

TERMS OF BUSINESS

These Terms are issued on behalf of **Ermin Fosse Financial Management LLP** of **55 Dyer Street, Cirencester, Gloucestershire GL7 2PP**. We can be contacted on **01285 649200** or **info@erminfosse.co.uk**.

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1. How you are protected when working with us

Ermin Fosse Financial Management LLP 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, London, E20 1JN

You can check this authorisation on the FCA's Register by visiting their website www.fsa.gov.uk/register/firmSearchForm.do or by contacting the FCA on 0800 111 6768.

2. How we assess the level of protection you need

Each client with whom the firm does business is categorised to identify the level of regulatory protection to be applied.

Our default is to categorise you as a 'Retail client', which imposes a higher level of care on us and provides you with full regulatory protection. This assumes that, although you may have investment, economic and tax experience, it may not be sufficiently comprehensive to manage your financial affairs alone, and consequently you require our financial planning support.

If you believe you do have the investment knowledge and experience to run your financial affairs independently, you should tell us. We will then assess your case and if it is justified, will classify you as an 'Elective Professional' client.

Under certain conditions your circumstances might require us to offer you Professional Client status. The financial independence and freedom you gain as a professional investor is balanced by the regulatory protections you are likely to lose.

3. How we communicate with you

We will communicate with you in English both verbally and in writing for the sending and reception of orders. To avoid any doubt, instructions should be issued in writing. Writing may include email, secure message via our Personal Finance Portal but not social media.

4. The services we provide you with - how we work

We offer an independent service. On this basis we will advise and make a recommendation to you after we have assessed your needs. Our recommendation will be based on a sufficient range of retail investment products, instruments and structured deposits to offer an independent service.

Our services aim to match your financial, investment, tax and risk-based needs with suitable products that we source from the whole market. Where we consider it necessary, we will replace existing investments that we assess are not efficient within those parameters.

Our advice is based on the information that you give us, which should be up to date, accurate and complete. If you refuse to give us relevant information we need to provide advice, we may refuse to proceed.

All our recommendations are justified and confirmed in writing. Unless confirmed we will not place any restrictions on our recommendations.

Where we agree to provide you with an ongoing review service, we will carry out this review at least annually and we will ask you to confirm that the information we hold about you is still accurate and up to date. A major element of the review service will be to continually assess the ongoing suitability of previous recommendations to ensure the products and assets are performing as expected, considering your latest needs and risk profile. We will make changes along the way as necessary.

Should you decline our ongoing service, then those investments that we have arranged for you will not be kept under review by us unless you specifically instruct us to do so. If you do, we will let you know the cost before we undertake a review. Please refer to our fee structure for an indication of the likely costs.

As part of our ongoing service to you, we will provide you with a monthly newsletter by email containing industry related articles. You can unsubscribe from this newsletter at any time by clicking the 'Unsubscribe' link on the email.

We will also provide you with a six-monthly market commentary and may, in the future, contact you should we wish to discuss the relative merits of another investment or service which we feel may be of interest to you.

We may recommend to you that you invest in model portfolios provided by a third-party discretionary investment manager. If you accept that recommendation, then by accepting this client agreement you provide us with your explicit authority to act as your agent only for the purpose of procuring and entering into an agreement with the recommended discretionary investment manager to provide the model portfolios.

Should we use discretionary model portfolios for the management of your investments, please ensure that you have the appropriate permission included in your Power of Attorney (POA) for this use to continue if your attorneys become responsible for your financial affairs.

5. Handling your money & documents

Ermin Fosse Financial Management LLP does not handle clients' money. We never handle cash or accept a cheque made out to us, unless the cheque is in settlement of charges or disbursements for which we have sent you an invoice.

We will make arrangements for all your investments to be registered in your name and at your home address, unless you instruct us otherwise in writing. Where appropriate we will forward you all documents showing ownership of your investments as soon as practicable after we receive them; where a number of documents are due involving a series of transactions, we normally hold each document until the series is complete, then forward them to you. Most investment platforms will write to you direct with confirmation of your investments.

6. Payment of fees

We will discuss your payment options with you and answer any questions you have. We will not charge you anything until you have agreed how we are to be paid. We will set out our charges separately and we will tell you if you have to pay VAT when you engage us. The "Engagement Letter" and these Terms will together form your contractual relationship with us.

Our charging structure is flexible, so as to best suit the work you have asked us to carry out. It is not possible to set out the many and various circumstances and services that may attach to different charging structures here, but we will agree that specifically with you, in writing, before we start work.

Indicative rates are however, set out below.

Where an invoice for work is necessary, we require payment within 14 days of issue.

7. Typical charges

7.1 Initial or discrete work

Fixed Project Fee

The cost to undertake initial financial planning and advice is determined by the work involved. It does not include the cost of implementation. Typical examples of project type work include:

- Existing investment portfolio analysis and review	£200
- Existing investment portfolio analysis, review and recommendation	£750
- Existing pension analysis and review	£250
- Existing pension analysis, review and recommendation	£950
- ISA top up (regular or initial)	£150
- Full financial plan and recommendation	£1,500 to £3,000
- Final salary pension analysis, full financial plan and recommendation	£2,500

Financial plan costs depend on complexity and size. We estimate that a typical case cost would be £3,750

Should the project result in a product/investment recommendation the fixed project fee will be replaced by the implementation fee, as detailed below. The implementation fee will not be lower than the project fee.

You should also note that these fees are applicable where you are, or intend to be, an ongoing client of Ermin Fosse Financial Management. If the work is transactional only, with no ongoing service required, the initial fee is likely to be higher. The exact cost will be detailed in your Engagement letter.

Implementation Fee

- ✓ Investments up to £100,000 - Fee for initial work and implementation is 3.0% (£3,000)
- ✓ From £100,001 to £250,000 - Fee for initial work and implementation is 2.0%
- ✓ From £250,001 to £500,000 - Fee for initial work and implementation is 1.5%
- ✓ From £500,001 to £2,000,000 - Fee for initial work and implementation is 1.0%
- ✓ Beyond £2 million - by negotiation

Thus someone investing £200,000 would typically pay an initial fee of £4,000.

Additional fees will apply where more complex products are concerned e.g. VCT, EIS, final salary transfers, etc. This is to reflect the higher regulatory risk involved.

7.2 Ongoing services

Where we agree with clients to provide an agreed service for an indefinite period, we will agree the extent, frequency and level of that service with you. Typically, the service will entail keeping the investments and products you have under review and replacing / updating them where necessary to

ensure your financial objectives continue to be met. We will meet with you at least annually to do this work. Meetings may be held face to face, on the telephone, or via video link.

Our typical charges for an ongoing service, when invested in our primary investment proposition, are:

- ✓ Investments up to £250,000 - Ongoing advice charge is 1.00% p.a.
- ✓ From £250,001 to £850,000 - Ongoing advice charge is 0.75% p.a.
- ✓ From £850,001 to £2,000,000 - Ongoing advice charge is 0.65% p.a.
- ✓ Beyond £2 million - by negotiation

Thus, someone investing £300,000 would typically pay an annual ongoing fee of £2,250, but payments will be taken monthly on a pro rata basis. The actual fee paid each month will rise and fall in line with fund values e.g. if the invested value increases to £400,000 the annual fee rises to £3,000.

The reductions to ongoing charges stated above are only provided when money is invested on our preferred wrap platform within our primary investment proposition e.g. if investments on our preferred wrap platform amount to £500,000 and a further £400,000 investments are held with other providers (i.e. £900,000 in total) the ongoing charge on your investments would be 0.75% p.a.

Alterations to the ongoing fee percentage are based on the value of the investments at the time of your annual planning meeting. Where an ongoing fee alteration is due, we will change it as soon as possible after that meeting. Fee discounts will not be applied retrospectively.

Our minimum ongoing fee is £2,000 a year. We reserve the right to charge higher ongoing fees where bespoke investment solutions are required.

Should a new client agree to an ongoing service but terminate our relationship within the first year, we reserve the right to charge the outstanding balance of fees for the rest of the year (based on the value of the client's investments at that time).

7.3 Non-investment products

If you buy a non-investment 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 product provider's own costs and any commission.

If you subsequently cease to pay premiums on the policy, and in consequence we are obliged to refund all or part of the commission that has been paid to us, we reserve the right to charge you a fee to recover those unexpected costs.

7.4 Aggregated costs and charges

If you enter into a transaction where third parties are involved, they will charge for their services.

Typically, there will be 3 or 4 third parties involved. By way of example, if we placed a £250,000 investment for you the annual charges might look like this:

Costs per annum	(%)	(£)
Platform / Provider	0.35%	£875
Fund (average) / Portfolio	0.49%	£1,225
Discretionary Fund Manager	0.18%	£450
Total Cost of Investment Solution	1.02%	£2,550

To this you will need to add our ongoing charges, which are set out in section 7.2 above. We have not added them here, because of the flexibility you have in how you pay us.

You should consider the impact of all these charges. Simply put, if your investment grows by 5.77% before charges, the after charges growth would be 4%. In the above example, a year after the initial investment, your £250,000 would be worth £264,425 before charges and £260,000 after charges.

At this point, this is just an example because we cannot be precise with our actual costs yet. We will confirm the actual aggregated costs and charges, based on our recommendations, in our Engagement Letter or Suitability Report as soon as we know the figures, but this will be before you sign any commitment documents.

8. The limits of the work we do for you

Unless advised to the contrary, we will assume that you wish to place no restrictions on the types of investment we may recommend and in which you may subsequently invest. We will assume that you wish to place no restrictions on the markets in which transactions are to be executed.

9. How we take instructions and give advice

Any recommendations given to you by us shall be in writing. We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings.

If you contact us to buy or sell investments via email, text or email, we may contact you directly via another means, to verify your instruction. We will however, accept oral instructions provided they are confirmed in writing. We may at our discretion, refuse to accept instructions although such discretion shall not be exercised unreasonably.

We will record all transactions on our files which, along with copies of relevant documentation, will be retained in line with the retention period detailed in our Privacy Notice. You have a right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions. We reserve the right to withhold copies of these records if information to other parties would be disclosed.

10. Do we have any conflicts of interest you should know about?

We will act honestly, fairly and professionally; this is known as conducting business in 'Client's best interest' regulations. Occasionally situations may arise where we, or one of our other clients, have some form of interest in business transacted for you. If this happens, or we become aware that our interests or those of one of our other clients' conflict with your interest, we will write to you and

obtain your consent before we carry out your instructions. We will detail the steps we will take to ensure fair treatment.

In accordance with the rules of our regulator, The Financial Conduct Authority, we are prohibited from accepting any payment (commission or other non-monetary benefits) which is likely to conflict with the duty of the firm to its clients.

11. Your right to cancel

We will inform you of your statutory right to cancel. The Distance Marketing Directive normally grants you 30 days in which you may cancel a life or pension contract. There will be occasions where no statutory rights are granted, however this will be explained before any contract is concluded.

Additionally

- 1.1. You may end your contract with us at any time.
- 1.2. We may terminate the contract:
 - 1.2.1. where we are unable to obtain your instructions/key information;
 - 1.2.2. where for whatever reason the relationship between us has broken down,
 - 1.2.3. or as an alternative we reserve the right to suspend work in these circumstances until such time as the problem has been resolved.
- 1.3. Where agreed, you will be responsible for payment of all fees and disbursements for work undertaken or expenditure incurred up to the date of termination.
- 1.4. We are entitled by law to retain any documents or other property belonging to you until such time as all fees and disbursements that you owe us have been paid.
- 1.5. Should any work we have undertaken be incomplete, and fees in respect of it have been paid, we will complete that work.

12. How we manage your instructions to trade your investments

We do not execute any trades for you; instead we place trades with third parties (investment managers for example), who execute the trades for you. The third parties are required to have a best execution policy. This means they must take all reasonable steps to ensure that they obtain the best possible result for you. Our procedures adhere to their policies and we monitor their adherence to those policies.

13. What if you need to complain?

Clients are at the heart of our business and delivering an outstanding service is what we strive to do. However, we recognise that from time to time our clients may have cause to make a complaint.

We are committed to dealing with complaints effectively and fairly in accordance with the Financial Conduct Authority's complaint handling rules and guidance. If clients have a cause to complain, a dedicated complaints handler will deal with the complaints, focusing on ensuring that the clients are treated fairly during the process. To complain a client may write to The Compliance Officer at Ermin Fosse Financial Management LLP, 55 Dyer Street, Cirencester, Gloucestershire GL7 2PP, call on 01285 649200 or email nigel@erminfosse.co.uk.

If our clients are not satisfied with the outcome of their complaint, they will have the right to refer it to the Financial Ombudsman Service, free of charge, at: The Financial Ombudsman Service, Exchange Tower, London E14 9SR, or by going to their website www.financial-ombudsman.org.uk.

A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request.

14. What happens if we go out of business

We are covered by the Financial Services Compensation Scheme ('FSCS'). Should you have cause to complain and we cannot meet our obligations, you may be able to claim compensation; the extent of that depends on the type of business and the circumstances of the claim:

- Investments: advice given, and business arranged by us, known as intermediation, is covered for 100% of a claim up to a maximum of £85,000 per person.
- Life and pensions: similarly, intermediation with these products is covered for 100% of a claim up to a maximum of £85,000 per person.

For long term insurance (e.g. life assurance, permanent health/incapacity insurance): in the event of the failure of the *insurer*, compensation may be claimed up to 100%, without any upper limit.

Further information about these compensation arrangements is available from the FSCS at www.fscs.org.uk/consumer.

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 so, if we do recommend an unregulated product, we will confirm the lack of protection to you in writing at the time and before you act on the advice.

15. The Law we work under

This Client Agreement is governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

16. What happens if something goes wrong beyond our reasonable control

Ermin Fosse Financial Management LLP shall not be in breach of this Agreement and shall not incur any liability to you if there is any failure to perform its duties due to any circumstances reasonably beyond its control.

17. Protecting your data

Ermin Fosse financial Management LLP is the data controller of your personal data and is subject to the Data Protection Act 2018 and to EU Regulation 2016/679 (the "GDPR").

Full details of the personal data we collect, how we process it and how long we keep it for can be found in our Privacy Notice available on our website.

18. Money Laundering and how it affects you

The Money Laundering Regulations 2017 require us to obtain and verify the identity of our Clients and, sometimes, people related to them (e.g. trustees, employers & other family members). We also need to monitor the transaction and keep identity information up to date. We may carry out an electronic verification of your identity. This involves checking the details you supply against those held on any databases which may be accessed by the reputable third-party company which carries out our checks. This includes information from the Electoral Register and fraud prevention agencies.

You agree that we may use personal information provided by you in order to conduct appropriate anti-fraud checks. Personal Information that you provide may be disclosed to a credit reference or fraud prevention agency, which may keep a record of that information.

19. Terminating our relationship

The authority to act on your behalf may be terminated at any time without penalty by either party giving seven days' notice in writing to the other to that effect, but without prejudice to the completion of transactions already initiated. Any transactions effected before termination, and a due proportion of any periodic charges for services, shall be settled to that date.