

TERMS OF BUSINESS

OUR STATUS AS ADVISERS

People who advise members of the general public on life assurance, pensions and other financial products may be:

- Independent advisers;
- Advisers restricted to the packaged products of one product provider or marketing group;
- Advisers restricted to the packaged products of one product provider or marketing group but able to advise on packaged products adopted by that product provider or marketing group; or
- Firms authorised to manage a portfolio with discretion.

We are independent financial advisers and therefore act on your behalf by giving advice on the products of any product provider and transacting that business for you. We are not authorised to manage a portfolio with discretion.

1. COMMENCEMENT DATE

This Terms of Business comes into effect on the date you receive it from us.

2. OUR FIRM

(referred to as "we" or "us" in this document)

We are authorised and regulated by the Financial Services Authority (FSA). Our registered office is at:
50 Queen Street
Edinburgh
EH2 3NS

If our firm has only one individual who carries out investment business and, for any reason, he is unable to conduct investment business for more than 14 days, in order to safeguard your interests; a formal arrangement has been made with another independent financial adviser to carry out our investment business obligations. Details of the locum are available from us.

3. OUR SERVICES TO YOU

We offer you independent financial advice based solely on the information provided by you, and as we are not tied to any insurance company, we are able to survey the whole market in order to find the most suitable product for you and can advise you on the products of different companies. We will only ever recommend a course of action if we believe it to be suitable for you. If you want to restrict the area of advice, you can confirm this at the first interview or at any time.

Otherwise, we can advise on the following investment services as regulated by the FSA: Life Assurance; Pensions; OEICS; Unit Trusts; Investment Trusts; ISAs. We do not provide advice in relation to individual share and gilt holdings.

The FSA does not regulate the advice on all the products and services we provide. These include products to cover long-

term sickness and/or disability, healthcare products, National Savings. These services may include advice on investments related to, or executing transactions in, units in unregulated collective investment schemes. Where this is the case, the advice will be specifically geared to your personal requirements

4. HOW WE ACT FOR YOU

We prefer our clients to give us instructions in writing to avoid possible disputes. We will, however, accept oral instructions providing they are subsequently confirmed in writing.

Any advice we give you will normally be in writing, but if given orally will be recorded on your file.

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.

Occasions can arise where we, or one of our other customers, will have some form of interest in business which we are transacting 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 inform you and obtain your consent before we carry out your instructions.

When we arrange investments for you we will register these in your name unless otherwise agreed in writing. Additionally, we will ensure you receive either a contract note, documents of title, or certificates evidencing title. All such paperwork will be forwarded to you by post as soon as possible after we receive them. Where a number of documents relating to a series of transactions is involved, the documents will normally be retained until the series is completed.

5. INVESTMENT RISK

All investments carry a degree of financial risk which will tend to increase in proportion to the potential rate of return on the investments. Any product which is directly or indirectly invested in assets which may fall in value (for example equities) may itself fall in value along with any decrease in value of those assets. Before entering into any investment agreement, you must ensure that you understand the risk associated with the product and are content to accept that level of risk.

6. WE DO NOT HANDLE CLIENT MONIES

Crossed cheques for premiums or investment monies can only be made payable directly to the product provider. No premiums or investment monies of any kind should be paid or made payable to anyone else.

You should therefore decline to give any money to, or write cheques payable to Keegan & Pennykid (Insurance Brokers) Ltd or Keegan & Pennykid (Insurance Brokers) Ltd Registered Individuals. Registered Individuals are not to handle client money and any receipt by them of such a payment from you will not be regarded by us as being a transaction for which we will have any responsibility.

7. PAYMENT FOR OUR SERVICES

Commission

We derive our income from commission paid to us by life assurance companies, unit trust managers, stockbrokers and other intermediaries with whom investments/products are made. You will receive details from the operator in question, or from us, about commission we receive. We shall tell you the amount of commission payable to us on any investment/product we have arranged for you. We reserve the right to act as an agent for third parties and to share commission received with them.

Fees Alternative

We do not normally charge fees, but if we do so, we will give you a separate agreement setting out our fee rates amended in writing and notified

to you from time to time, in the following circumstances:

i) if the work we do for you does not relate to investments/products on which commission is payable;

ii) if you instruct us to give you advice, but not to arrange the sale or purchase of any investment/product for you; or

iii) if it is agreed that the work is carried out on a fee basis, with any commission that would have been payable being reinvested to enhance the investment/products arranged, or being used to offset the fee otherwise payable;

Where we propose to charge a fee, we will notify you in writing before we carry out any chargeable work, explaining how it will be calculated.

Other payments to us

If we receive any other form of benefit from the issuer of an investment or from another intermediary, we will inform you, and will also tell you the amount should you request it.

8. DATA PROTECTION & RECORDS

Collection of Data

We collect your data during our fact-find into your circumstances. With your consent we may collect your data from Institutions with whom you currently have contracts and insurance policies, from your employer and professional advisers. We may obtain data from credit reference agencies.

Use of Data

Your information will be held on computer-based databases and in paper files. We use the data primarily to provide you with financial services advice and complete transactions on your behalf. We analyse and assess your data to maintain and develop our relationships with you. Use of your data includes financial risk assessment, money laundering checks, compliance and regulatory reporting and fraud prevention. We use your data to help us prepare proposals for you to enter into transactions and insurance proposals and, in some circumstances, members of your family and others connected with these transactions, insurance proposals and claims. We like to keep you informed of our products and services and we use your data to enable us to recommend them to you (if you do not want us to do this, use the opt-out box below or contact us). Your data will be kept for a minimum of six years in compliance with our financial services responsibilities.

Transfer of your data

We pass your data to institutions (with the aim of entering into and servicing transactions), our regulators and auditors plus our professional advisers.

Access to your records

You have the right upon payment of a fee to obtain a copy of the personal data that we hold. If you believe that any information is incorrect or incomplete you should contact us and, if the data is incomplete or incorrect, we will correct it promptly.

Entering into these terms of business signifies your consent to the processing of your data by us except to the extent that you opt-out of receiving additional marketing literature from us and third parties.

9. CONTACT

Once we have acted upon your instructions we will not normally give you further advice. However, we may review our record of your investments and policies periodically and contact you to suggest that we arrange a review meeting. We will, however, be pleased to advise you at any time should you require further assistance.

We like to keep our customers informed of products and services we offer which may be of interest to them, therefore, from time to time we may forward marketing material to you, or contact you by telephone.

10. TERMINATION OF THIS AGREEMENT

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 by first class post. It will be deemed to be received 2 business days after being posted.

Any business currently being completed will be completed unless we receive your instructions to the contrary. Any fees outstanding at the date of termination will be due within four weeks of the termination date.

11. COMPLAINTS & COMPENSATION

If you have any complaints about the advice you have received, please write to the

Financial Services Dept
Keegan & Pennykid
(Insurance Brokers) Ltd
50 Queen Street
Edinburgh
EH2 3NS

In the event you are not satisfied with our treatment of your complaint, you can complain to the Financial Ombudsman Service. Details of the procedure and the Ombudsman's address will be supplied to you at that time, or if you request them.

We maintain Professional Indemnity Insurance for your protection. If you make a valid claim against us in respect of any of the listed investments we arrange for you, and we are unable to meet our liabilities in full, you may be entitled to redress through the Financial Services Compensation Scheme (FSCS). Details of the cover provided by the scheme are given in a leaflet, which we will send to you at your request. Further information is available from FSA and the FSCS.

12. LAW

These Terms of Business are governed and shall be construed in accordance with English law and the parties shall submit to the exclusive jurisdiction of the English Courts.

Our Contact Details:

Keegan & Pennykid
(Insurance Brokers) Ltd
50 Queen Street
EH2 3NS

Tel: 0131 225 6005
Fax: 0131 226 3811
E-mail: mail@keegan-pennykid.com

I/We acknowledge receipt of a copy of this Terms of Business letter and confirm that its content has been explained to me. I/We accept that these Terms of Business become effective from the date I/we receive/sign this document

I do not wish to receive information about other products and services provided by you

I do not wish to receive information about the products or services of other carefully selected third parties

Client name

Signature

Date

Client name

Signature

Date

One signed copy to be retained by the Client(s). One signed copy to be retained by Keegan & Pennykid (Insurance Brokers) Ltd

www.keegan-pennykid.com

Keegan & Pennykid (Insurance Brokers) Ltd is authorised and regulated by the Financial Services Authority.
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