SERVICES & CHARGES DOCUMENT

sense

SENSE-NETWORK.CO.UK

IMPORTANT

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH
YOUR APPOINTED REPRESENTATIVE AGREEMENT

DATED

(1) Sense Network Limited

AND

(2) [ ]

EXPLANATORY INTRODUCTION

This introductory section is intended to assist you to understand the purpose of this document. You must read the whole of the Agreement and ensure that you understand it and must not rely only on this summary.

The Company may issue a new or amended introductory section from time to time to react to changes to the AR Agreement or documentation. The Service and Charges Document (SCD) is part of a set of documents that govern your relationship with the Company. This document should be read in conjunction with your Appointed Representative (AR) Agreement. The meaning of words beginning with a capital letter is given in the definition section within the Agreement.

SECTION ONE - INTERMEDIARY SERVICES

The following constitute the standard services that are provided by the Company to the AR.

- FCA relationship and dealings
- Compliance Procedures & T&C schemes
- supervision including periodic compliance audit
- authorisation and competency testing
- business monitoring under risk-based model
- advertising approvals
- the establishment and maintenance of agencies with providers
- collection and payment of FCI
- induction course training and facilities at Company head office
- use of the Company’s web-based back office technology
- access to members’ sections of the Company’s website(s)

SECTION TWO - STANDARD COMPANY FCI RETENTION

This covers the Standard Company FCI Retention which is the share of FCI retained by the Company for its intermediary services.

Qualification level	Monthly retention	Review period
The first £200k of annual gross revenue*	8%	annual
Turnover in excess of £200,000**	5.5%	annual
Turnover in excess of £1m	3%	annual
Turnover in excess of £2m	2.5%	annual

*subject to minimum retention of £8,000 per annum which is applicable from the expiry of the Minimum Term as set out in your Appointed Representative Agreement.
**for AR firms able to demonstrate a previous year's fee and commission income of over £500k, a flat retention of 5.5% will apply to the first £1m of FCI received by the Company.

SECTION THREE - STANDARD COMPANY AR FEE

This covers the Standard Company AR Fee which is the sum payable by the AR to the Company in respect of standard services.

A monthly fee per AR firm of £300 will be deducted, to include the first Registered Individual (i.e. regulated financial adviser) and one back office licence, plus £150 per month for the second and each subsequent Registered Individual. This covers post-sale risk-based case review, compliance audit, back-office technology (access to system not additional user licences) and central administration. The fee will be debited monthly from the firm's FCI account prior to the payment of FCI.

The charge will be subject to annual review, with any changes to the Standard Company AR Fee published to all ARs three months in advance of any change.

SECTION FOUR - ADDITIONAL CHARGES

This covers the additional charges that the Company will make for certain services in the normal conduct of business. These services are not optional and the Company will determine the extent to which the AR is required to use and pay for these services.

Services provided	Charge	Review period
Case pre-approvals	£100 per case	Annual
Defined Benefit Occupational Pension Transfer case pre-approvals	£300 per case	Annual
Observed appointment (adviser assessment)	£150 per appointment	Annual
Additional licenses for back office technology	£120/month per license	Quarterly
T&C supervision (for second and each subsequent Registered Individual)	Red graded adviser £110/month Amber graded adviser £85/month Green graded adviser £60/month	Quarterly

SECTION FIVE - OPTIONAL SERVICES

This covers the optional or ancillary services that can be provided by the Company at the AR's request and by separate agreement

Optional Service & Non-Standard Charges	Non-Standard Charge	Review period
Additional bespoke back office technology training	Day rate	n/a

SECTION SIX - REGULATOR FEES & LEVIES

This covers the fees and levies payable by the Company to the Regulator each year in respect of regulated activities. The Company divides these fees and levies between its ARs (using the same calculation applied by the Regulator to each tariff type) to establish the proportion that each AR will pay. This amount is then payable by the AR to the Company.

On termination of the AR Agreement for whatever reason, the AR will be obliged to pay any future Regulator fees and levies which have been triggered by the AR's status and activities. This will be estimated by the Company at its sole discretion and be subject to the provisions set out in clause 9 of the AR Agreement.

NOTE

INTERMEDIARY SERVICES ARE PROVIDED UNDER THE INTERMEDIATION VAT EXEMPTION FOR APPOINTED REPRESENTATIVES OF THE COMPANY. OPTIONAL SERVICES FALL OUTSIDE OF THIS EXEMPTION AND VAT IS CHARGED ON SUCH SERVICES.