

PJG FINANCIAL SERVICES LTD – TERMS OF BUSINESS

This document is issued on behalf of PJG Financial Services Ltd, 28 St Michael's Road, Headingley, Leeds, LS6 3AW. Telephone Number: 0113 239 9500.

How we work:

It is our job to help you make sense of your money. Before we give any advice, or make any recommendations, we spend as much time as is necessary to examine a prospective client's current circumstances and investments.

Our objective is to establish long term client relationships and to provide creativity and leadership in pursuit of your objectives. Where appropriate, we will work in partnership with your other professional advisers. We aim to be transparent in what we are trying to achieve, to explain what benefits you will gain, and how much this will cost you.

Our IFAs cover the full spectrum of advice, and work as a team to provide integrated and holistic solutions. You can be sure that whichever IFA at PJG Financial Services Ltd is looking after your business, he or she has the constant support of a team-based approach to your affairs. Our aim is to identify your needs and objectives by gaining a full understanding of your current situation, and to support you in achieving your goals both now and in the future.

The Terms of Business is correct at the date of presentation of the document to you, we do of course reserve the right to change our terms of business at any time. With regards to the payment of ongoing adviser charges we commit to providing you with 60 days' notice of any increases. You can access our most up to date Terms of business by visiting our website (<https://www.pjgfs.co.uk/>)

What type of service will we provide?

Independent advice: We will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a sufficient range of retail investment products, financial instruments, and structured deposits. A 'sufficient range' means that the products that we will advise on and recommend will be sufficiently diverse with regards to their type and issuers or product providers to ensure that our clients investment objectives can be suitably met.

The areas we can advise on include:

- Pensions
- Annuities
- Phased retirement & income drawdown
- Term assurance
- Critical illness
- Life assurance
- Income protection
- Unit trusts
- Open ended investment companies
- Investment bonds
- ISAs
- Structured deposits
- Investment trusts
- Exchange traded funds
- Enterprise investment schemes
- Venture capital trusts
- National Savings Products
- Deposit Accounts

We do not provide advice in relation to individual share holdings. If this is something you need assistance with, we can refer you to a stockbroker.

We do not provide advice on options, futures, and other derivative contracts as we believe that these are unlikely to be suitable for our clients.

Before making any recommendations, we will carry out a suitability assessment so that we are able to act in your best interests.

<p><u>Our Initial Services</u></p> <ul style="list-style-type: none">• We will be open, honest and be totally transparent in all our dealings with you.• We will agree what type of client you are and establish the level of service you will receive because of this.• We will agree how you will pay for our services.• We will reconcile your objectives to your current position.• We will make sure we fully understand your circumstances and objectives.• We will gather detailed information and your attitude to risk along with your capacity for loss with regards to your investment.• We will analyse what you have told us and prepare a detailed report.• We will use our expertise and specialist software, plus liaison with fund and product providers to prepare a clear and detailed report.• We will explain all your options and help you decide what to do.• We will implement your plan and confirm how we will keep it up to date.• We will maintain and update your records.• We will support and guide you through life stages.• We can act as a 'Financial Services Hub' (for example liaise with accountants, solicitors etc.).	<p><u>The benefit to you</u></p> <ul style="list-style-type: none">• You will have a clear picture of where you stand.• You will understand your options and choices.• You will have a clear route for your financial future.• You will be able to stay on track.• You will know what service you are receiving, both initially and in the future.• You will know what you are paying, how you are paying and when you need to pay.• You will enjoy the benefits of a long-term relationship. <p><u>Your commitment to us</u></p> <ul style="list-style-type: none">• You will engage with us.• You will advise us of changes in your circumstances and objectives.• Ask questions and seek clarification.• Adhere to our Terms of Business Contract.
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What you have to pay us for our services and how we charge you for them.

Advised services

For our advised services, you will pay us via an advice charge. We will confirm the actual advice charges in writing within our separate 'Fee Agreement', before providing our services to you.

Initial advice service: Our initial advice will be appropriate for you, based on your requirements and circumstances at that time.

Ongoing services: In addition to our initial advice services, you could ask us to undertake further services on an ongoing basis. Details of any ongoing services that we offer are detailed later within this document.

You may at any time cancel an ongoing service by serving your notification of cancellation to us in writing. Upon receipt of your cancellation notice for an ongoing service we will arrange for any future payment of any associated charges to cease.

Where we agree to provide you with a service that includes an ongoing review of the suitability of the investments, we have recommended we will carry out a review at least annually. To do this we will need to contact you to assess whether the information we hold about you remains accurate and up to date. We will issue you with a report setting out the results of our assessment and if relevant any updated recommendations.

Our typical advice charges are noted below. The exact amount may be more or less than this but will be specifically agreed with you based on the work you ask us to do for you.

If we do not agree a fixed advice charge with you at outset, you may ask us for an estimate of how much in total we might charge for any service(s) provided. You may also ask us not to exceed a given amount without checking with you first.

Non-advised services:

For non-advised services, if commission is available to us, you can choose to pay us by allowing us to keep the commission, or by paying us an advice charge instead.

If you choose to pay via commission, we will tell you how much the commission is before the transaction is completed.

If you choose to pay an advice charge, we will agree its basis, frequency, and method with you in writing before we carry out any work that you will be charged for. Examples of the costs of our services are included within this document.

We will not charge you anything until you have agreed on how much we are to be paid.

We will inform you if you have to pay VAT.

Our charges

The way we are paid for our services may depend on the type of advice given. Typically, this will be:

- **Investment business:** fees agreed and paid by you
- **Insurance business:** commission payable by the insurance provider, which is a percentage of the total annual premium

More details on these options and how they are paid is found in the following sections on initial and ongoing charges.

For pensions and investment business our fees have two elements – an **Initial Advice Fee** and an **Ongoing Service Fee**.

Initial Advice Fee

This is charged when we arrange, or bring into being, a pension or investment-based contract on your behalf. It becomes payable at the time you choose to implement our advice. You can choose to pay the Advice Fee direct to us (in the form of a cheque or a bank transfer), or through your product.

Our fees are as follows:

Product Type	Charge	Basis of Calculation
Pension and Investment	3%	Regular Contribution, single contribution, or transfer value.

Example: If you invested **£50,000** our Advice charge would be **£1,500**, which would be paid either direct to us or through the product.

Note: the minimum advice charge is **£1,000**. In the event that the Advice Charge (i.e. the 3% of the amount invested) was less than this, an invoice would be raised for the balance remaining.

Fixed Fees

There are occasions when we can arrange a fixed fee; this will be agreed in advance of any work carried out. We will tell you if you have to pay VAT on the cost of our services.

Hourly Rate:

Where appropriate we may also charge fees based on an hourly rate as follows.

- Financial Adviser: **£250.00 per hour**
- Administration/Research: **£100.00 per hour**
- Where we carry out work with a firm in relation to Group Schemes, we will charge a rate of **£250.00 per hour**.

Where we are to be paid on an hourly fee basis, we will agree this with you and agree a budget with you before we start any work.

As a worked example if we undertook work that took us 10 hours in total the following would apply:

Financial Adviser	6 hours at £250.00 per hour	£1500.00	Total cost £1,900.00
Administration Support	4 hours at £100.00 per hour	£400.00	

Your Payment Options

Following on from our initial meeting (that is at our expense), if you request additional services or accept any recommendations, we have made then you will pay us an advice charge which will become payable on completion of our work.

- **Settling your advice charge through the product.**

The Advice charge can be made from your product, we will ask you to sign a confirmation document to allow us to take this charge direct from the product provider.

- **Settling your advice charge in a single payment.**

You will be invoiced for the payment of our advice charges on completion of our work. Payment by bank transfer. We do accept cheques. We do not ordinarily accept payment by cash. You will be provided with a receipt upon payment.

- **Settling your advice charge by instalments.**

The option to pay by instalments is only available for the payment of the advice charge on regular premium products. Payment by instalments does not relate to any ongoing charges payment which we may charge for providing an ongoing service.

Paying by instalments through your recommended product

If you buy a financial product by way of a regular premium, you can choose to have your advice charge deducted from the product through instalments. Although you pay nothing to us up front, that 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 will pay towards settling the advice charge. These deductions could reduce the amount left for investment. Please see worked example below:

Total monthly premium payable	£250
Total cost of advice	£1,000
Monthly payment for advice	£83.33
Length of repayment period	12 months

If you choose to pay for the advice you receive through instalments, these instalments will be deducted from the premium you pay each month and allocated towards settling the advice charge. Based on the above example, the total cost of advice is £1000. You have been recommended a regular premium product of which £250 will be paid each month. £83.33 will be taken from this amount to pay off your advice charge over 12 months. The remaining £166.67 will be invested during this time. At the end of this period the advice charge would have been settled in full. From month 13 the full £250 will be invested.

Keeping up with your payments:

If you choose to pay for the advice you receive via instalments, the full amount of the advice charge will need to be paid irrespective of whether:

- the recommended product/s is/are cancelled before the full amount is paid; and/or
- you subsequently decide to transfer your business to another firm/financial adviser.

Any outstanding amounts, as at the date of cancelling the recommended product / transferring to another firm or adviser, will be due to be paid in full within 14 days of the termination/transfer date. An invoice will be raised for the full outstanding amount.

Ongoing services offered, and the fees charged:

In addition to our initial advice services, we undertake an annual review and associated services as appropriate. You can choose to pay the 'Ongoing Service Fee' direct to us, in the form of a cheque or a bank transfer, or through your product. Our charges are as follows:

Ongoing Costs		
Funds under management:	£0 - £150,000	£150,001+
Costs – based on a percentage of your funds under management	1% per annum	0.80% per annum.
Professional expertise and governance embedded into our investment process	√	
Ongoing access to adviser and support team	√	
Annual review meeting covering: <ul style="list-style-type: none"> • Objectives • Risk Profile • Asset Allocation • Tax changes • Valuations and Performance 	√	

Worked example: if you have **£100,000** invested then the ongoing charge would be **£1000.00** per annum (£100,000 at 1%) (see note below).

Worked example: if you have **£250,000** invested then the ongoing charge would be **£2,000** per annum (£200,000 @ 0.8%)

Note: Our minimum advice charge is **£1500.00**, in the event that the ongoing charge is less than this then we will issue and invoice for the remaining balance.

Please note that as the investment amount increases, your ongoing charge will also increase, as this is based on a percentage of the amount invested.

We will agree what will be charged before any service(s) provided and the amount will be confirmed within our Service & Payment Agreement.

Information about other costs and associated charges

Depending on the services we provide, there may be costs and charges (including taxes), not charged by us, but related to the financial products we arrange for you. These charges may be one-off charges (payable up front) or charges payable on an ongoing basis. For example:

- **Service costs:** If your investments are held on a platform (an online investment administration service) or held with a Discretionary Fund Manager (DFM), the platform provider/DFM will make a charge for administering / managing your investments.
- **Investment costs:** These are the costs relating to the manufacturing and managing of your investments – for example, fees charged by the investment fund manager, costs relating to investment transactions.
- We will always disclose any third-party costs as part of making our recommendations.
- Please note that we will make you fully aware of these charges prior to you accepting our recommendations.

Disclosure of aggregated costs and charges

Before we provide you with our advice, we will add together all the costs and charges payable so that you are able to understand the overall costs of our services and recommendations. This is referred to as aggregated costs and charges information.

IMPORTANT INFORMATION

Authorisation Statement: PJG Financial Services Ltd is authorised and regulated by the Financial Conduct Authority (FCA). The FCA regulates the financial services industry in the UK and their address is 12 Endeavour Square, Stratford, London. E20 1JN.

You can check this on the Financial Services Register by visiting the FCA's website - www.fca.org.uk/register or by contacting the FCA on 0800 111 6768. Our FCA number is 400658

Our permitted business is advising on and making arrangements with a view to investments.

Companies Act Disclosure: the firm is registered in England. Registered Number: 4435416

Investment Services: PJGFS Ltd is permitted to advise on and arrange (bring about) deals in investments.

With regard to investments which we have arranged for you, these will not be kept under review, but we will advise you upon your request. Ongoing advice will be offered and provided if you agree to take these services. Ongoing services can be terminated at any time.

For any investment services provided we will be acting on your behalf unless otherwise stated.

PJG Financial Services Ltd does not handle clients' money. We never accept a cheque made payable to us, or handle cash, unless it is payment in settlement of advice charges or disbursements for which we have sent you an invoice. If you do send us money, this may delay your transaction as we may have to return this money to you.

Our Service: We operate independently and therefore provide investment and mortgage advice from the whole market. With regards to Insurance products, we offer products from a range of insurers.

Our advice will be based on the information that you give us, so it is important that you provide us with accurate and up to date information when we request details about your circumstances and objectives. This will allow us to provide you with suitable advice. If the information you provide is inaccurate or if you limit the information provided, this could affect the suitability of the advice we give.

Under the rules of our regulator, the FCA, as a firm providing independent advice, we are unable to accept or retain payments of benefits from other firms (e.g. product providers) as this would conflict with our independent status.

Client Categorisation: Unless we tell you otherwise, we will treat you as a retail client for investment business. This means that you are given the highest level of protection available under the UK's regulatory system.

Mode of Communication: We will enter into communication with you through whatever means are convenient to you and us, including face-to-face, telephone, e-mail, and other acceptable electronic communication methods.

Our communications will ordinarily be in English, both in respect of oral and written communications.

We are required by our regulators (the FCA) to keep records of any telephone conversations or other electronic communications with our clients in relation to the arranging of transactions in investments that are categorised as financial instruments.

The term 'electronic communication' covers many categories of communications and includes (amongst others) video conferencing, fax, e-mail, SMS, business to business devices, chat, instant messaging, and mobile device applications.

What to do if you have a complaint: If you wish to register a complaint please contact us: In writing to: Mr Patrick Gilligan, PJG Financial Services Ltd, 28 St Michael's Road, Headingley, Leeds, LS6 3AW. By telephone: 0113 239 9500. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

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.

Investment

Most types of investment business are covered up to a maximum of £85,000.

Investment based insurance/Long term insurance provision e.g. pensions and investment bonds.

The maximum level of compensation for claims against provider firms declared in default on or after the 3rd July 2015 is 100% of the claim with no upper limit.

Further information about compensation scheme arrangements is available from the FSCS (www.fscs.org.uk).

Right to Cancel: In the case of many retail investment products, such as life assurance contracts, personal pension schemes, investment bonds and collective investment arrangements (e.g. unit trusts), a right to withdraw or cancel the contract within a specified period is normally provided. Details of such rights are ordinarily contained in the product literature (e.g. Key Features document) and/or we may provide details of such rights in a separate communication. In the case of any non-retail investment products, e.g. an ISA wrapper, 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.

Law: This 'Terms of Business' is governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

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 services already provided / 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 adviser charges or other fees which may be outstanding.

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.

Investment Objectives and Restrictions: Following the issue of this document, any subsequent advice or recommendation offered to you will be based on your stated investment objectives, agreed level of risk you are prepared/able to take 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 within the suitability report that we will issue to you to confirm our recommendation(s). 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.

Protecting your Personal Information

- We will issue you with our Privacy Notice. This is a separate document which provides more information about the nature of our personal data processing activities and includes details of our retention and deletion policies as well as your rights of access to the personal information that we hold on you.
- As part of this agreement we will ask you to consent to the transfer of personal information in accordance with the protections outlined above.
- If you are concerned about any aspect of our privacy arrangements, please speak to us.

Accounting to you

We will confirm to you in writing the basis of our service and the reasons for recommending any transactions transmitted or executed on your behalf. Where you agree to ongoing advice, we will provide regular reports to you regarding that service.

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 many 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.

Nominee and Safe Custody Services

PJGFS Ltd does not safeguard or administer client assets, but we may arrange business through platforms, which will provide custody services for your assets. Where this is the case, the legal title of investments will be registered in the name of the third party's nominee.

Transactions will be transmitted to the fund supermarket, investment wrap platform, or similar third-party investment institution for them to execute. Money or transferred assets will be placed immediately with that third party for investment – we will never hold the assets for you. We will provide you with the relevant account opening details for the identified third party such as their Terms & Conditions, Nominee and Safe Custody Service, Best Execution Policy, Execution Venues and Conflicts of Interest Policy (or equivalent documents).

The legal title of investments will be in the name of the third party's nominee.

For non-platform business we will make arrangements for your investments to be registered in your name unless you first instruct us otherwise in writing.

Right to Withdraw

In the case of many retail investment products – such as life assurance contracts, personal pension schemes, investment bonds, and collective investment arrangements (e.g. unit trusts), a right to withdraw or cancel the contract within a specified period is normally provided. Details of such rights are ordinarily contained in the product literature (e.g. Key Features document) and/or we may provide details of such rights in a separate communication.

In the case of any non-retail investment products e.g. an ISA wrapper, 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.

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 services already provided / 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 and / or services carried out prior to termination and any adviser charges or other fees which may be outstanding.

Conflict of Interest

PJGFS Ltd offers services in accordance with that disclosed to you in our initial disclosure document. Occasions may arise where the firm, an employee, or other associates of the firm has conflicting professional or personal interests which may prevent these services being provided to clients in an independent or impartial manner.

PJGFS Ltd takes all the appropriate steps to prevent conflicts of interests from occurring in line with the firm's conflicts of interest policy. However, there may be occasions where a conflict of interest cannot be prevented.

Where this is the case, we will disclose to you the nature of the conflict and the steps that we will take to mitigate the risks that you will be treated unfairly because of any conflicts identified.

We will make you aware of any conflicts of interest before the provision of services to enable you to choose whether you still wish to proceed with services. A copy of the firms' conflict of interest policy is available on request.

We may on occasion receive minor non-monetary benefits from third parties such as product providers e.g. food and drink provided at a provider training event. Where relevant, any minor non-monetary benefits received will not conflict with our duty to act in your best interests.

Clients Consent

This is our standard client agreement upon which we intend to rely. For your own benefit and protection, you should read the terms carefully. If there are any terms within this agreement that you do not understand, please ask for further information.