

SMYTHE & WALTER

Chartered Financial Planners

Client Agreement for Investments & Insurance

Authorisation Statement

Smythe & Walter is a trading name of Lee Smythe & Associates Limited which is Authorised and Regulated by the Financial Conduct Authority.

The Financial Conduct Authority (FCA) regulates the financial services industry in the UK and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA website www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.

Our services

Smythe & Walter is able to act on your behalf in advising you on investments and non-investment insurance contracts. We offer products and services as follows:

- **Investments** - we offer an Independent advice service. We will recommend investments based on a comprehensive and fair analysis of the market. We will place no restrictions on the Investment Markets we will consider before providing investment recommendations, unless you instruct us otherwise. We will however only make a recommendation when we know it is suitable for you.
- **Non-investment protection contracts** - we are an intermediary and will act on your behalf when providing advice and making our personal recommendation(s) to you. We will do this based on a fair and personal analysis of insurers for term assurance, income protection and critical illness.
- **General Insurance Contracts** - we offer General Insurance contracts e.g. Private Medical Insurance from a range of insurers.

We offer you an initial discussion (without charge to you) at which we will describe our services more fully and explain the payment options. If you decide to go ahead, we will:

- Gather and analyse personal financial information about you and your aims and objectives;
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant solutions for you.

You should be aware that investments carry varying degrees of risk and as their underlying value can fall as well as rise and you may not get back the full amount invested.

Your aims and objectives

Unless we notify you in writing to the contrary, we will be treating you as a “retail client” for investment business and a “consumer” for general insurance business. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

Any advice or recommendation that we offer to you, will only be given after we have assessed your needs and considered your financial objectives and attitude to any risks that may be involved. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider.

With very few exceptions, we will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products recommended.

Full details of the products we recommend to you including, for example, the minimum duration of the product, information on your right to cancel or whether no right to cancel exists, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before conclusion of any contract.

We will issue any documentation/recommendations and any other communication to you in English.

We may also, on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products.

Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily realisable. We would draw your attention to the risks associated with these investments as there is a restricted market for them. In some circumstances it may therefore not be possible to deal in the investment or obtain reliable information about its value.

Our Ethical Policy

We are committed to providing the highest standard of financial advice and service possible. The interest of our clients is paramount to us and to achieve this we have designed our systems and procedures to place you at the heart of our business. In doing so, we will:

- be open, honest and transparent in the way we deal with you;
- not place our interests above yours;
- communicate clearly, promptly and without jargon;
- seek your views and perception of our dealings with you to ensure it meets your expectations or to identify any improvements required.

Our Investment Services and Costs

We provide you with an initial consultation at our expense. This helps us to understand your financial objectives and will confirm how we can support you in working towards these. We will also discuss the cost, and levels, of our services both initially and throughout our relationship with you.

We charge our services by way of a fee, which will be agreed with you in writing prior to commencing work on your behalf.

These fees are split in to three parts as indicated below.

Financial Review and Recommendation

This can be a continuation from the initial discussion, where agreed, or a further appointment. This process covers the:

- gathering of information about your existing financial arrangements and full personal circumstances;
- understanding of your investment knowledge and attitude and tolerance towards investment risk;
- recommendation of an asset allocation model that matches your risk profile and the subsequent assessment and suitability of any existing holdings;
- preparation of our recommendations to you;
- arranging a second appointment to explain and discuss our recommendations in detail.

Our charge for this service is agreed on case by case basis, subject to a minimum of £500 payable on provision of the report containing our recommendations to you. This fee will be waived wholly or in part should you decide to implement any of our recommendations.

We retain the right not to process any transaction a client may request which we consider to be unsuitable.

Policy Arrangement & Implementation

Should you instruct us to proceed with any of our recommendations we will act for you in the following ways:

- handle all fund and policy administration on your behalf;
- provide regular updates to keep you informed of progress;
- ensure all your documents are issued in line with your expectations;
- provide confirmation of all actions taken on your behalf in writing.

Policy Arrangement & Implementation – Lump Sum Investments or Transfers

Our charge for this service is usually based on a percentage of the amount you invest and/or transfer, subject to the complexity of your individual circumstances. These charges are generally applied as follows but are subject to a minimum of £500;

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| • first £100,000
(i.e. Up to £3,000) | – | 3% |
| • £100,001 to £300,000
(i.e. Up to £7,000) | – | 2% |
| • balance above £300,000
(i.e. Over £7,000) | – | 1% |

This payment can either be taken from your investment upon receipt by the policy provider or paid directly by you. Where we receive such a payment, in most cases we will waive our 'financial review and recommendation' fee by the same amount, unless otherwise agreed.

Example 1; if we arrange an investment on your behalf for £10,000 our implementation fee would be £300. As this is less than the minimum 'financial review and recommendation' fee of £500 we would charge you an additional £200 as the balance. The total fee payable would be £500.

Example 2; if we arrange investments on your behalf totalling £200,000 our implementation fee would be £5,000 (calculated as 3% on the first £100,000 plus 2% on the next £100,000). As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £5,000.

Example 3; if we arrange investments on your behalf totalling £400,000 our implementation fee would be £8,000 (calculated as 3% on the first £100,000 plus 2% on the next £200,000 and 1% on the last £100,000). As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £8,000.

Policy Arrangement & Implementation – Regular Premium Savings or Investments

Our charge for implementing a regular premium savings or investment plan is 25% of the first year's premium and this fee will become payable by you directly on commencement of the policy.

Where the payment due exceeds our "financial review and recommendation fee" this will be waived. If it does not, then an additional balance payment will be due.

Example 1; if your monthly contribution is £100 our implementation fee would be £300. As this is less than the 'financial review and recommendation' fee of £500 (minimum) we would charge you an additional £200 as the balance. The total fee payable would be £500.

Example 2; if your monthly contribution is £500 our implementation fee would be £1500. As this exceeds the 'financial review and recommendation' fee of £500 (minimum) no other charges would be applied. The total fee payable would be £1,500.

Ongoing Reviews and Changes to Existing Investments

We will discuss the full range of our on-going services during our initial consultation. These services include, but are not limited to, providing you with:

- structured reviews to give you peace of mind;
- an assessment of your circumstances and any changes to your plans that are needed;
- regular updates and information regarding your holdings;
- a choice of differing levels of support depending on your needs;
- ongoing support with correspondence and administration issues.

Details of these different levels of services are contained in our Service Proposition and Engagement document. We will agree separately the level of on-going services and the fee payable, at the time of, or prior to, making our recommendation(s) to you.

Typically our cost is 0.6% per annum and is based on the ongoing value of your investments. Therefore, if the value of your investment(s) totalled £200,000 our yearly fees would be £1,200.

The amount you pay will fluctuate with the value of your investment; if your investment increases in value the amount you pay us will also increase and if your investment falls in value the amount you pay us will reduce. Any change to the level of services throughout this agreement will result in pro-rata charge being applied.

The charges listed above can be deducted from your investments or paid directly by you. You should note that when paid through the investments it may reduce your personal tax thresholds and/or exemption levels. Where this happens we will discuss it with you and confirm it in your personal recommendation report.

It should be noted that if you choose any of our ongoing management services they are subject to the following minimum fees each year.

• Transactional only	-	£0
• Core	-	£600
• Bespoke	-	£2,400

Example 1; if your investments are valued at £200,000 and you have selected Core (0.6%) the ongoing management fee we would receive is £1,200.

Example 2; if your investments are valued at £500,000 and you have selected Bespoke (0.6%) the ongoing management fee we would receive is £3,000. As this is above the minimum ongoing service fee no other charges would be applied.

Should you decide to cancel our agreement to provide on-going services you must provide written confirmation of your decision and we will cease payments for these services within 7 business days and after collection of any due proportion of any period charges.

Our General Insurance and Protection Services and Costs

Similar to our investment services above, we will provide you with a personal and financial review prior to making our recommendation(s) to you. Should you accept our recommendation(s) we will arrange the implementation of this/these for you. The reasons for our recommendations will also be provided to you in a written report.

We do not normally charge a fee for our insurance and protection services as we will normally receive commission from the policy provider. You will not be subject to VAT for this service.

VAT

Under current legislation our services are not subject to VAT but should this change in future, and where VAT becomes due, we will notify you before conducting any further work.

Cancellation rights

In most cases you can exercise a right to cancel by withdrawing from the contract. In general terms you will normally have a 30 day cancellation period for a life, pure protection, payment protection or pension policy and a 14 day cancellation period for all other policies.

For pure protection policies the start of the cancellation period will normally begin when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

If you cancel a single premium contract, you may be required to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.

Client money

Smythe & Walter is not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

Documentation

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All policy documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you.

Instructions

We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings. We will, however, accept oral instructions provided they are confirmed in writing.

Material Interest

We will act honestly, fairly and professionally known as conducting business in 'Client's best interest' regulations. Occasionally situations may arise where we or one of our other clients have some form of interest in business transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interest, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment.

In accordance with the rules of our regulator, The FCA, we are prohibited from accepting any payment (commission or other non-monetary benefit) which is likely to conflict with the duty of the firm to our clients.

Complaints

If you wish to register a complaint, please write to: The Compliance Officer, Smythe & Walter, Office 9, Brogdale Farm, Brogdale Road, Faversham, Kent, ME13 8XZ or telephone 01795 532090. A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at www.financial-ombudsman.org.uk or by contacting them on 0800 023 4 567.

Compensation Scheme

If you make a complaint and we are unable to meet our liabilities, you may be entitled to compensation from the Financial Services Compensation Scheme. Investment business will normally be covered up to a maximum of £85,000.

Further information about these amounts and limits for all other product types are available from the FSCS at <http://www.fscs.org.uk/what-we-cover/products>

Anti-money laundering

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning.

Law

This client agreement is governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

Force Majeure

Smythe & Walter shall not be in breach of this Agreement and shall not incur any liability to you if there is any failure to perform its duties due to any circumstances reasonably beyond its control.

Termination

The authority to act on your behalf may be terminated at any time without penalty by either party giving seven days notice in writing to that effect to the other, but without prejudice to the completion of transactions already initiated. Any transactions effected before termination and a due proportion of any period charges for services shall be settled to that date.