you with Advice that involves the “Investment” of regular Premiums or Lump sums. In all such cases, we will specifically discuss with you, the extent to which you are prepared to commit your Funds to “Investment Risk” in the pursuit of your Investment Objectives.

“**Investment Objectives**” vary from person to person but in simple terms the answer to “what are you trying to achieve” can sum up your objectives. Some examples are: -

- Capital Appreciation with the ambition of preserving, fully or partially, the value of the capital invested.
- Capital Appreciation without significant regard for the preservation of the capital invested.
- An immediate or future Income without fully/partially reducing the value of Capital invested.
- An immediate or future Income with reduced or no Capital remaining

“**Investment Risk**” is one or more of several factors affecting your savings or investments e.g.: -

Capital risk The possibility that you'll lose some of the money you originally invested. Stockmarket risk is one example of capital risk - the value of investments linked to the Stockmarket can vary. This means that, although the long-term trend tends to be upwards, at any particular time the market might have dipped, so your investment could be worth less than you'd paid. You may need to accept some capital risk to offset shortfall risk and inflation risk.

Shortfall risk Shortfall risk relates to your financial goal. You may be saving or investing money in order to reach a target amount at some time in the future. You may aim to pay off a debt, loan or mortgage, or aiming to build up a particular level of retirement income. If you choose investments with no or low risk, your returns are likely to be lower and could fall short of the amount of money you want to target - shortfall risk. This means you may have to choose whether to change the target amount you want to get, increase the amount you save or invest, or save or invest for a longer term.

Interest risk Variable interest rates can fall (bad for savers) or rise (bad for borrowers). Fixed rates lock you in when other interest rates rise (bad for savers, good for borrowers) or fall (good for savers, bad for borrowers).

Inflation risk Over time, rising prices reduce the buying power of your money. This is especially a problem where income is paid out to you, so the real value of your capital falls. Reducing inflation risk usually means taking on some capital risk.

Other factors affecting the degree of risk you are prepared to take are your age, the length of time you are saving or investing over, the size of your assets/income, family commitments etc. We will have regard for your views as to the possible minimum and/or maximum time durations that you intend should apply to any particular transaction or series of transactions.

Risk and returns normally go hand in glove, low risk low return investments will probably not achieve your objectives, but then neither might high-risk higher potential return products if they go wrong. Experience shows that normally a combination of products or funds varying from higher amounts in low or no risk to smaller amounts in high risk areas often produces the desired result of growth or rising income with some downside security. Varying the amounts in the different risk areas then can increase or decrease the overall investment risk you are prepared to take to achieve your objectives and that is what we must try to identify and agree with you.

We cannot easily put any investment or fund in any specific risk category. For example deposit accounts are low risk in the short term, but high risk in the long term as inflation reduces the real value of the account. Some Equities on the other hand are high risk in the short term but must be regarded as lower risk in the long term as they have some protection against inflation.

We will have regard for the fact that all Investments carry some degree of Risk and will not expose your overall assets to a higher degree of Risk than you are prepared to accept. We cannot however be held liable for any losses you may incur should the investment provider or yourself subsequently change the risk profile of the investment. If such changes take place simply contact us for a review.

Investment risk then is considered to be the extent to which you are prepared to suffer a (potential) loss of value as a result of Investment in assets. Such a loss may embrace not only the loss of accumulated growth, but may also involve the reduction or loss of the original investment.

In giving you Advice as to the appropriate Funds and Products for your Investment(s), we will also have regard for any instructions that you may give us regarding SPECIFIC criteria that may relate to Product Providers, Products and/or areas of the Investment Markets including types of Investments that you wish to avoid or be included e.g. ethical investments.

As we may from time to time, be giving you Investment Advice on a range of your personal Financial Planning aspects (e.g. your Pension Funds, your ISA Investments your Mortgage, your Savings etc.) you should consider the extent to which your Investment Objectives and acceptable Investment Risk applies to each transaction in isolation, as these may well differ from one to another e.g. these may differ when considering your requirements for Investing a modest amount in an ISA account compared with the long term strategy for your Pension Fund.

For simplicity we have identified three typical “Risk” scenarios for investment over the medium or long term. Short-term money should invariably be placed in accounts where there is no capital risk.

Lower Risk Investor, this lump sum investor could have 40-60% of their assets in lower risk categories, 25- 40%, in medium risk and 0-25% in higher risk.

Reasonable Investor, for a lump sum this could be 30-50% lower risk, 20-40% medium and 0-25% higher risk.

High Risk, could be 10- 25% low risk 10-25% medium risk and up to 80% higher risk funds.

For regular savers, the term of savings is more critical and as mentioned earlier you will probably require different degrees of risk on different savings plans or objectives, e.g. very low or none for short term savings and perhaps high risk for long term pension fund savings until closer to retirement age, when risks should be reduced.

To help identify degrees of risk, whilst no two Investments have exactly identical degrees of Risk, the following guide gives an indication as to the extent of Risk that should be associated with the most popular types of Investment asset.

LOW to MEDIUM RISK INVESTMENTS: **Low risk** is generally regarded as those that have very little chance of reducing in absolute (monetary) value. However, because they are so secure they usually have very little potential for significant growth (after inflation is taken into account). Examples of Low Risk investments are National Savings, Bank or Building Society deposits, Cash ISA accounts and some Gilt issues. Corporate Bonds, Gilts, many With Profits Funds and some of the Investments that “guarantee” payments after fixed investment periods are medium Risk.

MEDIUM RISK INVESTMENTS: will tend to have some exposure to Equity investment. We would include High Equity With Profits Funds, Property Funds, and Distribution funds, some Index Tracker Funds and many Managed Funds and “Blue Chip” Equity Funds.

HIGH RISK INVESTMENTS: are those investments/funds that invest in Equities in geographically defined areas and/or specific sectors of the worldwide markets e.g.: - U.K. Equity, North American, Japanese and European Funds would all be of the High Risk category and as such, are exposed to the risks that have to be associated with high levels of volatility namely, the chance of significant gains or losses. Currency movement also increases the investment risk.

VERY HIGH RISK INVESTMENTS: is a category that we reserve for investments where there is significant potential for a total loss. Included in this section would be direct investment into most Shares, investment in any Fund that is of very small size and/or where there is a limited diversification of underlying investment assets. **WE WOULD NOT CONSIDER ANY INVESTMENTS IN THIS CATEGORY WITHOUT OBTAINING YOUR EXPRESS AND SPECIFIC INSTRUCTIONS IN ADVANCE.**

1 TERMS OF BUSINESS – INVESTMENT OBJECTIVES AND

INVESTMENT RISK.

We draw your attention to the fact that many Investments issued by Providers based in the United Kingdom are covered by the Financial Services Compensation Scheme in the event that the Insurer is unable to meet its liabilities. This cover may not provide you with full protection of your asset value. You should also have regard for the fact that the value of Investments can go down as well as up and that the past performance of any Fund or Investment is no indication as to what may happen in the future.

I/we have read the notes regarding Investment Objectives and Investment Risk within the Terms of Business Agreement.

My/Our Investment Objectives are (see over for suggestions): -

- 1)
- 2)
- 3)

Based on the above I/we am/are prepared to adopt the following investment attitudes in relation to each of the above objectives (low, realistic, high): -

1) 2) 3) I/we wish the IFAC

to note: -

Signed (Client 1).....

Signed (Client 2).....

Print Name

Print Name

Signed (Advisor).....

Date.....

Investment Objectives

Providing for my family in the event of my Premature Death	
Providing for myself in the event of my partner's Premature Death	
Providing for myself/family in the event of a Serious Illness or Disablement.	
Providing a sound financial start for my Children/Grandchildren.	
Obtaining a good return on my Savings/Investments.	
Providing for the cost of future Education Fees.	
Planning for my Retirement.	
Investing for income and/or growth in Retirement.	
Reducing my Tax Bill.	
Mitigating possible Inheritance Tax.	
Arranging a mortgage	
Repaying my Mortgage early or more economically.	
Increasing my Income.	
Raising Money.	
Saving for Specific Future Purchase(s).	
Arranging pension "sharing" on divorce	
Saving for a specific event in " " years time	
Uplifting pension funds	
Buying an Annuity	
Drawdown / Phased retirement plans	
Other	