

Terms of Business

Investment Services

Pennymatters Limited is permitted to advise on and arrange (bring about) deals in investments. With regard to investments which we have arranged for you, these will be kept under review. We may contact you in the future by means of an unsolicited promotion (i.e. where you had not expressly requested it) should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you. Pennymatters Limited does not handle clients' money. We never accept a cheque made payable to us or handle cash (unless it is payment in settlement of charges or disbursements for which we have sent you an invoice).

Regulatory Services

Pennymatters Limited - Suite 2.7, Doncastle House, Doncastle Road, Bracknell, Berkshire, RG12 8PE is authorised and regulated by the Financial Services Authority. Our FSA Register number is 530681. The Financial Services Authority can be contacted at the following address: 25 The North Colonnade, Canary Wharf, London, E14 SHS.

Client Classification

In providing investment services to you, we will categorise you as a 'retail client'. The type of client category will determine the level of protections afforded to you under the regulatory system. As a retail client the regulatory protections available to you are determined by this category and will be "the highest available". Where we have categorised you other than as a 'retail client', you may request re-categorisation under a client category which benefits from a higher degree of protection. However, we reserve the right to agree to such a re-categorisation on a case-by-case basis, and where we agree to do so it does not necessarily mean that you will have a right of access to the Financial Ombudsman Service.

Conflict of Interests

Pennymatters Limited offers advice in accordance with that disclosed to you in our Initial Disclosure Document, included in this document. Occasions may

arise where we or one of our other clients 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 clients 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.

Termination of Authority

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 the Client Agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made or carried out prior to termination and any fees which may be outstanding.

Right to Withdraw

In the case of a non-packaged product ISA or PEP recommended (e.g. a direct equity ISA), we will inform you in writing of any right to withdraw or cancel you may have or, if it is the case, we will inform you in writing that no such rights will apply.

Clients Risk

You are advised that because investments can fall as well as rise, you may not get back the full amount invested. Past performance is not a guide to future performance.

How we Charge you for our Services

Our income normally comes from either commission from the product providers (e.g. life assurance companies) we write business with, or fees paid to us by our clients. Whenever commission is available to us, you can choose whether to pay us by allowing us to keep the commission, or by paying us a fee instead. This is in line with standard industry practice. We will tell you how much the commission is before the transaction.

If you choose to pay us by commission, we will keep the commission and not charge you a fee.

If you choose to pay us on a fee basis, we will agree its basis, frequency and method with you in writing before we carry out any work that we charge you for. We may also receive some form of benefit if we introduce business to a product provider or another firm. We will tell you before the transaction if we are likely to receive some form of benefit from recommending any product to you, or from working with any product provider or firm. We will provide further details on the cost of our services in a separate document.

Paying by fee

Whether you buy a product or not, you will pay us a fee for our advice and services on the completion of our work. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we could increase your investment amount, or refund the commission to you. If you choose the fee option we will confirm the rate we will charge in writing before beginning any work. Our typical charges are £100-£300 per hour. We will tell you if you have to pay VAT.

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.

Paying by commission (through product charges)

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the commission and the product provider's own costs. These charges reduce the amount left for investment, or to pay for cover. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. We will tell you how much the commission will be before you commit to any transaction, but you may ask for this information earlier.

The amount of commission we receive will vary depending on the type of contact, the premium involved, and, in some cases, the contract term.

For example if you invest:

- £10,000 in an individual savings account (ISA) we would typically receive commission of 3% of the amount invested (£300) and 0.5% of the value of the fund (roughly £50 (based on initial premium) every year).
- Alternatively, if you pay £100 a month into a personal pension (with a term of 25 years) then

we would typically receive initial commission of £600 and 0.5% of the value of the fund (approximately £6 (six) on a fund value of £2,100).

- Or if you pay £100 per month towards a whole of life policy then we would typically receive £1,332 (111% of the annualised premium).

Commission payments do not include payment for periodic or regular reviews unless specifically agreed in writing.

Paying by a combination of fee and commission (through product charges).

We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out in the above sections headed.

'Paying by fee' and 'Paying commission (through product charges)'.

Other benefits we may receive

We advise on a range of products from a variety of firms; we may receive certain non-monetary benefits from these firms, which are used to enhance the quality of service we provide to you. Benefits we may receive include access to technical services, information technology support or the supply of product literature. Further information regarding any of these arrangements is available on request.

Information about other costs and associated charges

There may be other costs, including taxes, that are payable through other parties (such as product providers) that we may not be a party to. Such charges are normally disclosed in relevant third party documentation, for example a Key Features Document.

Accounting to You

Unless in exceptional circumstances, we will confirm to you in writing the basis or our reason for recommending the transaction executed on your behalf. We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise 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 relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you.

Investments Objectives & Restrictions

Following the issue of this document, any subsequent advice or recommendation offered to you will be based on your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. Details of your stated investment objectives will be identified during our discussions with you and confirmed in the suitability report that we will issue to you to confirm our recommendation. Unless confirmed in writing, to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

Best Execution Policy

It is in the interests of our clients and Pennymatters Limited that we obtain the best possible result when placing orders with other firms (e.g. third party brokers) for the execution of client orders or when transmitting orders on behalf of clients for particular investments - e.g. shares. We are required under the Rules of the Financial Services Authority to take all reasonable steps to provide 'best execution' when carrying out such transactions. Where we place or transmit orders for such investments on behalf of our clients, we may utilise the services of a third party broker and base our decision to place or transmit an order on the price and cost of execution of the order. For orders in collective investment schemes (e.g. unit trust), however, the price of units or shares in the scheme is normally set by the scheme operator or manager and as such we have little influence over the price available. Full details of our best execution arrangements are provided in our Best Execution Policy, a copy of which can be provided on request.

Data Protection Statement

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By signing this document you consent to us or any company associated with us processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FSA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or

condition; the commission or alleged commission of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

You confirm your consent to us or any company associated with us processing any such sensitive personal data.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes please contact The Data Protection Officer on 01344 988390 or in writing at Pennymatters Limited Suite 2.7, Doncastle House, Doncastle Road, Bracknell, Berkshire, RG12 8PE.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purposes. Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

Client Consent and Declaration

This is our standard client agreement upon which we intend to rely. We recommend you read these terms carefully before signing them. If you do not understand any point please ask for clarification. I hereby authorise the transfer of information, as described above on a confidential basis when warranted between such third parties. I agree that the Client Agreement will come into effect from the date of acceptance of this agreement.

Name _____

Signature _____

Date _____

Name _____

Signature _____

Date _____



ABOUT OUR SERVICES



The modern approach to financial advice

Pennymatters Limited

Doncastle House

Doncastle Road

Bracknell

RG12 8PE

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. This document is designed by the FSA to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

2. Whose products do we offer?

- We offer **Investments, Pensions and Mortgages** from the whole market.
- We offer products from a range of insurers for **Life, Critical Illness, Private Medical Insurance, Income Protection and General Insurance.**
- We only offer products from a limited number of companies.
- We only offer Investment and Pension products from a single group of companies; Insurance products from a single insurer; Mortgages from a single lender.

3. Which service will we provide you with?

- We will advise and make recommendation for you after we have assessed your needs for **Investments, Pensions, Mortgages, Life, Critical Illness, Private Medical Insurance, Income Protection and General Insurance.**
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.
- We will provide basic advice on a limited range of stakeholder products.

4(a). What will you have to pay us for our Investment, Pension and Insurance services?

You will pay for our services by fees, commission (through product charges), or by a combination of commission and fees. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

Paying by a fee

Whether you buy a product or not, you will pay us a fee for our advice and services on the completion of our work. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways.

For example, we could reduce our fee, reduce your product charges, increase your investment amount, or refund the commission to you. If you choose the fee option we will confirm the rate we will charge in writing before beginning any work. Our typical charges are £100 - £300 per hour. We will tell you if you have to pay VAT.

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.

Paying by commission (through product charges)

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the commission and the product providers own costs. These charges reduce the amount left for investment, or to pay for cover. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. We will tell you how much the commission will be before you commit to any transaction, but you may ask for this information earlier.

The amount of commission we receive will vary depending on the type of contract, the premium involved, and, in some cases, the contract term.

For example if you invest:

- ▶ £10,000 in an individual savings account (ISA) we would typically receive commission of 3% of the amount invested (£300) and 0.5% of the value of the fund (roughly £50 (based on initial premium) every year).
- ▶ Alternatively, if you pay £100 a month into a personal pension (with a term of 25 years) then we would typically receive initial

commission of £600 and 0.5% of the value of the fund (approximately £6 (six) on a fund value of £1,200).

- ▶ Or if you pay £100 per month towards a whole life policy then we would typically receive £1,332 (111 % of the annualised premium).

Commission payments do not include payment for periodic or regular reviews unless specifically agreed in writing.

Using a combination of fees and commission (through product charges)

Whether you buy a product or not, you will pay us a fee for our advice and services, which will become payable on completion of our work. If we also receive commission from the product provider when you buy a product, we will retain some or all of that commission. This will be agreed on a case by case basis in writing, before we complete work for you. We will tell you if you have to pay VAT.

The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out in the sections headed "Paying by fee" and "Paying by commission (through product charges)".

4(b). What will you have to pay us for our Mortgage services?

For our **Mortgage** services we offer our clients the option of paying by fees, commission or a combination of fees and commission.

- 1. No fee. We will be paid a procurement fee from the lender.
- 2. A fee of £_____ payable at the outset* and £_____ payable on application* and £_____ payable on completion*.
- 3. A fee of _____% of the loan advance, payable on completion.
- 4. We may receive commission from the lender, in which case we will rebate it to you or use it to offset any fees agreed in 2 and/or 3.
- 5. We may receive commission from the lender in addition to the fees agreed in 2 and/or 3. We discussed the option whereby you could pay for the full cost for the advice and recommendation process by fee. Under these circumstances, we would rebate the commission received from the lender to you. You elected not to take this option.

*delete as applicable

You will receive a Key Facts Illustration when considering a particular mortgage, which will tell you about any fees and commission relating to it.

Refund of Fees

If we charge you a fee, and your mortgage does not go ahead, you will receive:

- 1. A full refund if we cannot obtain a mortgage for you.
- 2. A refund of £_____ if we arrange a mortgage offer for you and you wish to decline this offer.
- 3. No refund of fees.

Declaration

I authorise Pennymatters Ltd to undertake the work on my behalf and wish to enter into this agreement on the remuneration basis outlined in section 4 above.

You may/may not* contact me/us* from time to time with new mortgage offers.

* delete as appropriate

Applicant 1

Name _____

Signature _____

Date _____

Applicant 2

Name _____

Signature _____

Date _____

5. Who regulates us?

Pennymatters Limited - Suite 2.7, Doncastle House, Doncastle Road, Bracknell, Berkshire, RG12 8PE is authorised and regulated by the Financial Services Authority. Our FSA Register number is 530681. Our permitted business is to provide investment advice and arrange life assurance, pensions, collective investments (e.g. unit trusts, investment trusts and OEIC), individual savings accounts, mortgages and general insurance. You can check this on the FSA Register by visiting the FSA website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234

6. What to do if you have a complaint?

If you wish to register a complaint, please contact us:

... in writing:

Write to Pennymatters Limited, Suite 2.7 Doncastle House, Doncastle Road, Bracknell, Berkshire, RG12 8PE.

... by phone:

Telephone 01344 988390

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

7. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the 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

Provision and mediation of investments: protection for 100% of £50,000.

Non-Investment Insurance

Non-compulsory insurance provision (both general and life insurance): protection for 90% of the claim, with no upper limit. Cover for compulsory insurance is 100% of the claim with no upper limit.

Mortgages

Advising or arranging house purchase finance: protection for 100% of £50,000.

Further information about compensation scheme arrangements is available from the FSCS