

FINANCIAL PLANNING

YOUR GUIDE TO OUR SERVICES



WHO WE ARE

Ernest Grant Ltd is a specialist firm of Independent Financial Advisers providing a wide range of financial planning services to individuals and businesses.

We firmly believe that to offer the best possible advice we need to remain independent. This enables us to advise on products and services across the whole market place.

At Ernest Grant we take a team approach to looking after our clients' interests, and you can rest assured that every member of our team is focussed on achieving the best possible outcomes for you. From our experienced advisers to our dedicated administration team and our skilled researchers, our focus is to put your interests first.

Our objective is to build long term relationships with happy clients and we believe the best way to do this is through delivery of a fair, honest and personal service which lives up to your expectations and adds value.



What We Do

Our mission is to help you to build a clear long-term financial plan based on a strong understanding of your aspirations and objectives. With practical advice and long term support we aim to ensure you achieve your goals.

We also know that the best laid plans can fail in the face of unforeseen pitfalls. It is our job to help you to identify those pitfalls and ensure that you have built in

appropriate safeguards against events which may otherwise derail your plans.

We understand the everyday time pressures you may be under and offer an expert independent financial planning service, which is tailored to match your specific needs and provides you with the reassurance that your financial plans are being taken care of.

We endeavour to build a long-term relationship with you as, in this way, we can support you as your financial plans adapt and change.

How our Service Works for You

In order that you can feel confident that your financial plans are in safe hands, and to give you a clear understanding of how our service works for you, the following guide contains everything you need to know about our services.

This will enable you to make an informed decision about the service you require, along with help from your adviser. The guide also explains our fees and the payment options available so that you can

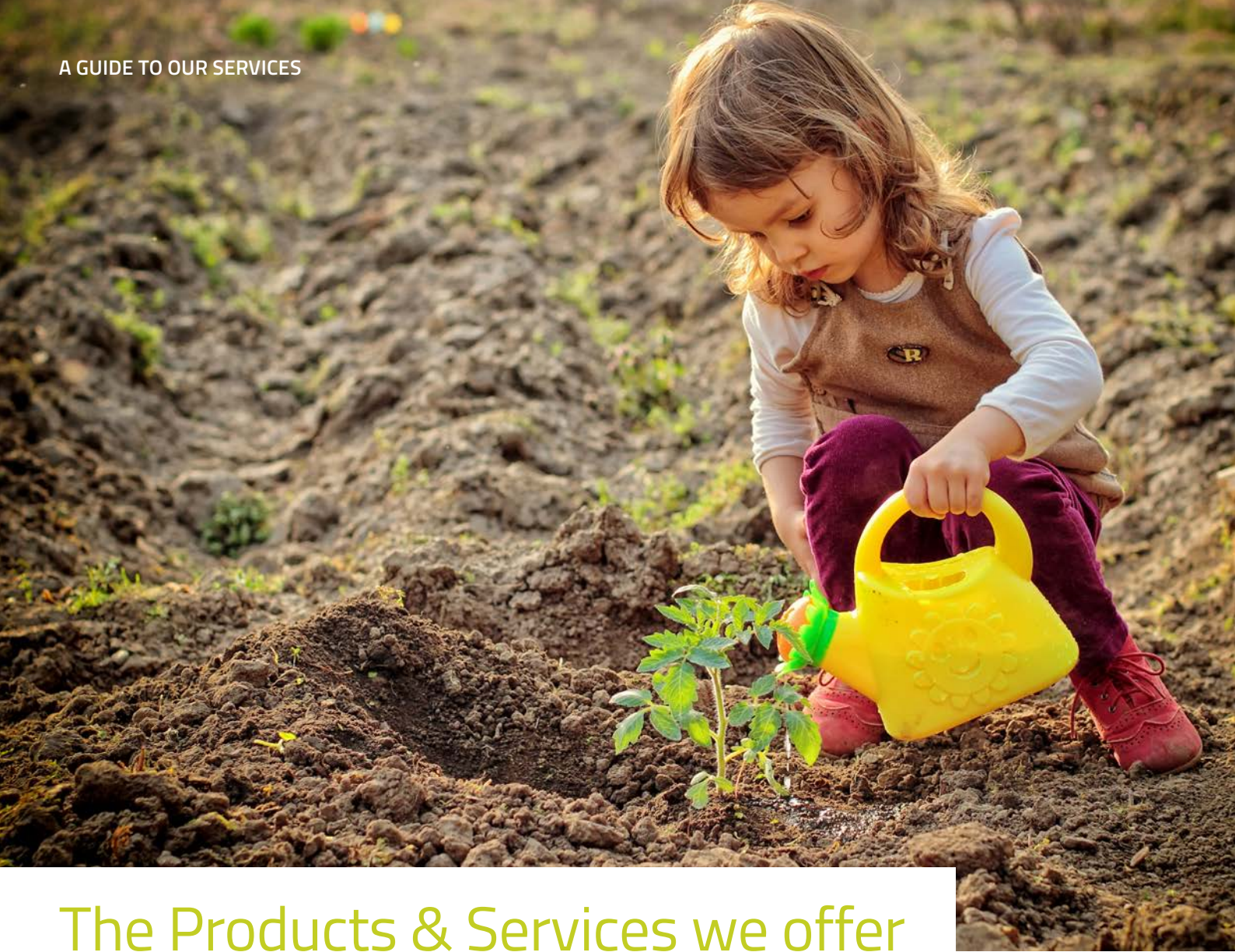
select the payment method that best suits your needs. Your adviser will discuss this with you so that you fully understand what to expect and how you will pay for our services.

Should you have any questions regarding any element of this please do not hesitate to ask us.

Professional Adviser 2015
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Advisor Firm of the Year
Midlands



The Products & Services we offer

We are committed to independent advice, constructing financial solutions using products from the whole of the market.

Financial advice is provided exclusively by qualified and experienced practitioners, and is regulated by the Financial Conduct Authority.

- **Investments** - we will assess your needs, risk profile and make an appropriate recommendation based on a comprehensive and fair analysis of the market.
- **Non-investment protection contracts** - we offer non-investment protection products

e.g. term assurance, income protection and critical illness from a range of insurers.

- **Mortgages** - where we advise you on a regulated mortgage we will provide you with a separate 'Key Facts About Our Services' detailing the services we offer and the costs of those services.

We advise on mortgage products from the whole of market range of mortgages available to "intermediary" firms. Certain lenders may offer products directly to the public, rather than via an intermediary firm with more favourable terms. Our recommendation to you will be based on the most suitable mortgage product incorporated within the range available to intermediary firms.

If there is a particular mortgage product that you are aware of which is available directly from a lender that you wish us to review and comment on, we are happy to do so. We may charge you a fee for providing advice in relation to this but would agree this with you at the time.

- **Non product-related advice** - Our range of services is not limited to product recommendations: we offer Tax Planning and Estate Planning services as well as advice and cash-flow planning. These services can be coordinated with your professional accounting and legal advisers. The Financial Conduct Authority does not regulate tax advice.

Our Principles

Our customers are central to our business, and as such our principles are based on providing a service which is **innovative and supportive, fair and valued**. We deliver this by adhering to our principles:

- ▶ We are open and clear about our business and how we are paid.
- ▶ We welcome customer feedback at any time and always follow up.
- ▶ Staff are encouraged to pursue continued professional development.

- ▶ We consider the impact of our behaviours on our clients at every level of business.

What you can expect

- ▶ Fair treatment and honesty.
- ▶ Products and services will only be promoted if they are relevant to our clients.
- ▶ Freedom to switch providers, change products, surrender policies and make any complaints without any undue barriers.

- ▶ Clear information about products and services we recommend.
- ▶ To be kept informed before, during and after the point of sale.
- ▶ We will take time to understand your situation and ensure that our advice is suitable and appropriate.
- ▶ Levels of service that you have been led to expect and products that are of an acceptable standard.

Who regulates us

Ernest Grant Limited is an appointed representative of Sense Network Limited, Brookdale Centre, Manchester Road, Knutsford, Cheshire, WA16 0SR which is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Sense Network Ltd's Financial Services Register number is 465124. Ernest Grant Limited's Financial Services Register number is 568558. Sense Network Ltd's permitted business is advising on and arranging pensions, savings and investment products, non-investment insurance contracts and mortgages. You can check this on the Financial Services Register by visiting the FCA's website:

www.fca.gov.uk/register

or by contacting the FCA on:
0800 111 6768.

What to do if you have a Complaint

In the event that you are dissatisfied with a recommendation we have made, you are entitled to make a complaint. We have a complaints procedure that is available on request. If you wish to register a complaint, please contact us:

In writing:

Write to The Compliance Director, Sense Network Limited, Brookdale Centre, Manchester Road, Knutsford, Cheshire, WA16 0SR.

By phone: 01565 658 840.

For your further protection if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service ('FOS'). Full details of the FOS can be found on its website at: www.financial-ombudsman.org.uk.

Are we covered by the Financial Services Compensation Scheme?

We are covered by the Financial Services Compensation Scheme ('FSCS'). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Investments

Most types of investment business are covered for up to a maximum of £50,000.

Insurance

Advising and arranging is covered for 90% of the claim, without any upper limit.

Mortgage

Advising and arranging is covered up to a maximum limit of £50,000.

Further information about compensation scheme arrangements is available from the FSCS at:

www.fscs.org.uk/consumer

Please be assured we treat complaints very seriously.

Our Advice Process

We provide you with clear direction for your financial plans by following a robust advice process which is centred on you and your objectives.

We will agree the scope of the work we will carry out for you at outset so that you have a clear expectation which we will deliver on.

Our recommendations will be based on a thorough assessment of your needs without bias, taking into account any restrictions you may wish to place on our advice.

We will confirm our recommendations to you, along with the features of any products recommended and any risks involved, in a personal financial planning report. We will also issue you with any regulatory information required prior to the conclusion of any contract. (Documentation and communications will be provided in English unless otherwise agreed).

We will provide an ongoing review service subject to agreement. There is a fee for this service. We will only provide a review service if this has been agreed in advance. Details of the ongoing services you have agreed are provided separately.

We may contact you in the future by means of unsolicited promotion (by telephone, email or post) should we wish to discuss the relative merits of a particular product or service that we feel may be of interest to you.

What to expect



DISCOVERY



ASSESSMENT



IMPLEMENTATION



REVIEW

1. Discovery Phase

Our objective here is to learn about and understand you. The more we know about you, your motivations, your priorities, your plans and aspirations, the better equipped we will be to provide you with advice which is suitable and appropriate.

You will have an initial meeting with your adviser, during which you will undergo a detailed fact-gathering exercise. This meeting can last up to 2 hours, and additional meetings may be required to thoroughly explore your circumstances and requirements.

We will ask you to provide us with information about your existing plans and policies and will obtain your consent for us to investigate these with the providers as necessary.

Following the initial meeting, and to ensure there is a clear and fair understanding for all concerned, we will write to you confirming the cost and scope of the services we have agreed with you.

2. Assessment Phase

Your adviser, supported by our research team, will analyse your financial plans, taking into account factors such as your risk profile, previous investment experience and plans for the future.

The assessment will include a consideration of the suitability of any existing arrangements you have in place and identification of any shortfalls or gaps in your financial planning.

Using this information, your adviser will formulate a tailor-made financial plan with the aim of meeting your objectives.

The recommendation may be specific to a particular area of your financial planning that requires immediate attention or could involve an assessment of your entire finances providing a strategic overview with a range of action points to be addressed over time.

Your adviser will provide you with a written recommendation in the form of a personalised Financial Planning Report, which will normally be presented to you at a meeting.

You adviser will take you through the key aspects of the recommendation, including the features and risks of any products recommended, all of which are summarised in your Report. You will also have the opportunity to ask questions and discuss future actions.

Subject to prior agreement, the assessment may include the following:

Taxation Review - based on current tax rules and looking at the opportunities and threats which exist within your present financial circumstances and will usually include your protection, investments, pension and retirement planning. Depending on your requirements we have access to a variety of professional contacts that may add further value in this area. The Financial Conduct Authority does not regulate tax advice.

Estate Planning Review - alongside a solicitor or professional will writer as necessary we will assess any existing provision along with the impact of inheritance tax on your estate and any possible solutions that could be used to mitigate this.

3. Implementation Phase

Having explained our recommendations to you, and obtaining your agreement to proceed, we liaise with any third parties in order to implement your plans efficiently. We will assist with the completion of any relevant application forms and documentation necessary to implement our advice.



Finally we carry out a further check that all the information is correct and accurate before submission to the relevant provider or appropriate third party.

4. Review Phase

We strongly recommend a robust review process is put in place to ensure that your objectives remain in view and your plans evolve over time, as your circumstances change. As part of our commitment to building long-term relationships, we feel that an ongoing review service adds significant value to both individuals and businesses.

The benefit of a regular review is to continually develop and evolve beneficial planning strategies and monitor existing strategies to ensure they remain appropriate.

Changes in your personal circumstances, career and health can alter your objectives, as well as developments in economic conditions, legislation and taxation.

In line with our service agreement, we will regularly provide up to date valuations of all the investments products held, whilst assessing the suitability of any protection products.

The regularity of your review service will depend on your requirements and will be agreed with you at outset. Our advisers aim to deliver a clear concise appraisal of your planning strategy including the performance of any relevant investments held against agreed benchmarks.

Our Service Levels

Advisory Service

Most of our clients make use of our advisory service in order to benefit from our ongoing advice and reviews of their financial plans. This service is appropriate for most clients and includes as standard an annual review of your plans and investments.

We will agree a bespoke advisory service with you based on your requirements. Our core services and optional extra services are detailed in the table opposite. Details of typical costs for ongoing services are provided in the next section. Fees for retained services are payable in advance and may be paid monthly, bi-annually, or annually through standing order, cheque or via retail investment products at your preference.

Transactional Service

There may be circumstances where a one-off service is appropriate and you do not wish to appoint us on an ongoing basis. Under this service we will provide you with a recommendation and implement our recommendations for you however we will not review your plans or investments again unless you ask us to. If at any point you require a review or further service from us this will be subject to a further fee to be agreed at outset.

The core services provide for both our advisory and transactional services are set out below. We will confirm your individual service agreement to you in writing.

	Advisory	Transactional
Free initial financial review meeting	Core	
Full initial assessment and analysis of your financial circumstances	Core	
Analysis, research & recommendations to achieve your stated goals/plans	Core	
Full reporting of recommendations and planned outcomes	Core	
Implementation service for all recommendations agreed	Core	
Free telephone access to adviser	Core	
Company newsletter and market communications	Core	Not included
Annual adviser review meeting	Core	Not included
Additional periodic review meetings	Optional	Not included
Reviewing risk profile & asset allocation	Core	Not included
Investment portfolio & management service review	Core	Not included
Ongoing telephone access to your Independent Financial Adviser	Core	Not included
Notification and updates of any changes to your holdings	Core	Not included
Administration of all agreed holdings	Core	Not included
Pension, investment, insurance review service	Optional	Not included
Pension, investment, insurance valuation service	Core	On request
Tax planning*	Optional	Stand alone
Estate planning*	Optional	Stand alone

* These services are available on a stand-alone basis if required subject to an agreed fee.

Description of Additional Service Elements

Telephone access to Adviser

When you require support / guidance you may contact us. Where we are not available at the time of your call, we will contact you back within the next 24 hours, subject to normal working hours.

Ongoing access to an Independent Financial Adviser (IFA)

This would normally mean unrestricted telephone and email access with personal meetings by mutual agreement.

Portfolio valuation

A hardcopy consolidated snap shot of the current position of your investment and pension portfolios.

Portfolio Management Service

Your valuation will be divided, based upon the underlying assets, and the allocation of these will be assessed against your recorded objectives and attitude to risk.

Suggestions on any re-balancing action to be taken to rebalance the portfolio will be made.

Annual Review Meeting

A meeting will be held to review your current situation and a financial planning report will be issued summarising any recommendations. Where your chosen ongoing service level includes a review meeting we will contact you to arrange this at the agreed frequency.

Where a review meeting is not included you can request one by contacting us, the costs of this are outlined in your fee schedule.



Company Newsletter and Market Communications

On a six monthly basis we issue a newsletter highlighting current events in the field of financial services which we deem to be of relevance to our clients.

To reduce the amount of paper being issued, this will be distributed by email so please ensure we have your latest email address. Should you require a paper copy please let us know and we will arrange this for you.

Taxation Optimisation

Utilising your ISA allowances from existing holdings - transferring assets from taxed holdings to tax-privileged holdings to make use of your annual allowance as it arises (where suitable and appropriate).

Estate Planning

Regular review of your financial situation to assess potential inheritance tax liability and make appropriate recommendations. The Financial Conduct Authority does not regulate Estate Planning Advice.

Additional periodic review meeting

Our standard is to offer one annual review on or near to the anniversary of your Client Service Agreement. If required, you can request additional periodic or ad hoc reviews which we will provide at an additional cost as agreed with you.

Reviewing Risk Profile & Asset Allocation

Our annual review service includes a reassessment of your attitude to and tolerance for risk and an assessment and recommendation regarding your asset allocation in line with this in order to address any drift in your portfolio away from your asset allocation or where your risk profile may have altered. We will also review your risk and asset allocation with you at key life stages e.g. retirement, marriage or ill health.

Investment Portfolio & Management Service Review

We will review the performance of your investment against agreed benchmarks and your desired outcomes. We will review the service provided by any investment manager appointed and make any necessary recommendations.

Notification and updates of any changes to your holdings

Where your investments are not managed on a discretionary basis, we will notify you periodically (as agreed) of any changes that we believe you should make to your portfolio in order to optimise your investment.

Pension Forecast & Valuation Service

We generate a report based on your present position, including an up-to-date valuation, the results of which are then forecasted forward and compared to your stated retirement objectives for our joint consideration and review.



Paying for our Services

In line with our principles, we will explain our fees to you in a way which is clear, transparent and not misleading. We believe our fees are fair and are costed based on the work we will carry out for you.

We find that many clients prefer us to work on a fixed fee basis so that the cost of our service is known at outset, however we will offer our service on a time-costed basis on request (we would advise agreeing a ceiling on time-costed fees which we will not exceed without further agreement with you).

We do not base our charges on the size of your investment as

our services are broadly similar regardless of how much money we are advising you on. The fees you pay will therefore be commensurate with the work we are required to undertake and not a percentage of your investment.

We will not charge you until we have agreed with you how we are to be paid. We will also tell you if you have to pay VAT and if there are other costs that might arise in connection with the services we provide to you.

We offer a variety of methods by which we can be paid so that you can select the method that best suits your needs. We will discuss your payment options with you and answer any questions you have at your initial meeting.

You can pay our adviser charges by cheque or bank transfer. We do not accept payments by card or cash. Our charges will become payable on completion of our work and should be settled within 28 business days.

You will be provided with a receipt upon payment. You may also pay our adviser charges via deductions from the financial product(s) that you invest in, where the product provider allows this.

Please note that if you choose to pay by deduction from a financial product this will reduce the amount left for investment and may, depending on your circumstances, have other consequences.

If you select this option we will discuss the implications of using this payment method with you prior to putting it in place.

If your investments are held on a platform you may choose to pay our adviser charges out of the funds held with the platform cash account (where the platform provider offers this facility).

If this method is selected it is important that sufficient funds are maintained in the account to cover our adviser charges as and when they become payable. We will discuss the implications of using this payment option with you prior to putting it in place.

Please note a minimum charge may be applied even if you choose not to invest in a product. We reserve the right to charge you for services provided prior to cancellation.

Paying by instalments (regular contribution contracts only)

Where you invest in a regular premium contract i.e. where contributions are made on a monthly, quarterly or annual basis, you can choose to pay the adviser charge in instalments (note that the option to pay in a single payment is still available).

Where you offer the option of payment via a regular premium contract you should include a realistic example to illustrate how this arrangement works (see example above).

Paying for our services with a regular payment (e.g. in a pension or life policy)

Example:

We typically take our initial service charge quarterly based on the first year's total monthly contribution you make to the product. The example below shows how this works for a £300 per month savings/pension product:

Total cost of our initial service to set up the product is £750. Payment is taken every three months (quarterly), spread over a 12 month period, the total advice cost being divided by four.

- The quarterly charge for the first 12 months is therefore £750 divided by 4 = £187.50.
- Each month you pay your premium for the product of £300. Each quarter for the first 12 months your product provider pays us £187.50 of that £300.
- So, each quarter for the first 12 months your payments are split as follows - £112.50 is invested / £187.50 pays our initial service charge.
- The full amount is invested in other months.

Where we are paid by commission we will tell you the amount before we carry out any business for you.

Paying by instalments through your recommended product

Where you are investing in a product you can choose to have the adviser charge deducted from the product through instalments (where the product / platform provider is able to offer this facility).

Although you may pay nothing to us up front, this does not mean that our service is free. You still pay us indirectly through deductions from the amount you pay into your product. These deductions could reduce the amount left for investment and may, depending on your circumstances, have other consequences.

If you select this option we will discuss the implications of using this payment method with you prior to putting it in place.

Keeping up with your payments

Where you have opted to pay our adviser charge by instalments these payments are linked to the ongoing payment of agreed regular contributions into your plan (until the agreed adviser charge has been paid in full).

In the event that the regular contributions to your plan are not maintained (until the agreed adviser charge has been paid in full) we reserve the right to request full payment of any outstanding balance of the charges for our services.

Protection Business

You can pay for our advice in relation to protection business by fee, commission or a combination of these. In relation to non-investment protection contracts, if you wish us to work on a fee basis the fee will be based on a fixed fee basis subject to a minimum fee of £500.

Any commission can be used to offset this fee. Any surplus will be refunded to you.

In respect of any regular premium policy which we have arranged for you, should you subsequently cease to pay premiums on the policy and in consequence we are obliged to refund the commission that has been paid to us, we reserve the right to charge you a fee representing the amount we have to repay, for a period of up to four years after commencement of the policy.

We will confirm the exact amount that will need to be repaid by you and the timescale over which it will need to be repaid in the suitability report we will send you when a recommendation is made. We will not charge any such fee if you exercise your right to cancel in accordance with any cancellation notice sent to you by the life insurance company.

Non Advised Services

You can pay for our non-advised services on the basis of commission or fee. We will tell you how we get paid and the amount before we carry out any business for you.

Example charge for a new client requiring family protection against death and critical illness, based on £100,000 of cover

Administrator	1 hour at £50 per hour = £50	Average cost for a new protection client is £750*
Researcher	2 hours at £150 per hour = £300	
Adviser	2 hours at £200 per hour = £400	

*If we received commission from the product provider of £250.00 this would reduce the fee you pay directly to us to £500.00.

Where we are paid by commission we will tell you the amount before we carry out any business for you.





Mortgage Business

Details of how we are paid for our mortgage services can be found in a separate mortgage initial disclosure document which will be given to you prior to undertaking work in this area.

Investment Business

Our fees are calculated based upon an estimate of the amount of work required to advise you and the ongoing services you require. The fee will be confirmed to you as a fixed monetary amount in pounds (£) along with details of the work to be completed.

Group Personal Pensions

There may be instances where commission is still payable under the terms of a group personal

pension that you are a member of. Where commission is payable, this will be used to cover the cost of our fees. In these circumstances your adviser will discuss your options and advise on the most appropriate course of action. Commission rates can be up to 5% of contributions paid or transferred.

Initial Charge (all service levels)

When we establish a new client relationship with you, commence a new investment, plan or provide you with a one off review we will charge you for the work we carry out for you.

Our charge will be confirmed to you in a Service Level Agreement along with the scope of the work we need to do in order to advise you.

Charges for Advisory Service Options

Unless otherwise agreed, the initial and ongoing service is part of the same package and all fees will be agreed at outset. Whilst ongoing services are optional, if selected, they will be provided as a follow up to our initial service. Charges for the ongoing service will not normally be liable to VAT, however we will advise you of this in your Service Agreement.

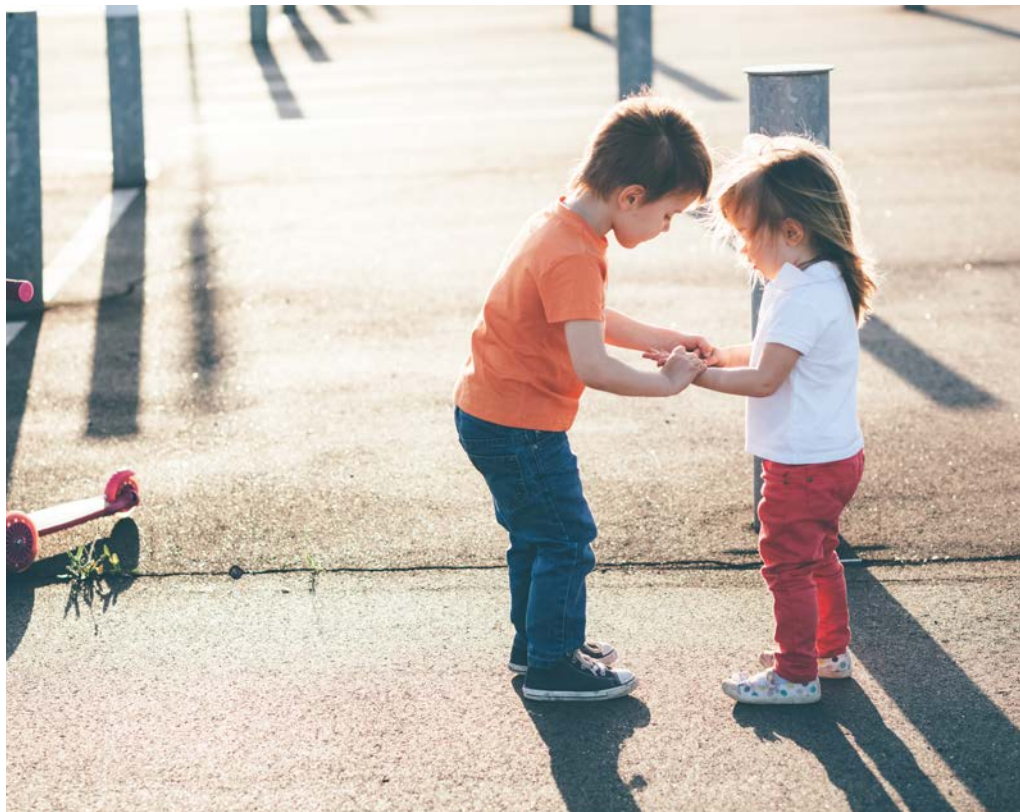
We offer our advisory service for clients who wish to receive ongoing support and advice from us. The advisory service is built on a bespoke basis depending on your needs, with the core services being as detailed in the table on page 8. Ongoing services can be cancelled at any time by simply informing us in writing. Please note that we reserve the right to charge you for services provided prior to cancellation.

Please note that with the transactional option we will be providing this service only. Any products we have arranged for you will not be kept under review in future. We will however provide further services to you upon your request and these may be subject to a new fee agreed with you at that time. Annual fees for ongoing services are dependent upon the number of services you opt for, and an estimate of the time required to complete the work needed. As an example, a basic annual investment review service with no requirement for tax computations would normally cost £750.00pa.

Hourly Rates

Our fixed fees are calculated based upon an estimate of the work required and make reference to our hourly rates. These are also the rates we use if your request a time costed service.

You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. All the fees outlined will be payable on completion of the work.



Where we use or refer to hourly rates the current rates used are:

	Hourly Fee
Director/Specialist/Technical	£300 per hour
Financial Adviser	£200 per hour
Paraplanning (research and report preparation)	£150 per hour
General Administration	£50 per hour

Expenses: many of our expenses are costed into our hourly rates such as postage and phone costs, however where Ernest Grant employees travel to you we reserve the right to charge the appropriate hourly rate. These will be fully disclosed to you prior to engagement.

What our charges might be

We have put together examples below to give you an idea of our typical charges.

Example 1: Typical cost of setting up a new pension on a Transactional Basis:

1. Discovery	Fee £450	2. Assessment	Fee £1,000	3. Implementation	Fee £450
<ul style="list-style-type: none"> Full fact-gathering meeting Identification of objectives and priorities Obtaining information about existing arrangements <p>Financial adviser - 2 hours Administration - 1 hour</p>		<ul style="list-style-type: none"> Research and preparation of recommendation Preparation of full report Presentation meeting with adviser <p>Researcher - 4 hours Financial adviser - 2 hour</p>		<ul style="list-style-type: none"> Completion of application paperwork Submission of provider Follow up to completion Documentation check <p>Financial adviser - 2 hours Administrator - 1 hour</p>	

Total Fee = £1,900

Example 2: Typical cost for reviewing a complex existing investment, advising on a new investment and providing ongoing services on an Advisory basis:

1. Discovery	Fee £500	2. Assessment	Fee £1,800
<ul style="list-style-type: none"> Full fact-gathering meeting Identification of objectives and priorities Obtaining information about existing arrangements <p>Financial adviser - 2 hours Administration - 2 hours</p>		<ul style="list-style-type: none"> Investment research and preparation of recommendation Preparation of full report Presentation meeting with adviser <p>Researcher - 4 hours Specialist financial adviser - 4 hours</p>	
3. Implementation	Fee £1,300	4. Review	Fee £1,200
<ul style="list-style-type: none"> Completion of application paperwork Submission to provider Follow up to completion Documentation check <p>Specialist financial adviser - 4 hours Administration - 2 hour</p>		<ul style="list-style-type: none"> Evaluating the suitability of your investment at an agreed future date Portfolio review Re-balancing recommendation Review meeting <p>Specialist financial adviser - 3 hour Researcher - 2 hours</p>	

Total Fee = £4,800



Which fee option is right for You?

You can choose to pay for our services on an hourly rate basis or an agreed fixed-fee basis.

Hourly Rates

Where the hourly rate option is adopted, you will be required to make a payment on account based on the type of work proposed. Periodically (or on request), we will produce a report outlining 'hours worked so far' and the balance of your account.

We may ask you to 'top up' your fee account if insufficient funds remain to cover anticipated work. This will mean you are always armed with the knowledge of how much our services are likely to cost and not stung with a huge bill unexpectedly.

Fixed Fee

Alternatively, we will agree with you a fixed fee for the work required to advise you. Our fixed fees are calculated based upon an estimate of the work required and make reference to our hourly rates.

These are the same rates we use if your request a time costed service. We will write to you at outset to confirm the scope of the work required and the fixed fee payable.

□ This will mean you are always armed with the knowledge of how much our services are likely to cost. □



Client Responsibility

It is important that you provide us with the information that we request in order for us to provide the advice and services you want. We therefore ask that clients do not unreasonably withhold relevant information.

Please note that any advice we provide to you will be based on the information you provide to us.

Under the FCA rules, we are required to consider whether it is in your best interests for us to act for you if you refuse to provide us with what we believe to be the necessary information.

We therefore reserve the right to decline to act for you if we believe you have not provided us with the requisite information.

As we are required by anti-money laundering legislation to know who we are dealing with, it would be helpful if you could bring to the meeting evidence of your identity and address.

This would normally include either your passport or driving licence and a utility bill in your name. If these documents are not available please speak to the adviser who will confirm what alternatives would be acceptable.

Failure to provide accurate and up to date information may invalidate your insurance cover and mean that a claim may not be paid.

All other clients (commercial customers for example) must still disclose all 'material facts' (any information that may influence the insurer's decision over cover or terms) prior to inception and throughout the period of the policy. Again, failure to disclose material information may invalidate your insurance cover and could mean that a claim may not be paid.

Q Under the FCA rules, we are required to consider whether it is in your best interests for us to act for you. Q

Providing Information to your Insurer

In relation to insurance/protection cover, this is based upon the information you provide to the insurance company. For all individuals (known as consumers) buying insurance, this means that you must take 'reasonable care' to answer all questions asked by the insurer fully and accurately.

For general insurance policies such as car insurance or liability insurance, once cover has been arranged, you must immediately notify the insurers or us of any changes to the information that you have already provided.

Client Classification

Unless we notify you in writing to the contrary, we will be treating you as a retail client. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service. Details of our complaints procedure are available on request.

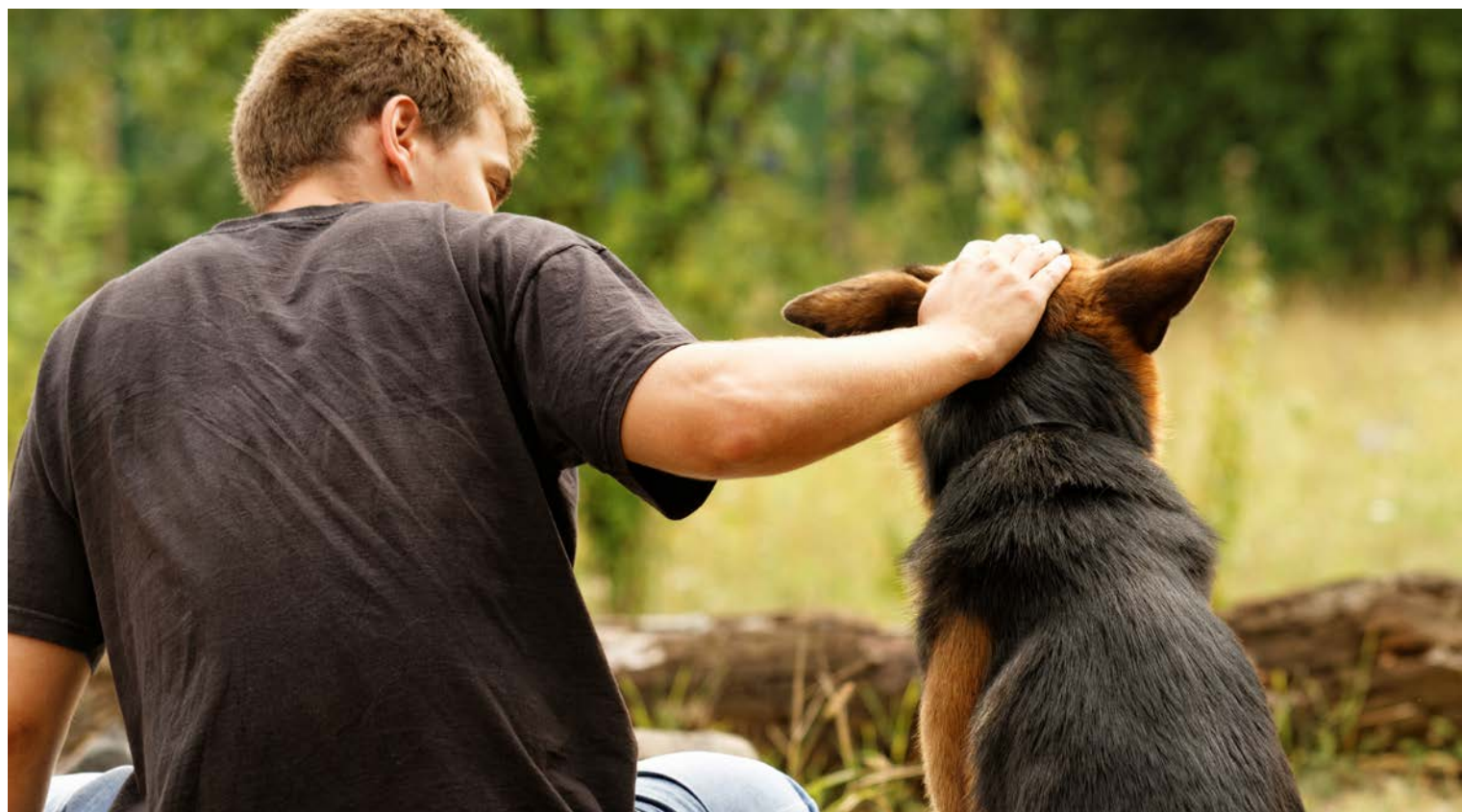
Client Money

We are not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

Disclosure of Charges/Fees

All charges/fees will be fully disclosed to you. These will be disclosed in summary form before we undertake any work for you. The precise charges relating to any work or recommendations we make will be confirmed in your suitability report or relevant product disclosure information that is provided to you.

The charges/fees will be VAT exempt unless the work we provide for you only involves advice and/or preparing a report, in which case VAT will be applicable.



In either circumstance we will advise you before we undertake any work for you. The initial and on-going services form part of the same package. There is no additional cost to you for using a means of distance communication.

VAT

No VAT will generally be payable where you pass the gateway test. This is effectively the point where intermediation takes place to set up the solutions to deliver your goals.

There are six stages to intermediation. If only the first four stages are completed then it is deemed that you have not completed the gateway test and VAT will be payable.

The stages are:

1. Gather information about the customer (fact find)
2. Carry out research to find suitable investment options
3. Provide the customer with reports, financial health checks, forecasts
4. Recommend specific investment products to the customer, including the prices at which these can be arranged

Gateway Test

5. Act between the product provider(s) and the customer with a view to arranging the sale of the Retail Investment Products agreed with the customer

6. And, where applicable i.e. where the customer agrees to an on-going review service monitor the customers on-going position to ensure that the products continue to meet the requirements of the customer.

Conflict of Interest

We will endeavour always to act in the best interests of our clients. However, circumstances can arise where we or one of our other customers may have some form of interest in business being transacted for you.

If this happens or we become aware that our interests or those of one of our other customers conflict

with your interests, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment.

Other benefits we may receive

From time to time we may attend training events funded and/or delivered by product providers, fund managers and platforms. These events are designed to enhance our knowledge and ultimately therefore enhance the quality of service we provide to our clients.

Further details are available on request.



Business Support

We obtain professional support services from Sense Network Ltd and Threesixty Services LLP, who provide us with regulatory and business advice.

Best Execution

In executing or transmitting orders on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'.

Risk Warnings

Please be aware that the value of investments can fall as well as rise, and that you may not get back the full amount invested. The price of investments we may recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control.

Past performance is not a reliable indicator of future results. Specific warnings relevant to the investments, or investment strategies, we recommend will be confirmed to you in your suitability report. Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily realisable.

We would draw your attention to the risks associated with these investments as there is a restricted market for them.

In some circumstances it may therefore not be possible to deal in the investment or obtain reliable information about its value.



We may also, on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products.

Neither Ernest Grant Limited nor its employees are qualified to render legal or accounting advice or to prepare any legal or accounting documents.

It is hereby understood and agreed that the onus is on you the client to refer to a solicitor or accountant any point of law or accountancy that may arise during the course of discussions with us.

Cancellation Rights

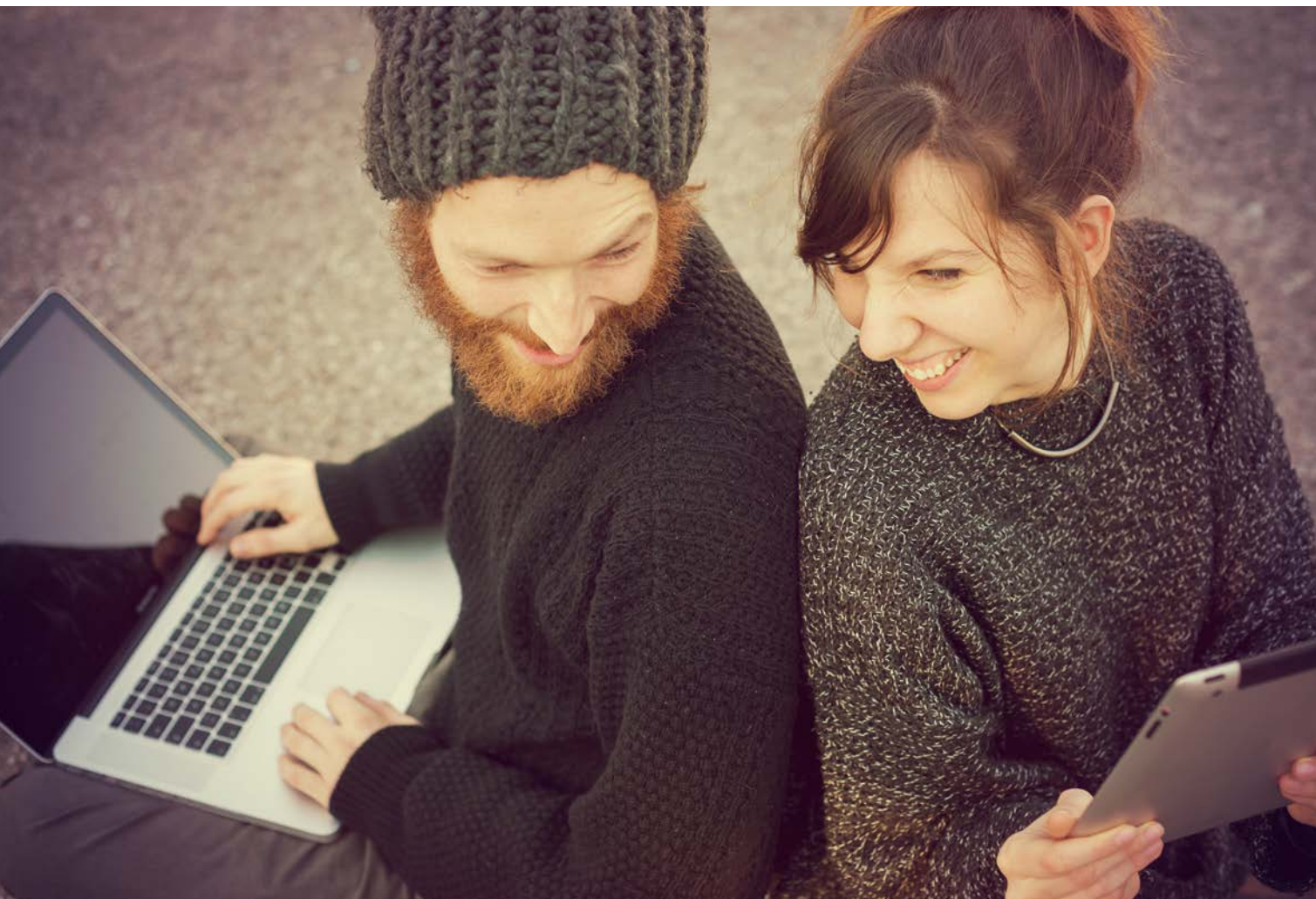
In most cases you can exercise a right to cancel, by withdrawing from the contract recommended to you. In general terms you will

normally have a 30 day cancellation period for a life, pure protection, payment protection or pension policy and a 14 day cancellation period for all other policies.

In most instances, you will not be able to exercise a right to cancel a mortgage contract, unless the contract is concluded at a distance (i.e. no face to face advice), at which point you may have a 14 day cancellation period.

For pure protection policies the start of the cancellation period will normally begin when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions.

In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions.



Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

If you cancel a single premium contract, you may be required to pay for any loss you might reasonably incur in cancelling it which is caused by market movements.

This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.

Documentation

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All Policy Documents or Lender's Offer Documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you.

Termination

You, or we, may terminate our authority to act on your behalf at any time, without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to these terms of business unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding, if applicable.

Anti-money Laundering

We are required by 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 up-to-date. For this purpose we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning.

Data Protection

Your personal information is very important to us. We will endeavour to take all due care to protect this information. We would like to highlight below a few matters relating to your information that you should be aware of.

Some services are provided to Ernest Grant Limited by third parties such as processing business or obtaining compliance or regulatory advice, which warrant the disclosure of more than just your basic contact details.

You agree that personal information held by ourselves may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to any such third parties.

You also agree that this information may be transferred electronically, e.g. email and you agree that we, or any such third party, may contact you in future by any means of communication which we consider appropriate at the time.



Product providers, lenders and investment managers may administer your policy, any existing policies you may have with them and provide other services, from centres in countries outside Europe (such as India and the USA) that do not always have the same standard of Data Protection laws as the UK.

However, they are required to put a contract in place to ensure that your information is adequately protected, and they will remain bound by their obligations under the Data Protection Act even when your personal information is processed outside Europe.



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