

Terms of Business and Client Agreement

This document represents both Ethical Investors' Terms of Business and our Client Agreement. For more information on our company please see our 'Key Facts: about our services and costs', 'Client Charter and Fee Schedule' and our 'Ethical Proposition' documents, which available on request.

Administration and Reviews - We are required to keep all records relating to transactions arranged for our clients for a number of years from the date of the transaction. This is indefinitely for pension transfers, 6 years for life policies and pension contracts, and 3 years for all others. Our clients have the right to inspect copies of our records in books, files and electronic recording media relating to their transactions.

We do not automatically review clients' contracts and circumstances annually. We feel that our clients are capable of assessing their changing needs and will contact us again if they wish further advice or information. Subject to an agreed fee, we are happy to provide an ongoing support service to clients in respect of their financial arrangements through Ethical Investors, including regular valuations and fund reports. One exception to this policy is the ongoing monitoring of the ethical nature of the investments recommended. If we feel that a fund recommended to clients has materially changed its screening procedures, to the disadvantage of clients, we will write to all clients affected by such a change, outlining the options and requesting instructions. There is no additional charge for this.

We keep in regular contact with our clients via our newsletter and website. These carry information on new products available, changes to existing contracts, information on the ethical investment funds and information on the wider issues associated with ethical investment. If a client would like us to contact them on a regular basis, we will be more than happy to do so upon being notified by the client to this effect.

We ask clients to give us all instructions in writing, to avoid any misinterpretation. We will, however, accept oral instructions provided they are followed-up by written confirmation.

It is our policy to arrange for all investments to be registered in the name of the client, unless we are instructed to the contrary in writing. We will forward all documents showing ownership of the investments to clients 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 clients for safekeeping.

Ethical Investors Does Not Handle Clients' Money - We are not able to accept cash or cheques payable to ourselves, (unless it is a cheque for settlement of charges/fees agreed between Ethical Investors and the client). We feel that greater security is offered to investors if cheques are made payable to the financial institutions, rather than any Client Account we may hold. This is particularly important for those clients transacting business through the post.

Insurance - We confirm that we maintain Professional Indemnity Insurance that meets the requirements of the FCA and the Association of British Insurers.

Termination - Authority to act on clients' behalf may be terminated at any time by either party without penalty. Notice of such termination must be given in writing.

Locum Arrangements – Ethical Investors has a Director and three other authorised individuals operating from its Head Office in Cheltenham. If your personal adviser is unable to conduct business (say through illness) your interests will not suffer. Another adviser within our Head Office will deal with your queries.

Conflicts of Interest - We offer independent financial advice but occasions can arise where we, or one of our other customers, will have some form of material interest in business which we are transacting with you. If this happens, or we become aware that our interests or those of one of our customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions.

Anti Money Laundering Legislation - This imposes a requirement on us to verify your identity and address, and report investment transactions if we are not able to satisfy ourselves properly as to your identity, the source, or the use of the money that you are either investing, transferring or encashing. We are required to have a record of proof of identity and address of all clients. We are required to pay particular attention to client identity and the source of the funds where a large or an “unusual” transaction, or series of transactions occur.

Notice about the Data Protection Act 1998 - Ethical Investors holds information about our clients on computer. This information will include your name, address and telephone number. We also hold other basic information that we obtain from your completed Financial Information Form, together with information about any policies you may take out through us. The reason we hold this information is to allow us to check client details quickly and efficiently. We also send out regular newsletters and use computers to print out client names and addresses. We do not sell this information, nor do we swap it with other organisations. We take confidentiality very seriously and we do not make your details available to anyone not directly employed by us. It may be necessary however to inform an insurance company of information we hold on computer to help process a client’s application and in these circumstances we do release only the required information.

Client Agreement

By signing and returning your *Confidential Financial Information Form*, you agree to be bound by the terms of this agreement.

- 1) Where, on receipt of instructions from you, a financial report is prepared or additional work has to be undertaken that does not relate to investments on which commission is payable, or advice is given but no transaction is arranged on your behalf, fees will be charged at a rate agreed with you in writing. Where we propose to charge a fee we shall agree the rate with you prior to any work being carried out.
- 2) If you cease making payments on a regular premium policy and in consequence we are obliged to refund any commission that has been paid to us, we reserve the right to charge you a fee based on the number of hours spent in advising you and arranging the policy, but we will not charge a fee if you exercise your right to cancel the policy in accordance with the cancellation notice sent to you by the product provider.
- 3) You, or we, may terminate our authority to act on your behalf under these terms of business at any time, without penalty. Notice of this termination must be given in writing and will take effect immediately upon receipt of the notice. Termination will not prejudice the completion of transactions already initiated on your behalf or any rights or obligations already arising.
- 4) You agree that the information we hold about you can be held on computer and/or paper files.
- 5) You agree that any information given to us may be disclosed to third parties (e.g. credit reference agencies and product providers) for any purpose associated with transacting business on your behalf or to another firm upon the sale of all or part of our business.
- 6) When undertaking business our receipt of a completed application form and the associated cheque (or other payment source) is taken as formal acceptance of the advice given in the corresponding suitability letter.

Head Office: Third Floor, Formal House, 60 St George's Place, Cheltenham, GL50 3PN
Tel: 01242 539848 Fax: 01242 539851 info@ethicalinvestors.co.uk
www.ethicalinvestors.co.uk www.ethical-giving.org

Authorised and Regulated by the Financial Conduct Authority

Ethical Investors Group is the trading name of Ethical Investors (UK) Limited.

Registered Office: Third Floor, Formal House, 60 St George's Place, Cheltenham, GL50 3PN. Director: Lee V Coates OBE

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