

HC Financial Services – Terms of Business

The following outline the Terms of Business between you (hereinafter called **the client**) and the financial planning, consultancy and advisory service provided by *HC Financial Services (HC)*. **HC** is a limited company, with a registered address at Oranmore Business Park, Oranmore, Co. Galway.

These Terms of Business comply with the Financial Regulator's Statement of Authorised Status 11/01/10.

Regulatory Position

HC is authorised as a/an:

Authorised Advisor under Section 10 of the Investment Intermediaries Act 1995 and a Mortgage Intermediary, under the Consumer Credit Act of 1995

A copy of our Statement of Authorised Status is attached to this document. (*Appendix 1*)

Services Provided

The services provided cater to both the Corporate and the Individual client. Please ask for further information on any of the products listed below.

Retirement Planning Small Self Administered Pension Schemes (SSAPS) Personal Retirement Savings Accounts (PRSA'S)	Pensions Personal Pensions Group Pensions
Wealth Management in Retirement Approved Retirement Funds (ARF) Approved Minimum Retirement Funds (AMRF)	Investment Planning Portfolio Selection Investment Advice
Finance and Mortgages Financial Project Management Residential and Commercial Finance	Taxation and Business Services Tax Planning Tax Compliance
Life Planning for life Changes Life Cover Specified Illness Cover Mortgage Protection Corporate Protection	

Commissions and Charges:

HC are remunerated in one of two ways; either by the Product Producers in the form of remuneration for business introduced or by fees charged to clients. Sometimes it can be a combination of both. There may be additional charges from time to time for third parties, of which you will be advised in advance. These are fully disclosed.

HC may receive remuneration and other payments from Product Producers to whom orders are transmitted. Summary detail of these payments will be included in a product information document, which you are legally entitled to receive before an application for a product is completed, and full details will be included with your cooling off letter.

Fees:

If we arrange a product for you with a Product Producer with whom we do not hold an appointment, then we will charge you a fee for this service. This fee will reflect the average levels of remuneration payable to other Product Producers for similar types of products. If we do this we will provide you with a written estimate of this in advance of providing any business service. **HC** have a Scale of Fees outlining our charges across our full range of services.

For Mortgage Business, **HC** are paid up to 1% remuneration of the loan for arranging Mortgage Finance. This is paid to us by the Financial Institution with whom the finance is secured. See attached list of Mortgage Lenders with whom we hold Agencies (*Appendix 2*)

Code of Conduct:

HC will ensure in all transactions that we:

- Act honestly and fairly in conducting our business activities in the best interest of our clients.
- Act with due skill, care and diligence in the best interests of our clients.
- Have and will employ effectively the resources and procedures that are necessary for the proper performance of business activities.
- Seek from our clients, information regarding their financial situations, investment experience and objectives as regards the services requested in order to properly advise the client
- Make adequate disclosure of all relevant material information when dealing with our clients.
- Make all reasonable efforts to avoid conflicts of interests and, when they cannot be avoided, ensure that all our clients are fairly treated
- Comply with both the letter and the spirit of all regulatory requirements applicable to the conduct of our business activities so as to promote the best interests of our clients

Conflict of Interests:

Our employees are required to comply with a policy of independence, and disregard any conflict of interest when making recommendations to you. It is the policy of our firm to avoid conflicts of interest in providing you with insurance and investment business services. If this is not possible, we will notify you as soon as it is practicable after we become aware of the conflict of interest and you may rest assured that you will be treated fairly where such a conflict is unavoidable.

Complaints:

We ask that you make any complaint against our firm relating to services provided by us in writing. We will acknowledge your complaint within 5 days and we will fully investigate it. On completion of our investigation, we will provide you with a written report of the outcome. In the event that you are still dissatisfied with our handling of, or response to, your complaint, you are entitled to refer the matter to the Financial Services Ombudsman. A full copy of our complaints procedure is available on request.

Client Undertaking:

You, the client should undertake to provide full and complete information requested by **HC** in undertaking its analysis and make **HC** aware of all relevant information. All information is treated confidentially. In the event that information is not supplied, or is restrictive, **HC** is prohibited by regulation from giving advice. We can however arrange investments for the client on an *execution only* basis. This means that **HC** cannot advise on the appropriateness of the investment strategies and products. These have to be decided by the client.

We will provide assistance to you for any queries you may have in relation to the policies, or in the event of a claim during the life of the policies and we will explain to you the various restrictions, conditions and exclusions attached to your policy. It is however, your responsibility to read the policy documents, literature and brochures to ensure that you understand the nature of the policy cover, particularly in relation to PHI and serious illness policies.

Research:

Under Guidelines issued by the FINANCIAL REGULATOR (version October '01), under S.37 of the Investment Intermediaries Act 1995, we wish to draw your attention to the fact that we cannot research all product providers potentially available to you within Ireland, Europe and OECD countries. Neither will some product providers who do not work with Financial intermediaries provide research even when requested to do so and you are advised that you may wish to pursue these yourself. However, as a part of **HC**'s service, we routinely investigate and review financial products already held by clients across domestic and international product providers, utilising client information authority mandates.

Appointments:

The services which the firm is authorised to provide under each appointment are:

- a) Advice in relation to products and advice as to which product is suitable to your needs.
- b) Receiving and transmitting orders on your behalf for a product(s):

HC currently hold letters of Appointment from the following Product Producers, a copy of which is attached. (*Appendix 2*)

Compensation Scheme:

HC is a member of the Investor Compensation Scheme, established by the Investor Compensation Act of 1998.

The Act provides that compensation shall be paid to eligible investors (as defined by the Act) to the extent of 90% of an investor's net loss or compensation of up to €20,000, whichever is lesser, and is recognized as being eligible for compensation. The main details of the operation and conditions of the scheme are attached. (*Appendix 3*)



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Statement of Authorised Status

HC Financial Services Group Ltd (Ref. No. 6924) is authorised under Section 10 of the Investment Intermediaries Act, 1995 (as amended).

As an Authorised Advisor, **HC Financial Services Group Ltd** is authorised to provide broad based investment advice and to receive and transmit orders in respect of the following investment instruments:

1. Shares in a company or bonds that are listed on a stock exchange, prize bonds
2. Units or shares in undertakings for collective investment schemes including unit trusts and UCITS
3. Tracker Bonds
4. Insurance policies
5. Personal Retirement Savings Accounts ('PRSAs')

The firm is also authorised to act as a deposit broker and to give advice in relation to deposits.

When receiving and transmitting orders in relation to insurance policies and/or PRSAs the firm may only accept cash or cheques/bank drafts from clients payable to itself where:

- (i) an insurance undertaking has invited renewal of a policy of insurance, or
- (ii) a proposal for insurance and/or PRSAs has been accepted by an insurance undertaking.

In all other circumstances cheques/bank drafts or other payment instruments must be made payable to the product producer.

For and on behalf of the Irish Financial Services Regulatory Authority:

Signed: Billy Clack 11/1/10

Signed: David Murphy 11/1/10

IRISH FINANCIAL SERVICES REGULATORY AUTHORITY

Appointments

HC is authorised to provide the following services:

- Advice in relation to products and advice as to which product is suitable to your needs.
- Receiving and transmitting orders on your behalf for a product(s):

Life Companies	Mortgage Companies
HC currently hold letters of Appointment from the following Product Producers.	We are authorised by the following Financial Institutions in relation to mortgages.
Acorn Life Limited	ACC Bank plc
Anglo Irish Assurance Company Limited	Allied Irish Banks plc
Anglo Irish Bank Corporation Limited	Bank of Ireland Mortgage Bank
Bank of Scotland (Ireland) Limited	ICS Building Society
BCP Asset Management Ltd	Irish Life & Permanent plc
Caledonian Life	Irish Nationwide Building Society
Canada Life Assurance (Ireland) Limited	KBC Mortgage Bank
CGU Life	The Governor and Company of the Bank of Ireland
Duggan Asset Management Limited	
Fleming Fund Management (Luxembourg) SA	
Friends First Life Assurance Company Limited	
Hibernian Aviva General Insurance Limited	
Hibernian Aviva Health Insurance Limited	
Hibernian Aviva Life & Pensions Limited	
HSBC Asset Management (Europe) Limited	
Investec Bank plc	
Irish Life & Permanent plc	
Irish Life Assurance Plc	
Irish Life International Limited	
J & E Davy	
KBC Bank Ireland plc	
Liberty Asset Management Limited	
Merrion Stockbrokers Limited	
New Ireland Assurance Company plc	
Scottish Mutual International Limited	
Scottish Provident Limited	
Standard Life Assurance Company	
Ulster Bank Ireland Limited	
Wealth Options Limited	
Zurich Life Assurance plc	
	Note: HC can also provide advice on products by companies with whom we do not hold an appointment.

Appendix 3

Investor Compensation Scheme

The Investor Compensation Act, 1988 provides for the establishment of a compensation scheme and the payment, in certain circumstances, of compensation to certain clients (known as eligible investors) of authorised investment firms, as defined in that Act.

The Investor Compensation Company Ltd. (ICCL) was established under the 1998 Act to operate such a compensation scheme and our firm is a member of this scheme.

Compensation may be payable where money or investment instruments owed or belonging to clients and held, administered or managed by the firm cannot be returned to those clients for the time being and there is no reasonably foreseeable opportunity of the firm being able to do so.

A right to compensation will arise only:

- if the client is an eligible investor as defined in the Act; and
- if it transpires that the firm is not in a position to return client money or investment instruments owned or belonging to the clients of the firm; and
- to the extent that the client's loss is recognised for the purposes of the Act.

Where an entitlement to compensation is established, the compensation payable will be the lesser of:

- 90% of the amount of the client's loss which is recognised for the purposes of the Investor Compensation Act, 1998; or
- compensation of up to €20,000.

**For further information contact the Investor Compensation Company Ltd. at
Tel: (01) 4344000**