

## client agreement

### 1. INTRODUCTION

- 1.1 The Financial Services and Markets Act 2000 replaced the Financial Services Act 1986. The Act requires that, Forrester-Hyde Ltd ("We"), explain how We operate and the way this affects, the Client ("You"). The information is contained in this Client Agreement, which will take effect immediately it is signed and dated by You.

### 2. AUTHORISATION

- 2.1 We are an Independent Financial Adviser, authorised and regulated by the Financial Services Authority "FSA" and bound by the rules of the FSA in respect of the business it is authorised to transact. Our FSA Registration Number is 476495. You can check this, and our address, on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.
- 2.2 The following products are regulated by the Financial Services Authority and after assessing your needs We will advise on these products from the whole of the market
- Investment
  - Insurance
  - Mortgage
  - Pension

### 3. INSTRUCTIONS

- 3.1 We require You to confirm your instruction in writing but at our discretion will act on your oral instruction. If We agree to act upon your oral instructions then You will be bound by these. We will acknowledge your instruction whether given orally or in writing within seven days.
- 3.2 We will ask You for information about your circumstance and investment objectives to enable us fulfil our responsibilities to You. This will entail completion of a confidential Financial Planning Questionnaire, which will form the basis of our advice. It is essential that You notify us immediately of any change in your personal circumstance or financial objective which may have a bearing on our advice. When advising You, We rely on the information You provide.
- 3.3 If You choose not to provide us with information about your circumstance and objectives We will not be able to advise You but will be able to transact business on your order, known as "Execution Only".
- 3.4 We have classified you as a "retail client". This means that you are afforded the greatest level of protection available under the Financial Services and Markets Act (FSMA). You have the right to request a different categorisation, however this may result in the loss of some of the protections available under the FSMA such as the right to refer complaints to the Financial Ombudsman Service and the right to receive specific information in respect of any investments we recommend or arrange on your behalf.
- 3.5 Our registered address, and the address from where we will provide our services to you is shown at the foot of this Client Agreement.
- 3.6 You may terminate this agreement at any time upon giving twelve (12) months notice in writing to us or such other shorter period as We may in our absolute discretion agree. Termination will be effective at the end of the twelve month notice period, the "Termination Date" unless otherwise agreed in writing. At the Termination Date You will remain liable for and will pay to us upon first written demand the following sums:-
- all and any commission which has been paid or maybe payable to us by a third party and which is clawed back by such third party arising out of or in connection with or as a direct or indirect result of your termination of this agreement with us; and/or
  - a sum equivalent to the fee We would charge calculated in accordance with your instructions on a fee basis according to the time spent on your matter.
- 3.7 Subject to 3.6 above, termination will be without penalty and without prejudice to the completion of any transactions initiated prior to receipt of such notice.

- 3.8 If You are a Corporate Client and instruct Us to install and administer a Group Pension Plan (“the Scheme”) then in the event of an employee leaving the Scheme or failing to make a contribution in accord with the terms of the Scheme, You will be liable to and will pay to us upon first written demand all and any commission which has been paid or may be payable to us by a third party and which is clawed back by such third party.
- 3.9 If You terminate this Agreement in accordance with clause 3.6 above and You have paid our fees in advance in accordance with clause 4.5.1 You will not be entitled to any refund of such fees. If We have agreed with You to be paid time fees as set out in clause 4.2.2 We shall provide you with an invoice for any services provided up to the Termination Date.

## 4. HOW WE ARE PAID

4.1 We offer an initial consultation free of charge when We describe our service and explain the payment options. We will tell You how We get paid before We transact any business for You. The payment options are set out below:-

### 4.2 Paying by fee

Whether You buy a product or not, You will pay us a fee for our advice and services. If We also receive commission from the product provider when You buy a product, We will disclose the amount. The fees are calculated as (a) an agreed amount, (b) time fees or (c) a percentage of funds under review:-

#### 4.2.1 An agreed amount

We will agree in advance what You pay.

#### 4.2.2 Time fees

Our fee scale from 1 January 2008 is:

Directors	:	£250 per hour	Advisers	:	£175 per hour
Technical	:	£125 per hour	Administration	:	£50 - £75 per hour

We will provide an estimate of fees payable on request, however it is difficult to estimate how many hours of work will be required to complete a matter, complications and delays may arise. An estimate will be given in good faith but will not be binding.

#### 4.2.3 Percentage of funds under review –Wealth Management Programme

You choose how you pay for our service. We can record and charge for our time, but the majority of customers on our Wealth Management Programme prefer the certainty of knowing in advance the cost of our service and, with this in mind, we offer four service levels, starting with a “buy only” service, Option 1, through to a “bespoke” service, Option 4.

**Option 1:** Entry level designed for Clients who require advice to install an investment but do not require Forrester-Hyde Limited maintain the investment. Effectively a “buy only” service leaving the Client to manage the Portfolio or they may choose to invest in a Tracker Fund.

Initial Fee : Up to 3%  
Annual Fee : Nil

**Option 2:-** This level is designed for Clients who require ongoing advice but want to contain costs at a minimum. The Investment Portfolios will be pre-designed and will include an element of lower cost Tracker Funds. The Portfolio will be reviewed annually and the review posted to the Client.

Initial Fee : Up to 3%  
Annual Fee : 0.625%

**Option 3:-** Level 3 is for Clients who want to invest in actively managed funds but are still sensitive to costs. Forrester-Hyde Limited Investment Committee design and actively manage five Investment Portfolios, graded between low and high risk. The Client will receive regular updates by email to include “Outlook” – the quarterly investment update published by the Forrester-Hyde Investment Committee. In addition, we will meet with the Client annually to conduct a full review.

Initial Fee : Up to 3%  
Annual Fee : 1.0%

**Option 4:-** A Bespoke service for Clients who want a highly personal level of service that is individually tailored. This level provides access to a wide range of actively managed funds. Portfolio construction is Bespoke and will include at least two face-to-face meetings annually.

Initial Fee : Up to 3%  
Annual Fee : 1.25%

#### 4.3 Paying by commission (through product charges)

If You buy a financial product, We will normally receive commission on the sale from the product provider. In practice You are paying us indirectly through product charges which in the main pay for the product provider's own costs plus commission. These charges reduce the amount left for investment. If You buy directly from the provider, the product charges could be the same as when buying through an adviser, or they could be higher or lower. The amount of commission will be disclosed.

4.3.1 Paying for our service by commission is conditional upon You satisfying the provider's contract terms for an initial period which may be up to forty-eight months. This applies both to a lump sum invested where commission may be forfeited if the sum does not remain under the provider's management for the initial period, as well as to contracts where regular payments are contracted to be made in the form of premium or contributions, again to an insurance, investment or pension product. If provider's contract terms are not satisfied the provider will claw back from us up to 100% of the commission paid and in turn We will reclaim an equivalent amount from You pursuant to clause 3.6 above. By signing these terms of business You agree to repay to us such commission as may be reclaimed as this commission was accepted in lieu of fees for the service provided.

4.3.2 If You elect to pay for our service by commission arising from a financial product, to include insurance, investment or pension but having received our advice and for whatever reason do not buy the product We will not receive commission. You will then be liable to pay for our service, to include the gathering of information, analysis and advice by paying for our time in accordance with clause 4.2.2.

The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest or your age. Examples of the maximum commissions we would receive in respect of a range of investment products are set out in the tables below:

Maximum Commission we would receive in respect of lump sum investments:

Product	Maximum Commission	Example, assuming a lump sum investment of £10,000 *
Collective Investments (e.g. Unit Trusts)	3% of the amount you invest plus 0.50% of your fund value each year from year 1	£300.00 initially plus £50.00 each year from year 1 (The actual amount in later years will vary in line with your fund value)
Investment Bond	3% of the amount you invest plus 0.5% of your fund value each year from year 1	£300.00 initially plus £50.00 each year from year 1 (the actual amount in later years will vary in line with your fund value)
Personal and Stakeholder Pensions	1.5% of your fund value each year from year 1	£150.00 each year from year 1 (The actual amount in later years will vary in line with your fund value)
SIPP	1.5% of your fund value each year from year 1	£150.00 each year from year 1 (The actual amount in later years will vary in line with your fund value)
Annuities	1.5% of the amount you invest	£150.00 initially
Income Drawdown	3% of the amount you invest plus 1.0% of your fund value each year from year 1	£300.00 initially plus £100.00 each year from year 1 (the actual amount in later years will vary in line with your fund value)

Maximum Commission we would receive in respect of monthly / regular premium investments:

Product	Maximum Commission	Example, assuming monthly premiums or investments of £100*
Collective Investments (e.g. Unit Trusts)	5% of all payments	£60.00 each year
Endowments	30% of each of the first 16 months' payments plus 2.5% of all payments from month 17	£360.00 spread evenly over the first 12 months plus £30.00 each year from month 17
Whole of Life Assurance	139.55% of each of the first 48 months' payments plus 2.5% of all payments from month 49	£1,898.40 spread evenly over the first 48 months plus £30.00 each year from month 49.
Personal and Stakeholder Pensions (assuming a 10-year term)	20% of each of the first 12 months' payments plus 1.5% of your fund value each year from year 1	£240.00 spread evenly over the first 12 months plus £18.00 in year 1, £36.00 in year 2, and so on. (The actual amount in later years will vary in line with your fund value).
Personal and Stakeholder Pensions (assuming a 25-year term)	15% of each of the first 12 months' payments plus 1.5% of your fund value each year from year 1	£180.00 spread evenly over the first twelve months plus £18.00 in year 1, £36.00 in year 2, and so on (The actual amount in later years will vary in line with your fund value)

\* The actual amount in later years will vary in line with your fund value

- 4.3.3 We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.
- 4.4 **Paying by a Combination of Commission (through product charges) and Fee**  
We will charge You a combination of commission and fees. The actual amounts will depend on the service We provide to You but will be in line with the arrangement set out in the sections headed "Paying by Fee" and "Paying by Commission".
- 4.5 **General**  
Disbursements may be charged and all fees will be subject to VAT.
- 4.5.1 With the exception of time fees, which are payable monthly in arrears, all other fees are payable in advance and maybe paid by instalment subject to a 6% surcharge. Interest will be charged at 4% over Barclays Bank plc Base Rate on fees paid more than thirty days after the due date.
- 4.5.2 In conclusion, We seek at all times to treat our Client fairly and at the same time expect to be paid for the services We perform. Whether You buy a financial product or not, or if We are merely advising You, You will pay for our service either by fee, commission or a combination thereof.
- 4.5.3 You should be aware of the possibility that other taxes or costs relating to the services that we provide for you may exist even though they are not paid through us or imposed by us.

## 5. REVIEW

- 5.1 We will not review the investments We have advised unless retained to do so. When retained to review investments we have advised on we will do so at six monthly intervals from the date of the first investment you make with us. This will be by letter to you with a Statement of the current value and our advice for any alteration or by arranging an interview with you to discuss.
- 5.2 We reserve the right to charge a fee for the ongoing administration of any investment We have advised.

## 6. INDEPENDENCE

- 6.1 We offer independent financial advice but an occasion may arise where We, or one of our other Clients, will have some form of interest in the business We are transacting. If this happens, or We become aware that our interests, or those of one of our other Clients conflict with your interests, We will inform You and obtain your consent before carrying out your instructions.

## 7. CLIENTS' MONEY

- 7.1 **We have chosen not to seek authorisation to handle Clients' money. This means that We are unable to accept cash or a cheque made out to Forrester-Hyde Ltd, unless it is a cheque in settlement of charges or disbursements for which We have submitted an invoice. We do not handle cash and request that all cheques for investment are drawn in favour of the Institution concerned.**

## 8. MONEY LAUNDERING

- 8.1 We conform to the UK Money Laundering Regulations 2007, the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Crime and Security Act 2001 and FSA Rules. In addition We adhere to the guidance notes published by the Joint Money Laundering Steering Group. This requires Financial Institutions confirm the identity and place of residence of each Investor. This may require the sight of certain documents as well as checking a Credit Reference Agency, the Electoral Roll or Directory Enquiries in order to verify personal details. We are not able to invest funds on behalf of a Client until We have satisfied regulation.

## 9. RECORDS

- 9.1 All investments will be registered in your name unless We are directed otherwise in writing.
- 9.2 We never own these investments; We arrange them on your behalf.
- 9.3 We forward all documents to You concerning your investments as soon as possible. If You are involved in a series of transactions, We will normally send You all the documents once the series is complete. Where a policy for a pure protection or private medical insurance contract is received, this will be promptly checked and forwarded to you. In some cases documentation will be sent to You direct from the product provider.

9.4 Where We provide advice on a non-packaged product, such as:

- Enterprise Investment Scheme (EIS)
- Individual Savings Account (ISA)
- Venture Capital Trust (VCT)

You will not have post-sale cancellation rights, however You will have a period of at least 7 days from the date You signed the application to withdraw from the agreement.

9.5 We treat all our Clients' records as confidential and records of all business transactions are retained for at least six years. You have a right to inspect contract notes, vouchers, entries in books or computerised records relating to your transaction. On request in writing and at your expense We will provide copies. However, We reserve the right not to provide a copy of your records if to do so would be to allow access to confidential records regarding another Client.

## 10. DATA PROTECTION

10.1 We are a Data Controller for the purposes of the Data Protection Act 1998, DPA. In order to advise You in compliance with regulation We must obtain information from You about your financial and personal circumstance in order to assess your suitability for certain products and services. We also need to maintain records and We may use information We hold about You to let You know about products or services We feel may be of interest to You. Unless You advise us otherwise, We assume You agree that this information can be held on computer and/or paper files and that You agree to this information being disclosed to third parties who may include:-

- Insurance Companies, Investment Houses, Associated Companies and Actuaries for the purpose of processing any transaction You instruct us undertake.
- Our Regulator, FSA, who have a legal authority to review our records.
- Our Compliance Consultants who help us ensure We abide by regulation.
- Other professional advisers such as Accountants and Solicitors who may have referred You to our Firm or to whom We may refer You for specialist advice when We consider it would be in your best interest.

10.2 We will not disclose your information to any other parties without your express permission in writing to do so.

## 11. COMPLAINTS

11.1 We take every care to provide the highest standard of service. However, if You wish to complain You may do so, either orally, in writing or electronically to the Compliance Officer. Your complaint will be acknowledged in writing within five business days of it being received at 19 Clifftown Road, Southend-on-Sea, SS1 1AB. If, after We have reviewed your complaint you remain dissatisfied, you have the right to refer your complaint to the Financial Ombudsman Service.

11.2 Full detail of our complaints procedure may be obtained by writing to the Compliance Officer at 19 Clifftown Road, Southend-on-Sea, SS1 1AB.

## 12. PROFESSIONAL INDEMNITY INSURANCE

12.1 We have Professional Indemnity cover for the protection of our Clients in the event there is found to be negligence on our part.

12.2 In the event of a claim arising from the professional services outlined in this Client Agreement liability will be limited to £250,000 in respect of Forrester Hyde Limited, its Directors and Employees whether arising in contract, tort, breach of statutory duty or otherwise. Further, the Company will not be liable for any default by a counterparty, bank, custodian or other Institution which holds money, investments or other documents of title on behalf of You. This limit does not, however, apply to any acts, omissions or representations that are in any way criminal, dishonest or fraudulent on our part, the Directors or employees.

12.3 We shall not be liable to You whether in contract, tort, negligence, breach of statutory duty or otherwise for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by You of an indirect or consequential nature, including without limitation any economic loss or other loss including but not limited to loss of turnover, profits, business or goodwill.

12.4 We will act with reasonable care and skill, however We will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by the Client or the Client's agent of incorrect or incomplete information, or your or others failure to supply any appropriate information, or your failure to act on our advice, or respond promptly to communications from us.

## 13. FINANCIAL SERVICES COMPENSATION SCHEME, FSCS

13.1 FSCS is an independent body created under the Financial Services and Markets Act 2000. The service is free to consumers and can pay compensation if a Firm is unable or likely to be unable to pay claims against it. FSCS covers business conducted by Firms authorised by the Financial Services Authority.

- 13.2 The maximum levels of compensation are:-
- 13.3 **Deposits: £85,000** per person per firm (for claims against firms declared in default from 1 January 2010). 100% of the first £85,000.
- 13.4 **Investments: £50,000** per person per firm (for claims against firms declared in default from 1 January 2010). 100% of the first £50,000.
- 13.5 **Long-term insurance (e.g. pensions and life assurance)**  
The maximum level of compensation for firms declared in default
  - on or after 1 January 2010 is 90% of the claim with no upper limit
  - before 1 January 2010 is 100% of first £2,000 plus 90% of the remainder.
- 13.6 **Home finance (e.g. mortgage advice and arranging): £50,000** per person per firm (for claims against firms declared in default from 1 January 2010). 100% of the first £50,000.
- 13.7 For further information go to [www.fscs.org.uk/what-we-cover/eligibility-rates/compensation-limits](http://www.fscs.org.uk/what-we-cover/eligibility-rates/compensation-limits).

## 14. INVESTMENT PERFORMANCE

- 14.1 We will issue Personal Illustrations and Keyfacts for all business transacted in compliance with FSA rules in force at the time. The rates of return illustrated do not represent the upper or lower limits of the possible level of benefits.
- 14.2 What will actually become payable under a unit-linked contract will depend on the future rate of return and the effect of charges inherent in the product. The value of a unit-linked investment may go down as well as up. A with profit investment may be subject to a market value reduction if surrendered before maturity. At maturity a terminal bonus may be payable, but is not guaranteed.
- 14.3 Past performance should not be seen as an indication of future performance and is only one of a number of factors to be considered when selecting a product provider. Other factors include financial strength, charges and flexibility.
- 14.4 Where You borrow against the maturing value of a life assurance, pension, authorised unit trust, investment trust or individual savings account, there is an inherent risk that if the investment under performs the value at maturity will not be sufficient to repay the loan in full and, as a consequence, when You borrow in conjunction with an investment product You should establish at the outset the target rate of return necessary to repay the loan in full and should monitor the actual performance against the target rate at regular intervals. Remember your home is at risk if You do not keep up repayments on a mortgage or other loan secured on it.
- 14.5 We will notify you separately of any specific risk factors that apply to the service we provide for you and whether the cost of our service depends on fluctuations in financial markets that are beyond our control.

## 15. LAW

- 15.1 English law will be the basis of this contract and the language in which this contract will be interpreted, and in which all communications will be conducted, will be English.

## DECLARATION AND CLIENT SIGNATURES:

The parties to this Agreement who are the undersigned understand that this supersedes any previous Agreement which may exist between them and accept that only those who are a party to the Agreement may enforce the Agreement. Further, the parties to this Agreement accept that if any provision is found by a Court or other competent Authority to be void the remainder of the Agreement will continue in force. The parties to this Agreement confirm that each has read and understood the Agreement which contains the entire agreement between them. Further, it is acknowledged and agreed that upon signing these terms and conditions of business a legally binding Agreement will exist between the parties.

**CLIENT 1 NAME:** .....

**SIGNATURE:** ..... **DATE:**.....

**CLIENT 2 NAME:** .....

**SIGNATURE:** ..... **DATE:**.....

**FORRESTER-HYDE LIMITED :** .....

**SIGNATURE:**..... **DATE:**.....

Forrester-Hyde Limited  
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