

TERMS OF BUSINESS

Professional IFA Practice

1. Independent financial advice

Not all financial advisers are independent. Some are confined to advising on the products of one or more providers of financial products and investments. We are independent and we provide financial planning advice which embraces tax and other issues as appropriate; and when we recommend products we consider impartially the products of all relevant companies and recommend whatever course of action we consider to be in our clients' best interests.

2. Classification of clients

For the purposes of compliance with the requirements of the Financial Services Authority, we treat our professional clients as if they were retail clients. This means that we undertake a greater obligation of disclosure and communication of risk than would otherwise be necessary, but it does not necessarily mean that professional clients will benefit from the Financial Ombudsman Service.

3. Our Charges

As a professional firm, we charge fees for our services, the amount of which we will agree before we proceed. However, certain of the transactions which we arrange for our clients result in our being paid commissions, and we will apply these either to reduce or fund our fees or to enhance the value of clients' investments and/or policies. Commissions may sometimes be paid at the outset of a transaction and may sometimes take the form of

on-going payments. For convenience we may accrue such on-going payments, but in all cases we will account to our clients for all sums received. We will be pleased to provide estimates if requested and will seek clients' approval in advance if it appears that estimates may be exceeded.

VAT

No VAT is charged in respect of work which gives rise to commission payments, such as arranging life, pensions and investment products and mortgage loans. Advice which is incidental to such arrangements or proposals for such arrangements is also VAT-exempt. Charges for other advice are subject to VAT.

Our fee for preparing a financial planning report

The commencement of a relationship with a new client normally involves us in significant fact-finding and research, and we offer to summarise our conclusions and recommendations in a confidential report, for which we agree a fee, the amount of which reflects the complexity and scope of the work involved. In the case of investment business the fee would be based on the amount to be invested, as follows:

Value	Fee
£1 - £250,000	3%
The next £250,000	2%
The next £500,000	1.5%
£1m+	1%

Fees for other types of work

If clients instruct us to undertake specific assignments which do not involve our producing a financial planning report, our remuneration can take various forms, at the option of the client, for example:

A fixed rate for a defined matter.

An hourly fee rate for advice, the amount of which will reflect the seniority of advisers and staff involved and the complexity of the advice. Our current rates are:

For principals	£150 - £200 per hour
For financial advisers	£100 - £150 per hour

Our retainer for monitoring and reviewing portfolios

When we arrange portfolios of investments, we offer to keep these under review and to provide annual reports which enable clients to see the progress of their investments by comparing the initial portfolio with the current portfolio. Our charge for this service is calculated as a percentage of the current value of the investments and VAT will be payable on this fee bill to the extent that it exceeds the value of attributable commissions. We ask clients to indicate, by signing the relevant section of our statement of charges, whether they wish to use this service.

Trivial receipts

In accordance with the requirements of the Financial Services Authority we ask our clients to confirm, by signing our Terms of Business, that we may retain sums of trail or renewal commission which are so small, relative to the overall amount of our fees payable by the client to whom they relate, that it would be manifestly inappropriate to us to be required to account to our client as described above.

Working with other professional firms

When we are asked to advise the clients of professional firms, we liaise with those firms so as to ensure that our advice complements theirs. In recognition of their involvement, we may pay such firms a proportion of our remuneration, which will be disclosed in our statement of charges.

4. Investment certificates and policy documents

We arrange for all investments (certificated and uncertificated) to be registered in the names of our clients or such nominees as they may instruct. Any investment certificates or other evidence of title to investments which we may receive will be forwarded to clients or, if so instructed, their legal advisers for safe-keeping.

5. The Money Laundering Regulations

We are required for the purposes of the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is kept up-to-date. For this purpose we need to obtain information about our clients and one of the ways in which we might do this is to access electronically information held in the public domain.

6. Identity Theft

In order to preserve the confidentiality of client information and to protect clients against the risk of identity theft, we may ask clients to advise us if they wish to receive information which is personal to them by telephone or in other ways which will prevent us from ensuring that it is they who are requesting the information. If they do wish to receive information in this

way, we may ask clients for special identifying information, such as their mother's maiden name.

7. Data Protection Act

In order to facilitate our communications with clients and our administration of their affairs, we will seek clients' consent to our recording clients' relevant personal information on our firm's computer system. We will supply to clients, at their request, a copy of the data relating to themselves and will provide them with a description of the data and the purposes for which it is processed, and with details of the source of the data and any potential recipients of the data.

8. Client contacts and complaints

The name of the financial adviser responsible for managing each individual client relationship will be entered below that of the client in the section at the foot of these Terms of Business. A copy of the firm's complaints handling procedure is available on request. Complaints should be addressed in the first place to the responsible financial adviser and if not resolved immediately will be referred to the Client Care Director, whose name is shown at the head of these Terms of Business. Complaints involving financial loss of material inconvenience or material distress may be referred to the Financial Ombudsman Service, but the firm reserves the right to reclaim costs and expenses reasonably incurred in defending any complaints to the Ombudsman which are of a frivolous or vexatious nature. OR (for members of Designated Professional Bodies - DPB) the name of the financial adviser responsible for managing each individual client relationship will be entered below that of the client in the section at the foot of these Terms of Business. A copy of the firm's complaints handling procedure is available on request. Complaints should be addressed in the first place to the responsible financial adviser and if not resolved immediately will be referred to the Client Care Director, whose name is shown at the head of these Terms of Business. Complaints arising in relation to business conducted after 1 December 2001 which involve financial loss or material inconvenience or material distress may be referred to the Financial Ombudsman Service. Complaints arising in respect of business conducted before that date and complaints which relate to business which is not regulated by the Financial Services Authority may be referred to the (DPB's complaints service). However, the firm reserves the right to reclaim costs and expenses reasonably incurred in defending any complaints to the Ombudsman which are of a frivolous or vexatious nature.

9. Conflict of Interest

In the event of any conflict arising between our own interests and those of any client, we will disclose all the relevant facts to the client in question and if appropriate decline to act for the client.

10. Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

OR We are covered by the Solicitors Compensation Scheme, which provides cover up to £1 million in respect of all solicitors' activities, including investment, insurance and mortgage business.

OR We are covered by the Scottish Solicitors Guarantee Fund, under which you may be entitled to compensation if we cannot meet our obligations. All solicitors' work is covered by the fund and there are no limits on compensation available.

11. Disclaimer

No responsibility can be accepted by this firm for (i) any action taken without its professional advice in reliance on the contents of any Report submitted by the firm or (ii) any advice given by referring solicitors or accountants, whether in a joint meeting with advisers from the firm or otherwise.

12. Termination

The relationship between our clients and our clients may be terminated by either party giving to the other not less than 28 days written notice, but termination will not affect instructions which have been actioned or liabilities which have been incurred.

Acceptance by client

Level of service:	✓	Matter	✓
Comprehensive advice			
Limited advice			
Execution-only			

Charge options	
Fee for factfinding and preparation of report	£
Fixed fee for a defined matter	£
<i>Hourly fee rate for advice:</i>	
- for senior/specialist advisers	£
- for financial advisers	£
Other	

Signed by client	
Name:	Date:
Person instructed:	Position: