



Applewood Independent Limited

3rd Floor Pepper House
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Nantwich
Cheshire
CW5 5DQ

Guide to our services

Not all firms offer the same services. The services we offer are ticked below. Please use this document to decide if our services are right for you. During our initial meeting we will describe our services and explain your payment options as follows. We will confirm your choices to you separately in writing.

1. Whose products do we offer?

- We offer products from the whole market.
 - We only offer products from a limited number of companies.
 - We only offer products from a single group of companies.
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2. What services do we offer?

- 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.

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

- One off advice.** Our initial advice will be appropriate for you based on your requirements and circumstances at that time. We will not ensure that any initial advice is still suitable for you at a later date unless you specifically ask us to do so; you can ask us to do this at any time.
- Ongoing services.** In addition to our initial services, you could ask us to undertake some or all of the following:

- We will contact you at least every 12 months to offer you a meeting 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.

We will review the ongoing suitability of your existing policies and/or investments at the review meeting, if you specifically ask us to do so. If you ask us to conduct this review, we will provide you with a written report detailing our findings. If we recommend any investment changes we will implement them, with your agreement.

We will agree an additional payment for these changes at that time.

- We will provide you with telephone / email support if you need it; our offices are open every weekday

between 9.00 am and 5.00 pm.

3. What are your payment options?

Not all firms charge for their services in the same way. The payment options we offer are ticked below. We will not charge you for any services we provide until we have discussed your options and obligations and you have agreed how we will be paid.

Please see section 4 for details of our typical payment rates.

- Paying 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, commonly called 'commission'. You can ask us to use commission to offset our fees, if this is available, or we will refund this commission to you. 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. This is known as a 'clawback' and it can apply for up to five years, known as 'the clawback period'. Where commission is recovered by clawback, we may charge you the amount we have lost. If we exercise this right, you agree to pay us the lost amount on demand. The maximum amount you have to repay will not exceed the total fee agreed within our separate 'Service and payment agreement'.
- Paying 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, that 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. If no commission is payable and/or no product is bought, you will not pay us anything.
- Paying by a combination of commission and fee:** We may charge a fee in addition to any commission we receive from a product provider. Please also read the sections above '**paying by commission**' and '**paying by fee**' for more information.

4. How much might our services cost?

If you choose the fee option:

Our typical fees are estimated 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. We will confirm the actual rates in our separate 'Service and payment agreement', before providing our services to you.

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

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

Initial services

One-off fees:

Before we provide services to you, we will gather information about your circumstances and needs. We will not make a charge for this.

After this we will charge you:

A one-off fee as a percentage of the initial investment amount as follows:

£1-£150000	4% subject to a maximum of £6000 and a minimum of £400
£150000-£250000	3.50% subject to a maximum of £8750 and a minimum of £6000
£250000+	2% subject to an overall maximum of £10000 and a minimum of £8750

or

A fee based on the amount of time spent, at the following hourly rates:

Director	£175
Adviser	£150
Administration	£50

Ongoing trail fees:

An ongoing fee of 0.50% of the ongoing fund value. This amount is an annual total, but may be split over 12 months.

Ongoing services

An ongoing fee of 0.50% of the ongoing fund value, as calculated over the period, subject to a minimum fee of £1 and a maximum fee of £10000. This amount is an annualised total, but may be taken over 12 months.

If you choose the commission option:

The amount of commission we receive will vary depending on the amount you invest, sometimes how long you invest, or your age. Examples of typical commission amounts we might receive upfront and on an ongoing basis are:

If you invest a lump sum of £10680 into a stocks and shares individual savings account (ISA) we would receive commission of 4% of the amount invested (£428) and 0.50% of the value of the fund (approximately £54 every year).

If you invest a lump sum of £50000 in an investment bond we would receive commission of 4% of the amount invested (£2000) and 0.50% of the value of the fund (approximately £250 every year).

If you invest a lump sum of £50000 in a unit trust we would receive commission of 4% of the amount invested (£2000) and 0.50% of the value of the fund (approximately £250 every year).

If you pay £100 a month (gross) into a personal pension (for 25 years) we would receive commission of £646.

If you pay £100 a month (gross) into a stakeholder pension (for 25 years) we would receive commission of £267.

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

If you choose the combination of commission and fee option

We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, and will be in line with the amounts set out in the sections headed "**If you choose the fee option**" and "**If you choose the commission option**".

Terms of Business

About us

Applewood Independent Limited is an Appointed Representative and agent of Sesame Limited, (Independence House, Holly Bank Road, Huddersfield HD3 3HN). 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.

This agreement only covers provision by us of life insurance, pensions and investments advice. It does not govern the provision of advice about consumer credit activities, mortgage advice and advice about general insurance such as protection payment insurance, travel insurance and home insurance. If we advise you about these matters we will provide you with different agreements that are more appropriate.

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.

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

Sesame Limited is a wholly owned subsidiary of Sesame Bankhall Group Limited, which in turn, is wholly owned by Friends Life Group plc.

Sesame Limited is referred to in the remainder of this agreement as "Sesame": Applewood Independent Limited is referred to as "we", "us" and "our".

Terms of this Agreement

This agreement is made between you and us as agent for Sesame and takes effect from the date you instruct us to work for you. 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.

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.

If we want to make changes to the terms of this Agreement, 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.

How we act for you

We can advise you on investment products from 'the whole market'. This means we are free to offer, without restriction or limit, products and services from most product providers in the market. We may not always research products from every provider in the market, but we will recommend a suitable product for you after having considered a sufficiently wide range of providers to be representative of the whole market.

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

- You don't 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.

The FSA requires us to classify our clients as either 'retail' (personal) or 'professional' (business). We classify all our customers as 'retail' so that you get the highest level of consumer protection and in some cases access to the Financial Ombudsman Service.

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

- Direct investment into shares
- Derivatives
- Certain collective investment schemes (those which are not regulated by the FSA)
- Certain 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
- Certain Structured Products.

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 give some other benefit to us for introducing you to them as a customer; if this happens, we will tell you in writing.

You should receive 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 cannot 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 may give you advice about policies or investments, for which you may (for a short period) have the right to change your mind; we will tell you where this is the case. After this period, you can still cease making payments or sometimes cancel the investment, but there may be implications for doing so; we will tell you where this is the case.

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.

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.

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.

How we charge you for our services

Our income could come either from payments, commonly called 'commission', from companies we arrange business with or fees paid to us by you, our customer. We might agree that you can pay us by a combination of a fee and commission. Full descriptions of the payment options we offer are included in section 3 of the 'Guide to our services'.

If we charge you recurring fees, we may increase our rates in the future. We will not do so unreasonably, and any increase will not exceed the retail price index plus 5% in any one year. 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. Settlement of our invoices is due within 30 days and we reserve the right to charge reasonable interest on overdue payments. 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 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.

Client money

We **never** hold client money.

- 'Client money' is money that we receive and hold on your behalf. This can be in any currency, cash, a cheque or money in a bank account.

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 for **any** reason.

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, please ask us.

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.

Data protection

Alongside this document, we have issued you with a Data Protection Statement setting out how we, and Sesame, collect and use data about you.

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.

Provision of information by you

We seek to ensure that any personal information we hold about you should remain accurate and up to date, as this could affect the advice we give you. Therefore, please let us know if there are any significant changes to your personal details, when they occur.

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. As and when requested you must provide instructions to us in a timely and clear manner during the course of your work.

When we first meet, we will agree the services we will provide to you. Full descriptions of the services we offer are included in section 2 of the 'Guide to our services'. If we agree to provide you with ongoing reviews, we will regularly check that the information we hold on you is correct. You must tell us if we have got anything wrong.

Ending 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 30 days of the termination date. Please also refer to the section headed '**How we charge you for our services**' within this document in respect of any fee refunds and section 3 headed '**What are your payment options?**' within the 'Guide to our services', in respect of commission clawback.

Complaints

We hope that you are happy with the services we provide. But, if for any reason you are unhappy, we would like to hear from you. Please write to The Complaints Team, Sesame Limited, Independence House, Holly Bank 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 law to help customers of financial services firms. The FSCS service is free of charge to consumers. The FSCS maintains a fund that pays compensation if a firm is unable to pay claims made against it by customers.

You may be entitled to compensation from the scheme if we cannot meet our 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 £50,000.

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.

keyfacts[®] about our insurance services

Applewood Independent Limited
3rd Floor Pepper House, Market Street, Nantwich, Cheshire, CW5 5DQ

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. Use this information to decide if our services are right for you.

2. Whose products do we offer?

- We offer products from a range of insurers for term assurance, critical illness and income protection.
- We can only offer products from a limited number of insurers.
- We only offer products from a single insurer.
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3. Which service will we provide you with?

- We will advise and make a recommendation for you after we have assessed your needs for term assurance, critical illness and income protection.
- You will not receive advice or a recommendation from us for private medical insurance and accident, sickness and unemployment, buildings and contents. We may ask some 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.
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4. What will you have to pay us for this service?

- A fee
- No fee.

You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

5. Who regulates us?

Applewood Independent Limited is an appointed representative of Sesame Limited, Independence House, Holly Bank Road, Huddersfield HD3 3HN which is authorised and regulated by the Financial Services Authority. Sesame Limited's FSA Register number is 150427.

Sesame Limited's permitted business is advising on and arranging pure protection and general insurance contracts.

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.

6. Ownership

Sesame Limited is a wholly owned subsidiary of Sesame Bankhall Group Limited, which in turn, is wholly owned by Friends Life Group plc.

7. What to do if you have a complaint

If you wish to register a complaint, please contact us:

... in writing Write to The Disputes Team, Sesame Limited, Independence House, Holly Bank Road, Huddersfield HD3 3HN

... by phone Telephone 0845 300 5325.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

8. Are we covered by 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.

Insurance advising and arranging is covered for 90% of the claim with no upper limit.

Further information about the compensation scheme arrangements is available from the FSCS.

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DATA PROTECTION ACT 1998 - USE OF YOUR PERSONAL INFORMATION

As you may be aware, the UK is one of the most highly regulated financial centres in the world. This is to safeguard the interests of consumers and other persons purchasing and being advised about investments, insurance and other financial products and in use of their personal data. Against this backdrop, we are required to make certain regulatory and statutory declarations to you.

If instructed by you, we collect data during our initial and other meetings with you about you and your family. We will also be collecting data about you and your family from other persons. We collect the data through note-taking and filling in of questionnaires about you and your family's circumstances.

We may make checks with credit rating agencies to authenticate and verify your identity and credit status. We also make checks with Institutions with whom you have policies of insurance and investments and with your mortgage provider. These checks are to help us with our obligations at law and generally to ensure that we provide you with advice that suits your circumstances. The scope and extent of the gathering of information from third parties depends on what type of service you are taking from us.

It has been disclosed to you that we are Appointed Representatives of Sesame Limited, the largest independent distributor of financial and other insurance products in the United Kingdom. Sesame is responsible for ensuring that the sales we make to you and advice we provide to you is compliant with the regulatory regime in the United Kingdom. All of your data will therefore be passed to Sesame for regulatory and other purposes, including monitoring that its mandated sales and advice process is being followed, if you make a complaint or Sesame is requested by the FSA to undertake a review of the sale or advice. This is a reassuring process as Sesame has one of the largest and comprehensive regulatory compliance teams that monitor and ensure utmost high standards in the finance industry.

How is your information used?

Primarily, we use your data and data about your family's circumstances to provide advice to you and complete transactions on your behalf. We analyse and assess your data to maintain and develop our relationships with you.

Depending on the instructions we receive from you, we may pass your data to other professional advisers to enable us to provide advice most suited to your circumstances. Usually, this would be referrals to local accountants, solicitors, tax advisers and sometimes to specialist advisers in the financial and insurance industry where we do not feel we have appropriate expertise. We, and any third party specialist advisers to whom we introduce you, will, of course, pass your data to Institutions if you agree to purchase or amend policies and products as part of the sales and advice process.

We pass your data to Sesame so that it can monitor the sales and advice process that we are obliged to use as its Appointed Representative. This includes money laundering checks, compliance and regulatory reporting and fraud prevention. Copies of the files we create about you may be retained by Sesame so that in future it can investigate any concerns you or appropriate authorities may have about the sales and advice we give to you. Sesame also randomly selects customers who they may contact by post or telephone to check that its Appointed Representatives have acted in the best interests of

customers. It is a quality assurance exercise that allows us and Sesame to ensure that we are treating you fairly as required by the FSA.

Sesame will retain your data according to the statutory requirements for regulatory products. For instance, if you are given specialist pension advice, the data will be retained indefinitely. If you want details of the statutory retention periods for various product types please contact us and we will obtain the latest legal position from Sesame on your behalf.

Your data is held in our and Sesame's offices in computer-based and paper-based filing systems.

Sesame may process your information in countries that are outside the European Economic Area, Sesame has taken appropriate steps to ensure the same level of protection for your personal information in other countries as in the European Economic Area.

We may introduce you to Institutions who process your information in countries that are outside the European Economic Area, which do not offer the same level of protection for your personal data. While the data protection laws in these countries are not equivalent to the EEA, Sesame has received assurances from those Institutions that they have taken appropriate steps to ensure adequate protection for your personal information and created equivalent rights as if your data was processed in the European Economic Area.

New products

We have a wide portfolio of financial and insurance products available to us as Appointed Representatives of Sesame, we believe these are some of the best and most appropriate in the marketplace. We would also like to be able to contact you so that we can further advise you of developments of new products that might be suited to you. We also might advise you of legal developments that might make it appropriate for us, or for third parties, to give you pro-active advice about the investments, insurance and other financial products of which we are aware. We stress that your information would only be used in this way to help us to provide a pro-active service to you. As we all know, time is precious and none of us want to be bombarded with information that is simply not relevant or which we do not require. Please tick below or alternatively contact us at our usual address if you do not wish your information to be used in this way.

Your right to a copy of your personal data

Under the Data Protection Act you have a right, upon payment of a fee, currently £10, to obtain a copy of the personal information that Sesame holds about you. If you believe that any information held is incorrect or incomplete, you should contact us at our usual address. Any information that is found to be incorrect or incomplete will be amended promptly.

Thank you for your time and I confirm that we are at all times committed to making sure that, as you are a customer of an Appointed Representative of Sesame, you receive the best service and products available in the marketplace.

I do not wish to receive information about the products or services of other carefully selected third parties from within the Financial Services and Insurance industry.

Only tick the box above, sign below, date this notice and send it to us if you do not wish to receive details of third party products and services that may be of benefit to you financially.

Name:

Date.....