



S.A. Faughnan (Brokers) Ltd.

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Registered in Ireland under Company Registration Number 88953

S.A. Faughnan (Brokers) Ltd t/a Insurance Centre is regulated by the Central Bank of Ireland

TERMS OF BUSINESS

We are pleased that you have selected S.A. Faughnan (Brokers) Ltd. to act as your Insurance Broker / Financial Broker. These terms of business set out the basis on which S.A. Faughnan (Brokers) Ltd. will provide business services to you as a client of the firm. They also contain details of our regulatory and statutory obligations and the respective duties of both the firm and you in relation to such services. Please ensure that you read these terms thoroughly and if you have any queries we will be happy to clarify them. If any material changes are made to these terms we will notify you.

Authorised Status: S.A. Faughnan (Brokers) Ltd. is regulated by the Central Bank of Ireland as an Insurance Intermediary registered under the European Communities (Insurance Mediation) Regulations, 2005; as an Authorised Advisor authorized under the Investment Intermediaries Act, 1995 and as a Mortgage Intermediary authorized under the Consumer Credit Act, 1995. Copies of our regulatory authorizations are available on request. The Central Bank of Ireland holds registers of regulated firms. You may contact the Central Bank of Ireland on 1890 777 777 or alternatively visit their website at www.centralbank.ie to verify our credentials.

Codes of Conduct: S.A. Faughnan (Brokers) Ltd. is subject to the Consumer Protection Code, Minimum Competency Code and Fitness & Probity Standards which offer protection to consumers. These Codes can be found on the Central Bank's website www.centralbank.ie. We are also registered with the National Consumer Agency as a Credit Intermediary.

Our Services: S.A. Faughnan (Brokers) Ltd. is a member of both the Professional Insurance Brokers Association (PIBA) and the Irish Brokers Association (IBA). Our principal business is to provide advice and arrange transactions on behalf of clients in relation to general (non-life) insurance products, life assurance, pensions and investment products and mortgages. A full list of insurers, product producers and lending agencies with which we deal is available on request.

Fair Analysis

The concept of fair analysis is derived from the Insurance Mediation Directive. It describes the extent of the choice of products and providers offered by an intermediary within a particular category of general (non-life) insurance, life assurance, pensions & investments and mortgages, and/ or a specialist area. The number of contracts and providers considered must be sufficiently large to enable an intermediary to recommend a product that would be adequate to meet a client's needs.

The number of providers that constitutes 'sufficiently large' will vary depending on the number of providers operating in the market for a particular product or service and their relative importance in and share of that market. The extent of fair analysis must be such that could be reasonably expected of a professional conducting business, taking into account the accessibility of information and product placement to intermediaries and the cost of the search.

In order to ensure that the number of contracts and providers is sufficiently large to constitute a fair analysis of the market, we will consider the following criteria:

- the needs of the customer,
- the size of the customer order,
- the number of providers in the market that deal with brokers,
- the market share of each of those providers,
- the number of relevant products available from each provider,
- the availability of information about the products,
- the quality of the product and service provided by the provider,
- cost, and
- any other relevant consideration.

Non-Life Insurance: As Insurance Brokers we offer advice on a *Fair Analysis* basis in relation to all classes of non-life insurance (motor, household, property, business, engineering liability, travel, marine etc). This means we will research a sufficiently large number of contracts and product producers available in the market place to enable us to make a recommendation, in accordance with professional criteria, regarding which contract would be adequate to meet your needs. On receipt of your instructions we will transmit orders on your behalf to one or more product producers. This firm does not have a 'tied' relationship with any Institution for insurance products.

Directors: Stephen A. Faughnan (Managing), Mary R. Faughnan (Sec), David A. Faughnan CIP

Advice in respect of our Property Owners' Insurance Schemes is provided on a *Limited Analysis* basis i.e. via one Insurance Provider only i.e. W.R. Berkley Insurance (Europe) Ltd., effected through Optis Insurances Ltd.

Advice in respect of Health Insurance is also provided on a *Limited Analysis* basis i.e. via one Provider only i.e. Aviva Health Insurance Ireland Ltd.

As a **Credit Intermediary** we can also arrange personal loans for insurance premium finance.

Life Assurance, Pensions & Investments: As Insurance Brokers we offer advice on a *Fair Analysis* basis in relation to all classes of life assurance, pensions and investments. This means we will research a sufficiently large number of contracts and product producers available in the market place to enable us to make a recommendation, in accordance with professional criteria, regarding which contract would be adequate to meet your needs. On receipt of your instructions we will transmit orders on your behalf to one or more product producers. This firm does not have a 'tied' relationship with any Institution for insurance products. We offer independent financial advice, on a fee basis if required, in respect of Life, Investment's, Retirement and Financial Planning.

Deposit Broker Services are provided on a *Limited Analysis* basis in respect of those institutions only with whom we hold an agency i.e. a limited number of contracts and product producers available. Those institutions are Irish Life & Permanent plc. only.

Mortgage Intermediary Services are provided on a *Fair Analysis* basis. We will need to collect sufficient information from you before we can offer any advice on housing loans. This is due to the fact that a key issue in relation to mortgage advice is affordability. Such information should be produced promptly upon our request.

Other Services: We will assist you with 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. In relation to non-life products, we will also assist you in processing claims and in seeking renewal terms on your cover. To ensure continuity of cover, where you have an existing non-life policy which is due to expire and where we have been unable to contact you, we may put continuing cover in force whilst awaiting your instructions. You will be liable for any premiums payable to the relevant insurer for the period of time between, the renewal date, and when we receive your instructions. You have the right not to avail of this service.

It is your responsibility to read the policy documents, schedules, literature and brochures of each policy to ensure that you understand the nature of the policy cover particularly in relation to PHI and Serious Illness policies. Specifically on the subject of PHI (Permanent Health Insurance) policies it is our policy to explain to you a) the meaning of disability as defined in the policy, b) the benefits available under the policy, c) the general exclusions that apply to the policy, and d) the reductions applied to the benefit where there are disability payments from other sources. For a Serious Illness policy, we will explain clearly to you the restrictions, conditions and general exclusions that attach to that policy.

Disclosure Information: It is your responsibility to provide complete and accurate information for Insurers when arranging an insurance policy. Any failure to disclose material information may invalidate your insurance claim and render your insurance policy void.

Remuneration Policy & Fees: S.A. Faughnan (Brokers) Ltd. is generally remunerated by way of commission and other payments from product producers or lenders on the completion of business. Details of this remuneration are available upon request. Where an override commission is received, this will be disclosed to you in general terms. You may choose to pay in full for our services as specified below by means of a fee. Where we receive recurring commission, this forms part of the remuneration for initial advice provided. We reserve the right to charge additional fees if the number of hours relating to on-going advice/assistance exceeds 1 hour.

In certain circumstances, it will be necessary to charge a fee for services provided. A fee is deemed earned at inception/renewal/mid-term alteration of a policy and is therefore non-refundable in respect of non-life insurance products and services. These are listed below for non-life insurance, life assurance, pensions, investments and mortgages. In other circumstances where fees are chargeable or where you choose to pay in full for our service by fee, we will notify you in writing in advance and agree the scale of fees to be charged if different from fees outlined below. Our current basic hourly (or part thereof) rate for Directors, Consultants & Qualified Staff is €250 and €150 per hour for clerical / administrative staff.

Non-Life Fees

For **Personal Lines** Business in relation to Initial Placement and Renewal of policies:-

Private & Commercial Motor, Motor Cycle & Special Types – Up to a maximum of 35% with a minimum of €35

Home, Holiday or Rental Home and all other Personal Lines Risks – Up to a maximum of 35% with a minimum of €25

In relation to alterations to or cancellation of Personal Lines policies mid-policy term which result in either an additional or refund premium and the issue of duplicate documentation a fee of up to €50 will apply per transaction.

For **Commercial Lines / Corporate** Risks such as Commercial Property, Traders Combined, Liability, Motor Fleets, Engineering and all other business related risks in relation to Initial Placement and Renewal of policies – Up to a maximum of 35%

In relation to alterations to or cancellation of Corporate policies mid-policy term which result in either an additional or refund premium and the issue of duplicate documentation – Up to a maximum of 35% with a minimum of €50.

We reserve the right to amend these fees should the time required, complexity or urgency of the product require a higher fee. We will confirm and agree this fee with you prior to any increased charge being applied.

If we arrange Insurance Premium Finance for you, we typically charge up to an additional 5% in excess of the interest rate payable to the credit institution by way of a handling / administration fee. This is paid to us by the premium finance company.

We also reserve the right to charge an administration fee of up to 5% in respect of any premiums paid by debit / credit / laser card.

We will pass on any bank charges incurred by us as a result of any payments being returned unpaid by a client's bank.

Life Fees

For **Life Assurance, Pensions, Investment & Financial Planning Business (including Deposits)** you may elect to deal with us on a fee basis. We are normally paid a commission on any business completed. However, we do reserve the right to charge a fee where substantial work is undertaken, e.g. Financial Review & Recommendations. Any fees charged will be on a time spent and disbursement basis or a percentage of transaction value with special consideration to the complexity, value or urgency of the case. Where applicable, the rate will be explicitly agreed in advance and in accordance with our published fee schedule. Our current basic hourly (or part thereof) rate for Directors, Consultants & Qualified Staff is €250.

Where advice is requested for **Personal Retirement Savings Accounts (PRSA's)** the fee scale and conditions in the above paragraph apply.

If we receive a commission from a product provider, this may be offset against the fee which we will charge you. Where the commission is greater than the fee due, the commission may become the amount payable to the firm unless an arrangement to the contrary is made.

Mortgages

We may receive up to 1% (or whatever maximum is applicable) of the loan for arranging mortgage finance. This commission is paid by the mortgage lender. We also charge fees as per the scale and conditions noted in the section 'Life Fees' above. Please note that specific lenders may charge specific fees in certain circumstances and if this applies, these fees will be specified in your Loan Offer. You have the right to pay a fee separately and not include it in the loan. Typically, this situation arises in relation to specialist lending. If we provide mortgage advice and obtain a Loan Offer for you and you subsequently do not proceed with your mortgage application through our firm, we will charge you an arrangement fee of €500 for our services.

We charge an upfront fee of €150 for all new mortgage applications. This fee covers the administration charge for submitting applications through PIBA Mortgage Services Ltd and our own administration charges. This fee is refundable upon successful completion of a mortgage. We will not charge a fee if we decide not to submit the case.

If we receive a commission from a product provider, this may be offset against the fee which we will charge you. Where the commission is greater than the fee due, the commission may become the amount payable to the firm unless an arrangement to the contrary is made.

Regular Reviews

It is in your best interests that you review, on a regular basis, the products which we have arranged for you. As your circumstances change, your needs will change. You must advise us of those changes and request a review of the relevant policy so that we can ensure that you are provided with up to date advice and products best suited to your needs. Failure to contact us in relation to changes in your circumstances, or failure to request a review, may result in you having insufficient insurance cover and/or inappropriate investments.

Conflicts of interest

It is the policy of our firm to avoid conflicts of interest in providing services to you. However, where an unavoidable conflict of interest arises we will advise you of this in writing before providing you with any service.

Default on payments by clients

Our firm will exercise its legal rights to receive payments due to it from clients (fees and insurance premiums) for services provided. In particular, without limitation of the generality of the foregoing, the firm will seek reimbursement for all payments made to insurers on behalf of clients where the firm has acted in good faith in renewing a policy of insurance for the client.

Product producers may withdraw benefits or cover in the event of default on payments due under policies of insurance or other products arranged for you. We would refer you to policy documents or product terms for the details of such provisions.

Mortgage lenders may seek early repayment of a loan and interest if you default on your repayments. Your home is at risk if you do not maintain your agreed repayments.

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 business 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, 3rd Floor Lincoln House, Lincoln Place, Dublin 2 (Low Call 1890 88 20 90) or the Pensions Ombudsman, 36 Upper Mount Street, Dublin 2 (00 353 1 676 9577). A full copy of our complaints procedure is available on request.

Data Protection

S.A. Faughnan (Brokers) Ltd. complies with the requirements of the Data Protection Acts, 1988 and 2003.

The data which you provide to us will be held on a computer database and paper files for the purpose of arranging transactions on your behalf. The data will be processed only in ways compatible with the purposes for which it was given. We would also like to keep you informed of mortgage, insurance, investment and any other services provided by us or associated companies with which we have a formal business arrangement; which we think may be of interest to you. We would like to contact you by way of letter, email, fax or telephone call. If you do not wish to receive such marketing information please tick the box in the Terms of Business acknowledgement letter and/or below.

We may receive referrals from such firms and may advise them of any transactions arranged for you.

You have the right at any time to request a copy of any 'personal data' within the meaning of the Data Protection Act, 1988 (as amended or re-enacted from time to time) that our office holds about you and to have any inaccuracies in that information corrected.

Compensation Scheme

We are members of the Investor Compensation Scheme operated by the Investor Compensation Company Ltd. See below for details.

Investor Compensation Scheme

The Investor Compensation Act, 1998 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 where 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 recognized, 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 recognized, 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 (003531) 224 4955.

The terms above apply to any product or service provided to you after 12th May 2014 and should this firm change it's terms you will be notified in advance. Please sign and return this document and we would recommend that you keep a copy for future reference.

Terms of Business: I acknowledge and confirm that I have been provided with a copy of the Terms of Business of S.A. Faughnan (Brokers) Ltd. and that I have read through and understand and agree to these terms.

I consent to S.A. Faughnan (Brokers) Ltd. contacting me regarding any products which they think would be of interest to me by way of letter, email, SMS text, or fax. If you do not wish us to contact you or share information as described, please place an 'X' in this box;

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Signature of Client (1)

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Please Print Name (and where you are acting for a Business, the name of the business and your position)

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Date

.....
Signature of Client (2)

.....
Please Print Name (and where you are acting for a Business, the name of the business and your position)

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Date