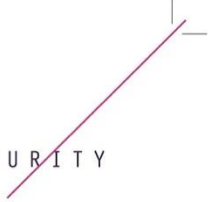


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FUTURITY

Client Agreement for Investments & Insurances **Service Proposition**

Authorisation Statement

Futurity Financial Services Ltd is Authorised and Regulated by the Financial Conduct Authority (FCA). The FCA regulates financial services in the UK, and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register. Our Financial Services Register number is 577323.

Our Services

We provide independent investment advice. We will consider a range of regulated products from the available market that can meet the investment objectives of a retail client, but we will only provide a recommendation to you when we know the product is suitable for your personal circumstances.

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

For **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, critical illness, private medical insurance and accident sickness and unemployment.

For **general insurance contracts**, we are an intermediary and will act on your behalf when recommending an insurer based on your demands and needs from a fair analysis of the market. The insurers we consider will be listed to you when we carry out our research. It will be your responsibility to ensure the policy meets your demands and needs for accident sickness and unemployment.

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. 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(s) we offer to you will only be given after we have assessed your needs and considered your financial objectives, attitude to risk and capacity to bear any losses. We will also take into account any restrictions that you wish to place on the types of products or investment strategy you would be willing to consider.

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.

Instructions

We only accept instructions in writing (paper or electronic means) to aid clarification and avoid future misunderstandings. Please note we will not act on oral instructions to avoid any possible misunderstandings.

Investment Services and Costs (including structured deposits)

We provide you with an initial consultation free of charge. This helps us to understand your financial objectives and we will confirm how we can support you in working towards these goals. 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. These fees are based on a percentage of the amount you invest, subject to a minimum fee. The 2 steps of this process are explained here:

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 a fixed fee of £750 payable on provision of the report containing our recommendation(s) to you. This fee will be waived wholly or in part should you decide to implement any of our recommendations.

Policy Arrangement & Implementation – Lump Sum Investments or Transfers

Should you instruct us to proceed with (any of) our recommendation(s) 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.

Our charge for this service is based on a percentage of the amount you invest and/or transfer. These charges are applied as follows, subject to a minimum fee of £750:

- **5% on the first £200,000, followed by**
- **4% between £200,001 to £500,000, followed by**
- **3% on £500,00 and above**

This payment can either be facilitated by the product provider when they receive your funds or paid directly by you. Where we receive such a payment, we will waive our 'financial review and recommendation' fee by the same amount.

Example 1; if we arrange an investment on your behalf for **£10,000** our Policy Arrangement & Implementation fee would be £500. As this is less than the 'financial review and recommendation' fee of £750 we would charge you an additional £250 as the balance. The total fee payable would be **£750**.

Example 2; if we arrange investments on your behalf totalling **£100,000** our Policy Arrangement & Implementation fee would be £5,000 (5% of £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 Policy Arrangement & Implementation fee would be £19,000 (5% of the first £300,000 (£15,000) plus 4% of the next £100,000 (£4,000) = £19,000). As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be **£19,000**.

Policy Arrangement & Implementation – Regular Savings / Investments

Our charge for implementing a regular premium savings or investment plan is one third of the first year's premium. You can pay in the examples provided below:

You can pay this fee directly on commencement of the policy. On receipt of this payment, we will waive our 'financial review and recommendation' fee by the same amount with any balance falling due at the same time.

Example 1; Assuming a financial review and recommendation fee of £750, if your monthly contribution is £20 our implementation fee would be £80. As this less than the 'financial review and recommendation' fee of £750 we would charge you the balance of £670, as detailed under Our Investment Services and Costs. Total fee £750.

Example 2; Assuming a financial review and recommendation fee of £750, if your monthly contribution is £200 our implementation fee would be £800. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. Total fee £800

Non-Investment Protection and General Insurance contracts

When we arrange the sale of a protection or insurance contract, we will not charge you a fee, as we will receive a commission from the provider. The amount of this will be disclosed to you in the product literature.

Clawback of Commission

We do not normally charge you a fee for arrangement of an insurance product as we will receive a commission from the product provider. If, however you cease to pay premiums and the policy subsequently cancels the provider will clawback a proportion of the commission that has been paid to us. As this commission covers the cost of our service to you, we will charge you a fee equal to the amount of commission that we have to refund to the provider.

Before a policy is put into force, we will write to you to inform you of the commission we will receive. This will be the maximum amount we will charge you, together with the maximum period of clawback. This will usually be for a period of between 2 to 4 years.

This would not apply where a plan is cancelled during the cooling off period.

Ongoing Services

All investments should be reviewed on a regular basis and this agreement sets out the terms on which we charge for our ongoing services to you. Should you decide to sign up for our ongoing services we will ask you to acknowledge your consent at the end of this agreement. You should then retain your copy of this.

Below we set out the on-going services we provide and the associated cost to you. Please notify me if you wish to discuss any aspect of these terms.

Table of Services

Service Level	Level 1	Level 2	Workplace Pension Advice Only
Annual Statement from company	✓	✓	✓
Access to our support team	✓	✓	✓
Professional expertise and governance embedded into our investments processes	✓	✓	✓
Regular Updates & Valuations	Six Monthly	Annually	Annually
On-going advice from your advisor	✓	✓	✓
Six-monthly review of the underlying investment funds within your portfolio. This will not take account to the suitability of the investment were conducted outside of the below annual review.	✓		
Review of Objectives	✓	✓	✓
Review of Risk Profile	✓	✓	✓
Changes in your personal circumstances	✓	✓	✓
Review of the suitability of your investments	✓	✓	✓
Provision of a personal recommendation	✓	✓	✓
Review of Asset Allocation	✓	✓	✓
Review of Tax Changes/Planning	✓	✓	✓
Estate Planning	✓		
Income & Expenditure Review	✓	✓	
Liaison with accountant/solicitor (if required)	✓		
Minimum Cost	£2500	£750	None
Cost based on the total value of your investments*	1%	0.5%	1%

Example 1: if your investments are valued at £50,000 and you have selected Level 2 (0.5%) the ongoing management fee we would receive is £250. As this is less than the minimum ongoing service fee, we would charge you £350 as the balance. Total fee £600

Example 2: if your investments are valued at £150,000 and you have selected Level 1 (1%) the ongoing management fee we would receive is £1500. As this is less than the minimum ongoing service fee, we would charge you £1000 as the balance. Total fee £2500

Example 3: if your workplace pension is valued at £50,000 with the ongoing management fee of 1%, we would receive £500.

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.

Where the value of your investments rises, then the fees for this service will increase, conversely, if the value of your investments falls, the cost of this service will decrease. This is subject to the above minimum and maximum charges.

You can choose to pay this fee directly or by deduction from the policy(ies) you hold. Should you wish to pay directly you can spread the payment over a 12-month period by standing order. At each anniversary of this agreement, we will revalue your policy(ies) and notify you to any revised annual charges due to any fluctuation of your investment(s) at that time.

When you sign this ongoing service agreement it is deemed to commence immediately and payable (monthly/yearly) in arrears. You can choose to cancel this at any time by providing us with written confirmation of your decision. Payments would then cease within 7 business days or after collection of any due proportion of any period charges if later.

VAT

Under current legislation our services are not subject to VAT but should this change in future and VAT becomes payable, 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 investments this will typically start when funds are invested and for pure protection policies this 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. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product information issued to you.

If you cancel a single premium contract, you may incur a loss due to 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

We are 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 immediately after we have received them. If there are several documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you. We will issue all communications in English, unless agreed otherwise.

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. Where this cannot be achieved, we will not conduct the business.

Complaints

If you wish to register a complaint, please write to Futurity Financial Services Ltd, 5 Dean Park Street, Edinburgh, EH4 1JN, telephone 0131-516-9264 or e-mail david@futuraity-fs.com.

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 4567.

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. For investment business you will 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 Scottish Law and the parties shall submit to the exclusive jurisdiction of the Scottish Courts.

Force Majeure

Futuraity Financial Service Ltd 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 a due proportion of any period charges for services shall be settled to that date.

DECLARATION

This is our standard client agreement upon which we intend to rely. For your own benefit and protection, you should read these terms carefully before signing them. If you do not understand any point please ask for further information.

I/We are aware of the costs of the Financial Review and Recommendation(s), and where appropriate, the Policy Arrangement and Implementation services and agree to the method and timing of these.

My/Our preferred method of paying these costs is (please tick as appropriate);

(where possible) By deduction from the policy	
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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.

By direct payment	
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Level 1 Client Service Option

I/We understand that the fee for this service is 1% of the value of the relevant investments each year, subject to a minimum of £2,500.

☐

Level 2 Client Service Option

I/We understand that the fee for this service is 0.5% of the value of the relevant investments each year, subject to a minimum of £600.

☐

I/We wish for the cost of the ongoing service to be paid by deduction from the investments/plans we hold

☐

or

I/We wish for the cost of the ongoing service to be charged directly to me on a monthly basis/yearly basis

☐

Workplace Pension Advice Only Service Option

I/We understand that the fee for this service is 1% of the value of the relevant investments each year.

I/We wish for the cost of the ongoing service to be paid by deduction from the investments/plans we hold

☐

or

I/We wish for the cost of the ongoing service to be charged directly to me on a monthly basis/yearly basis

☐

Client Name

Client Name

Client Signature

Client Signature

Dated

Dated

Date of Issue

Signed on behalf of firm