

LEGAL INFORMATION AND TERMS OF BUSINESS

McCrea Financial Services Ltd is authorised to conduct investment business under the Financial Services & Markets Act 2000 and is regulated by the Financial Services Authority (FSA).

The Financial Services Authority regulates the financial services industry in the UK and their address is 25 The North Colonnade, Canary Wharf, London, E14 5HS.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register FSA No. 189166 or by contacting the FSA on 0845 606 1234.

Client Classification

Each client with whom the firm does business is categorised to identify the level of regulatory protection to be applied. We believe in providing our clients with full regulatory protection and we propose to classify you as 'Retail Client' for Investment purposes.

1. Investment Services

McCrea Financial Services is permitted to arrange (bring about) deals in investments and advise on investments. The particular investment types relate to life assurance, pensions, investments in authorised collective investment schemes, Unit Trusts, OEICs, Personal Equity Plans (PEPs) and Individual Savings Accounts (ISAs).

For the avoidance of doubt, we confirm that you are a "private client" of McCrea Financial Services as defined by the Financial Services Authority.

With regard to investments that we arrange for which you have given us instructions, we will not give you any further advice unless you request it, however, we will advise you in relation to such investments upon your request.

Furthermore, your investments and other contracts can be formally monitored and kept under regular review, should you require this additional service. If you do decide to instruct us to review your investments and make recommendations accordingly, then we will arrange for you to enter into our Portfolio Review Service Agreement.

We may, however, contact you in the future by means of an unsolicited promotion should we want to inform you of the relative merits of an investment or service which we feel may be of benefit or interest to you. However, no such approach will be made if you have previously indicated to us that you do not wish to be contacted in this manner.

McCrea Financial Services does not handle clients' money and as such we act as your agent in advising you and arranging investment contracts. We never accept a cheque made out to us (unless it is a cheque in settlement of charges or disbursements for which we have sent you an invoice) or handle cash.

2. Material Interests

McCrea Financial Services offers independent advice, however, occasions can arise where we or one of our other clients will have some form of interest in the 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.

3. 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 these terms of business unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees that may be outstanding.

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. However there will be occasions where no statutory rights are granted, however this will be explained before any contract is concluded.

4. Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet your obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000; therefore the maximum compensation is £48,000. Further information about the compensation arrangements is available from the Financial Services Compensation Scheme.

5. Complaints

If you should have any complaint about the advice you receive or a product you have bought please write to: Alan Moore the firms Compliance Officer at McCrea Financial Services Ltd, Turnberry House, 175 West George Street, Glasgow G2 2LB. Telephone number: 0141 572 1340. Fax number: 0141 572 1341.

If following our subsequent investigation and response you are still not satisfied you may contact the Financial Ombudsman Service. Full details are contained within our internal complaints procedure, which is available to you on request at any time.

6. Right to Withdraw

Once your new product has been purchased or mortgage or loan arranged, you may have a statutory right of cancellation, details of which will be given to you.

In the event that you exercise your statutory right of cancellation in relation to an investment and the investment falls in value between the date of purchase and the date on which you exercise your right to cancel, then the investment provider has the right to give you the lower value and not the original amount invested. Not all investments have the statutory right of cancellation. Where we provide advice on a non-packaged product, such as an Enterprise Initiative Scheme (EIS) or Venture Capital Trust (VCT), you will not have post sale cancellation rights. However, you will have a period of at least seven days from the date you sign the application to withdraw from the agreement.

You should note that, whilst certain transactions are pending, there could be movements within the stock-market that is to say that the stock-market could rise or fall in value. If the market rises in value between the date of realising your existing investment and the purchase of your new investment, you could be financially disadvantaged insofar as the cost of buying your new investment could be greater. Conversely, if there is a fall in the market between the date of realising your existing investment and the purchase of your new investment, you could be financially advantaged insofar as the cost of buying your new investment could be lower.

7. Client's 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 (for example equities) or indirectly (for example Managed Funds) invested in assets which may fall in value 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. Details of your stated investment objectives will be included in the Suitability Letter we issue to you confirming the reasons for our recommendations.

8. Disclosure of Client's Personal Data

In the conduct of our business with you, we will need to collate information about you. We will use this information to analyse your current and future needs so that we can ensure that any advice is suitable to your particular circumstances. Where investment business services are provided to McCrea Financial Services by third parties then circumstances may arise which warrant the disclosure of more than just your basic contact details. On these occasions, such as processing business and obtaining compliance and regulatory advice, you agree that personal information held by McCrea Financial Services may be disclosed to such third parties on a confidential basis and in accordance with the Data Protection Act 1998.

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.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

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.

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 0141 572 1340 or in writing at Turnberry House, 175 West George Street, Glasgow, G2 2LB.

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 purpose. 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.

9. Payment For Services

We operate on a fee and/or commission basis; we will agree this basis, frequency and method with you in writing. For certain types of work our experience of dealing with similar work enables us to quote a fixed fee for the amount you will be asked to pay. For other types of work, it can be very difficult to predict how much work will be involved and our charges, therefore, will be calculated according to a number of factors, the two main determinants being:

- The level of skill and specialist knowledge involved in undertaking the work; and
- The time taken on the work.

Estimates

We are always ready to give estimates of charges, where possible, and to provide details of how much expense has been incurred at any stage of our work for you. Alternatively, you can give us a 'ceiling' expenditure level to work to and when this is reached we will agree any further expenditure with you before proceeding.

Commission Receipts

We often derive income from commission payments paid to us by life assurance and pension providers and the operators of packaged products and collective investment schemes through which investments are made. The agreed fees or commission amounts will be detailed in our suitability letter and will conform to the rules on commission disclosure laid down by the Financial Services Authority.

If we receive a commission or other form of benefit from the issuer of a security or from another intermediary, we will inform you, however, we will not tell you its amount unless you ask us to do so.

In respect of any regular premium policy, which we may recommend, should you subsequently cease to pay premiums on the policy or other contract and as a consequence we are obliged to refund the commission that has been paid to us we reserve the right to charge you a fee representing the amount we have to repay, for a period of up to four years after commencement of the policy. This would only apply in a situation where we have received commission in lieu of fees.

10. Accounting To You

Unless there are exceptional circumstances, we will confirm to you in writing the basis or our reason(s) for recommending the transaction(s) executed on your behalf.

We will also make arrangements for all your investments to be registered in your name. 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.

11. Investment, Mortgage and Insurance Objectives & Restrictions

Following the issue of this letter, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any instructions you wish to make regarding the type of investments, mortgage or insurance policies you are willing to consider. Details of your stated objectives will be included in the Suitability or Needs and Demands Letter we issue to you confirming the reasons for our recommendations.

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

A full listing of designated investments is available from your adviser upon request

The Insurance Mediation Directive – an EU requirement – became effective in the UK as from 14th January 2005. In so far as it relates to Life Assurance contracts only, we can confirm that we only offer products on the basis of a fair analysis of the market.

12. Advice and Instructions

Any advice 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. 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 by us for a period of not less than six years. 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 pertaining to other parties would be disclosed.

13. Mortgage Review Service

We offer a “mortgage specific” review service and from time to time we will contact you for a full review of the original mortgage arranged by McCrea Financial Services Ltd. This may take the form of verbal or written communication up to 6 years from the date the original mortgage was taken out. If you do not wish to take advantage of this service please let your adviser know in order for your file to be marked accordingly. This will not affect any statutory right of cancellation you may have. Calls will not be made on a Sunday or between 9pm and 9am on any other day

14. Services which are not regulated by the Financial Services Authority

Some of the services provided by us may be not regulated by FSA since they are not included within the Financial Services and Markets Act 2000. Where we intend to provide advice in relation to unregulated activities, we will confirm to you what these services are and the fact that they are not regulated by the Financial Services Authority.

15. Professional Indemnity Insurance

McCrea Financial Services Ltd maintains Professional Indemnity Insurance arranged through NCG Professional Risks Ltd.

16. Money Laundering Regulations

We are obliged to conform with the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 and also adhere to the guidance notes from the Joint Money Laundering Steering Group which requires financial institutions to verify the identity and place of residence of each customer. We will also request that you inform us how any monies were obtained/accumulated. This process may require sight of certain documentation. If you provide false or inaccurate information and we suspect fraud or money laundering we will record this. We may not forward any applications or money to third parties/product providers until our verification requirements have been met. We take no responsibility for any delay in arranging a product where money laundering verification is outstanding. In circumstances where sufficient verification is not received in a timely manner after we have received completed applications, the application(s) and any monies may be returned to you

17. Law

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

18. Client Consent

I/we understand and consent to the above terms and I/we hereby authorise the transfer of information, as described above on a confidential basis when warranted between such third parties. I/we agree that the Terms of Business will come into effect from the date of issue.-

Please tick this box if you do not consent to us or any company associated with us processing any such sensitive data.

Please tick this box if you do not wish for us or any company associated with us to contact you for marketing purposes by e-mail, telephone, post or SMS

I have read and understood the terms laid out in this agreement and have chosen for the firms to be remunerated by;

<input type="checkbox"/>	Payment of a fee.
<input type="checkbox"/>	Payment by commission (or product charges).
<input type="checkbox"/>	Payment by a combination of commission and fee.

Date given to Customer	
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Signed (Customer 1)		Signed (Customer 2)	
Print name (Customer 1)		Print name (Customer 2)	

Date signed by Customer(s)	
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Signed (Adviser)	
Print name (Adviser)	

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