



LEBC Group

Terms of Business

Our approach to business

Introduction

We are committed to providing all our clients with an efficient and effective service. In order to achieve this we believe that it is important to agree in advance the nature of our relationship with you. Please familiarise yourself with these Terms of Business in order to ensure that our services are right for you - and before continuing to instruct us - to avoid any misunderstandings in the future.

Who we are

The Retirement Adviser is a division of LEBC Group, a well established national company of Independent Financial Advisers. We are dedicated to providing expert, independent advice to all our clients: personal, corporate and partnerships. Our independence ensures that our consultants will always act in your interests.

Client relationships are of paramount importance to us and we feel that to be most effective, our advice must be delivered in a long term relationship of mutual trust. The creation and maintenance of such relationships is the key to our success.

LEBC Group Ltd is an Appointed Representative of Sesame Limited, (Oasis Park, Stanton Harcourt Road, Eynsham, Witney, Oxon, OX29 4AE). Sesame Limited's company number is 2844161.

Sesame Limited is authorised and regulated by the Financial Services Authority ("FSA"), the independent watchdog that regulates financial services in the United Kingdom. Sesame Limited is authorised to give advice on and make arrangements for its clients to buy a range of financial services products, including life insurance, mortgages, pensions and investments as well as other financial services products. However, this agreement only relates to the provision of investment advice.

Sesame Limited's FSA Register number is 150427. You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Sesame Limited is a wholly owned subsidiary of Sesame Group Limited, which is a wholly owned subsidiary of Friends Provident Distribution Holdings Limited. The ultimate holding company is Friends Provident plc.

Sesame Limited is referred to in the remainder of this agreement as 'Sesame': LEBC is referred to as 'we', 'us' and 'our'.

Sesame and we are regulated by various other bodies for products and services that the FSA doesn't regulate. Sesame and we are based in the UK.

Personnel

In our view, a close relationship with clients is essential to achieving our aims; to this end a specific Consultant will always be assigned with overall responsibility for your work. As some areas of our work require specialist licences, it may be that more than one Consultant undertakes certain tasks. In addition, in order to obtain the benefit of specialist skills and provide the highest quality service in the most cost effective way for you, the Consultant responsible may assign tasks to another executive or assistant under their supervision, but will still retain overall responsibility.

We try hard to avoid changing the individuals who may be dealing with your work, but if this becomes unavoidable, we will promptly notify you of any changes in personnel.

Communications

If we need to contact you, we can either write to you or phone you. Please let us know which you prefer and if you want us to email or fax you. If you verbally ask us to do something for you, we will confirm this to you in writing to ensure we have understood your instructions correctly. If we give you advice we will normally confirm it to you in writing.

Where any recommendation we make, or transaction we undertake for you results in a right to cancel the policy under certain conditions, we will advise you of these rights. We will also tell you if you do not have a right to cancel the arrangement.

The FSA requires that we classify our clients as either retail (personal) or professional (business). In all cases we will classify you as a retail client. This will give you the highest level of consumer protection and in some circumstances access to the Financial Ombudsman Service.

Conflicts of interest

Occasionally, we, or one of our other customers might have some type of interest in business that we are carrying out for you. This is called a 'conflict of interest'. If and when we become aware of a conflict of interest, we will tell you before we carry out any business for you and get your consent before we continue advising you. On occasion we may have to cease acting for you, but we will help you find advice from elsewhere, if you want us to. We are not allowed to be your trustees or to put your assets in any trust, nominee account, fund or pension scheme in which we have a material interest. You may not appoint us as an executor of your will.

Best execution

When we advise on or arrange certain types of investment products for you, we have to make sure that we get the best possible result for you, as a personal client. We call this 'best execution'. We will give you a copy of our best execution policy if you ask for it.

LEBC Group services

Not all firms offer the same services. We operate independently and therefore provide investment services from across the whole market. As a progressive and people-focussed business we recognise that all clients are individual and therefore we offer choice in both the services we provide and the way we can be remunerated.

Advice: You can choose to receive advice from us, whereby we will offer advice and make recommendations after we have assessed your needs.

No advice: You can ask us to act upon your instructions only, whereby we will not give advice or make a recommendation. We may ask 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.

Where we do not give advice we will not be liable for any damage or loss you suffer, unless we do not carry out your instructions as you asked or unless we are not allowed by law to exclude liability to you.

If you choose to receive advice from us, this can be in the following ways:

- (1) **Transactional:** Our initial advice will be appropriate for you based upon your requirements and circumstances at that time. We will not ensure that any initial advice remains suitable for you at a later date unless you specifically ask us to; you can ask us to do this at any time.
- (2) **Transactional Plus:** As per (1) above, but with the addition of a periodic (approximately every twelve months), information/valuation review pack. There is a requirement for an ongoing fee and/or commission payment for this service. Details are given in the '**Remuneration Option**' section.
- (3) **Full Services:** As per (1) and (2) above. In addition, we agree to contact and meet with you in order to review your current circumstances, needs and objectives. At this meeting we will provide you with a summary of the performance and status of your existing policies and investments to date. These reviews may, at your request, consider the ongoing suitability of your existing policies and/or investments. The review meetings will be subject to the agreed service charge. If we recommend any investment changes we will implement them, with your agreement. We will agree additional payment for these changes at that time.

How we charge you for our services

We will not charge you for any services we provide until we have discussed and agreed your options and obligations with you.

As a progressive business we recognise that clients should be able to choose the way we are remunerated. The choices available to you are detailed in the "Remuneration Options" section on pages 5 and 6 below.

Essential Points

How we act for you

We will provide our services to you using reasonable care and skill. Please note however, you may ask us to provide specialist advice, which we are not allowed to give. We are not able to advise you about the following types of investments.

- Direct investment into shares
- Derivatives
- Collective investment schemes (which are not regulated by the FSA)
- Share exchange schemes
- Exchange traded funds
- Exchange traded commodities
- Qualified Investor Schemes
- Isle of Man experienced investor funds
- Commodity based funds
- Holiday property bonds
- The merits of investment in a specific property

- Experienced investor schemes
- Qualified investor funds or experienced investor funds.

We will let you know if this list changes. Please ask us if you need any more information about what we are able to advise you about.

We can, however refer you to someone who can advise you in areas we cannot. They may pay us a fee or some other benefit for us introducing you to them as a customer; if this happens, we will tell you in writing.

You should receive you a separate agreement from them explaining what services they will provide to you; they may be other financial advisors, solicitors or accountants. Any persons to whom we refer you will take responsibility for the advice they give to you.

We can't give you legal advice, but will point out and explain to you what the payment terms, exit charges, exclusions and other key terms are for any product you buy using our services.

We can act for you if you live in the UK but there may be restrictions on how we can advise you if any of the following apply to you:

- You do not live in the UK;
- You are currently staying in the UK, but normally live abroad;
- You are currently staying in the UK and plan to move or return to another country.

Please ask us for details if you think this may apply to you.

Investment Risk

All investments carry a degree of financial risk that will tend to increase in proportion to the potential rate of return on the investments. The value of some may fall as well as rise. Before entering into any investment agreement we will explain the risk, but you must tell us if you do not understand our explanation of the risk, or if you do not wish to accept that level of risk.

Provision of information by you

To enable us to carry out our work, you should provide us with full and accurate information. Where appropriate we may approach such third parties you approve for additional information or documents. We will rely on the information and documents being true, correct and complete.

If we ask you to fill out any forms or documents, you must do this promptly, accurately and honestly. You may be committing a criminal offence by completing a form with information that is not accurate or truthful. We will not be liable to you if you suffer financially because you have not completed a form or document truthfully or accurately. As and when requested you must provide instructions to us in a timely and clear manner during the course of your work.

Whilst dealing with you, we will regularly check that the information we hold is correct. You must tell us if we have got anything wrong. You must also tell us about any changes to your circumstances (when they happen), as this could affect the advice we give you.

Handling assets owned by you

We can temporarily hold documents that evidence your ownership of assets, but you must make sure you have copies of them. We will return originals to you after using them to provide our services to you.

When we arrange investments for you, we will register these in your name. We will also make sure you receive either a contract note, documents of title, or certificates confirming that you own those investments. This paperwork will be sent to you by post as soon as possible after we receive it. If we are arranging a series of transactions on your behalf, we will normally keep all the documents until those transactions have been completed.

You must never transfer ownership of any assets to us or to any company in which we have a controlling interest.

Client Money

We **never** hold client money.

'Client money' is cash of any currency or a cheque made out to a person.

You must not:

- Make a cheque payable to us (unless it is for payment of fees due to us); or
- Give us a blank cheque; or
- Give us cash

The following is **not** client money:

- Crossed cheques made payable to someone else, which you give to us to forward to them on your behalf;
- A cheque made payable to us as payment for our services to you. If we have agreed to be paid fees for our services, we may ask for the non-refundable portion of it ahead of delivering the service to you.

If you are uncertain about any of the above, do please ask us.

Data Protection

We have issued you with a Data Protection Statement setting out how we, and Sesame, collect and use data about you. We will use the information you provide primarily for the provision of financial advice to you and for other related purposes including updating and enhancing client records, credit checking, analysis for management purposes, statutory returns, crime prevention and compliance with the law. Please note that our work for you may require us to disclose information to third parties and governmental agencies. You have a right of access, under Data Protection legislation, to the personal data that we hold about you. If you have any queries as to the use of your data please refer these to our Managing Director. Details are available on our website.

We may also from time to time use your contact details to provide you with information relating to our services, seminars and newsletters. Should you not wish to receive such information please sign and return the Data Protection Statement to us.

We seek to ensure that any personal information we hold about you should remain accurate and up to date. Therefore, please let us know if there are any significant changes to your personal details.

When we are not available

If for any reason we are not able to provide our services to you, Sesame, or we will agree an alternative way of providing you with financial advice. If we cannot make suitable alternative arrangements, we will end this Agreement.

Termination of this Agreement

We may decide to stop acting for you at any time; if we do so we will write to you to confirm this. You can ask us to stop acting for you at any time, but you must do so in writing. We will keep a copy of this Agreement on our files so that we have a copy of the terms on which we acted for you. Notices given by you under this Agreement must be sent in writing by post. Notices will be treated as having been received by us on the second business day after you posted the notice to us.

We will have no authority to act for you after this Agreement has ended. If the Agreement is ended while we are providing services to you, we will finish providing the agreed services unless you ask us not to. You will have to pay any outstanding fees for our services even if this Agreement has ended. Any fees outstanding at the date of termination will be due within four weeks of the termination date. Please also refer to the section headed 'payment of fees' in respect of any fee refunds and the section headed 'How much might our services cost' in respect of commission clawback.

Complaints

We hope that you are happy with the services we provide. However, if for any reason you are unhappy, we would like to hear from you. Please write to The Complaints Team, Sesame Limited, Independence House, Hollybank Road, Huddersfield, HD3 3HN or telephone 0845 300 5325. If you cannot settle your complaint with us you may be entitled to refer it to the Financial Ombudsman Service. If you would like a copy of our complaint handling procedures please ask us.

The Financial Services Compensation Scheme (FSCS)

We are covered by the FSCS, an independent body set up by government to help customers of financial services firms who cannot meet their obligations. The FSCS service is free of charge to consumers.

You may be entitled to compensation from the scheme if Sesame cannot meet its obligations. This depends on the type of business we have arranged for you and the circumstances of your claim.

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 available under the compensation scheme is £48,000.

Further information about compensation scheme arrangements is available from the FSCS. You can contact the FSCS by post at 7th floor, Lloyds Chambers, Portsoken Street, London, E1 8BN, by telephone on 020 7892 7300 or email at enquiries@fscs.org.uk. Their website address is www.fscs.org.uk.

General provisions

This agreement is made between you and us as agent for Sesame and takes effect from the date of signature of the 'Letter of Engagement'. If we have worked for you before you might have signed an Agreement with us then. That Agreement remains in force for any work we did at that time. **We do not accept liability to you if we cannot provide the agreed services to you for reasons beyond our control.**

If we want to make changes to the terms of this Agreement, those changes will be reasonable and we will notify you of them in writing beforehand. You will be given the opportunity to end this Agreement if you do not like the changes we wish to introduce.

If we do not enforce any term of this Agreement, or we delay in enforcing a term, this will not prevent us from enforcing that term at a later date. If any term of this Agreement is illegal or unenforceable then the offending term will be treated as being deleted and the remainder of the Agreement will continue in force, unaffected.

This Agreement will be interpreted and construed in accordance with English law and is subject to the exclusive jurisdiction of the English courts, except if your address is in Scotland, when the courts of Scotland shall have non-exclusive jurisdiction.

Remuneration Options

How we charge you for our services

1. **Payment by commission:** If you purchase a financial product we may receive a payment from the product provider (commonly called 'commission'). Although you pay nothing up front, this does not mean our service is free. The commission we receive is your money as it is paid to us by a product provider from product charges it makes to you. These charges reduce the amount left for investment. If you buy direct from the product provider, the product charges could be the same as when buying through an adviser, or they could be higher or lower.

We reserve the right to charge you a fee (as set out in the section '**Payment of fees**'), in the following circumstances, based on our hourly rates and the time taken to advise you:

- Where we make a recommendation, but you do not proceed with our recommendations
- Where you cancel the product(s) within the cancellation period;
- You cease to pay the premiums or cancel the product within the 'clawback period' (which may be up to four years). The maximum amount you will have to pay is the amount of commission which has been clawed back,

If we exercise this right, you will pay us the invoiced amount on demand in accordance with the 'Payment of fees' paragraph below.

2. **Payment by fee:** You may pay us a fee for our services, whether or not you buy a financial product. If you purchase a financial product we may receive a payment from the product provider (usually called 'commission'). You can elect that we use this commission to offset our fees, if this is available, or we will enhance the contract by rebating the commission. If we do offset and you subsequently cease to pay the premiums or cancel the investment, we may be obliged to refund some or all of any commission that has been paid to us by the Product Provider. The maximum amount you will have to repay will not exceed the balance of the total fee agreed within our separate 'Letter of Engagement'.

If you are considering ceasing premiums or cancelling an investment for any reason please get in touch to see if we can assist you in any way.

3. **Payment by combination of commission and fee:** We may charge a fee in addition to any commission we receive from a product provider. Please read the sections (1) and (2) above for more information.

Payment of fees

Settlement of our invoices is due within 30 days and we reserve the right to charge interest at a rate of 2% per month on bills which exceed the 30 day period. Interest will be chargeable on a daily basis. We reserve the right to discontinue work on all current matters if any bill is not settled promptly.

We may increase our fees in the future and our rates are normally reviewed annually. Each member of our staff has an hourly rate that forms the basis of such fees. We will not do so unreasonably, and we do not expect any increase to exceed National Average Earnings in any 12 month period. We will tell you, in writing, one month in advance of any changes to our fees. If you do not agree to the increase, you or we may end this agreement.

All fee amounts quoted to you are exclusive of VAT, expenses and disbursements. These will be added to the invoice if applicable.

As part of this agreement we will provide you with our services for as long as you ask us to. If you decide to end this agreement and have paid fees in advance for future advice, we will refund a reasonable amount of those fees.

How much might our services cost?

1. The Commission Option:

The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest or your age. The following examples illustrate this:-

- If you invest a lump sum of £7,200 in an individual savings account (ISA) we would receive commission of 3% of the amount invested (£216) and 0.5% of the value of the fund (approximately £36 every year).
- If you invest a lump sum of £50,000 in an Investment Bond we would receive commission of 5% of the amount invested (£2,500) and 0.5% of the value of the fund (approximately £250 every year).
- If you invest a lump sum of £50,000 in a personal pension we would receive commission of 4 % of the amount invested (£2,000) and 0.5 % of the value of the fund (approximately £250 every year).
- If you pay £100 a month into a personal pension with a term of 25 years then we would receive commission of £775

We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

We reserve the right to charge you a contingent fee as detailed in '**How we charge you for our services**'. Please see the section '**The fee option**' (p6) for examples of how much we might charge.

2. The Fee Option

Our typical fees are set out below. These rates may vary due to the complexity of our work or other factors; we will confirm the actual fee agreed with you within our separate 'Letter of Engagement', in advance of starting work. You may ask us for an estimate of how much in total we are likely to charge for any service, if we don't agree a fixed fee. You may also ask us not to exceed an agreed limit without checking with you first.

All fee amounts quoted below are exclusive of VAT and expenses. We may also charge you for any disbursements we have agreed to pay on your behalf; these will be added to the invoice if applicable.

You can ask us to structure your fees in the following ways:

- (1) As an hourly rate
- (2) As a fixed fee
- (3) As a percentage of funds invested

We have three fee service offerings - **Transactional**, **Transactional Plus** and **Full Service**:-

Transactional Services

Hourly rates:

Advice	£150 -£400
Specialist advice	£180- £480
Administration	£ 60-£150
Research	£150-£225
Travel	£150-£400

The above are typical hourly rates. We will agree the relevant hourly rates with you before we commence work on your behalf.

Fixed fees:

A one-off fee based on our hourly rates and an estimate of our time. If we agree a fixed fee with you, this amount will not increase under any circumstances, once agreed.

We will agree the amount of the fixed fee with you before we commence work on your behalf.

Percentage fees:

A typical one-off fee of 5% of the amount advised upon. As an example, an investment of £50,000 would give us a maximum fee of £2,500. The one-off percentage fee may be higher than shown for certain specialist work.

Transactional Plus

We will charge for our initial advice as per the section '**Transactional Services**', with an additional ongoing fee as follows:

An annual fee which will be reviewed periodically. The fee amount and frequency of payment will be agreed with you before we commence work on your behalf.

and/or

A typical annual percentage fee of 0.5% of the amount advised upon. As an example, an investment of £50,000 would give us a maximum annual fee of £250 pa. The annual percentage fee may be higher than shown for certain specialist work.

Full Services

We will charge for our initial advice as per the section '**Transactional Services**', with an additional ongoing fee as follows:

An annual fee which will be reviewed periodically. The fee amount and frequency of payment will be agreed with you before we commence work on your behalf.

and/or

A typical annual percentage fee of 0.5% of the amount advised upon. As an example, an investment of £50,000 would give us a maximum annual fee of £250 pa. The annual percentage fee may be higher than shown for certain specialist work.

3. The Combined Commission/Fee Option

We may charge you a fee in addition to any commission received. The actual amounts will depend on the service provided to you and will not exceed the amounts set out in the sections '**The Commission Option**' and '**The Fee Option**'.