

Private Client Agreement

1. INTRODUCTION

- 1.1 The Financial Services Act 2012 (FS Act 2012) replaced the Financial Services and Markets Act 2000. 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. REGULATORY STATUS

- 2.1 Forrester-Hyde Limited, 1279 London Road, Leigh-on-Sea, Essex SS9 2AD is authorised and regulated by the Financial Conduct Authority "FCA". Our Financial Services Register Number is 476495. You can check this on the Financial Services Register by visiting the FCA's website www.fca.gov.uk/register or by contacting the FCA on 0845 606 1234. The Financial Conduct Authority, 12 Endeavour Square, Stratford, London E20 1JN.

3. CLIENT CLASSIFICATION

- 3.1 We classify all Clients as 'Retail Clients' for Investment business which means you are afforded all protections under the rules of the Financial Conduct Authority (FCA). Should You wish to be classified differently, please discuss this with your Adviser.
- 3.2 Please note that should you wish to be considered as a different category of customer, such as a Professional Client or Eligible Counterparty, you must inform Us in writing. We will provide You with a new Client Agreement and You may lose a number of protections which will be outlined in that new agreement.

4. HOW YOU INSTRUCT US

- 4.1 We require You to instruct Us in writing, to include email, but at our discretion will act on Your oral instruction, face to face or by telephone. Any non-written instructions will be confirmed by Us to You in writing.
- 4.2 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.

5. CONFLICT OF INTEREST

- 5.1 We offer independent financial advice but an occasion may arise where We, or one of our other Clients 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 conflicts with Your interests, We will inform You and obtain Your consent before We carry out Your Instruction, and detail the steps we will take to ensure fair treatment.

6. CLIENT MONEY

- 6.1 **We are not authorised by the Financial Conduct Authority to handle Clients money. This means We are unable to accept cash or a cheque made payable to Forrester-Hyde Limited unless it is in settlement of our Adviser Charge and/or disbursements for which We have submitted an invoice to You.**

7. THE INTERMEDIARY SERVICE WE PROVIDE

- 7.1 We are permitted to advise on and arrange (bring about) deals in investments and non-investment Insurance contracts.
- 7.2 Transactional Only – With regard to investments and non-investment Insurance contracts which We have arranged for You, these will not be kept under review unless We agree otherwise with You; but We will advise You upon your request.
- 7.3 With Service Provision – We will provide services to You as more fully outlined in our initial and post sales agreement.
- 7.4 However, We may contact You in the future by means of an unsolicited promotion should We wish to contact You to discuss the relative merits of an investment or service which We feel may be of interest to You.

8. SCOPE OF ADVICE

- 8.1 Independent Advice – We will advise and make a recommendation for You after We have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market.
- 8.2 Pensions – We offer products from the whole of market.
- 8.3 Investments – We offer products from the whole of market.
- 8.4 Insurance Contracts – We offer products from the whole of market.
- 8.5 Home Finance Products – Our mortgage services are limited to advising on First Charge mortgage products only. We do not offer deals you can only obtain by going direct to a Lender.
- 8.6 It is our policy to transact your business in order to achieve the best possible results in terms of the nature and price of the products selected, transaction charges, administration and service excellence.
- 8.7 Our Wealth Management Programme follows a five-step investment process:
- | | | |
|-------|--------|--|
| 8.7.1 | Step 1 | Asset Allocation |
| 8.7.2 | Step 2 | Fund Selection |
| 8.7.3 | Step 3 | Construct our Core, Specialist and Passive Plus Portfolios |
| 8.7.4 | Step 4 | Match the Investor to the most appropriate Portfolio |
| 8.7.5 | Step 5 | Review and Governance |

9. INVESTMENT PERFORMANCE

- 9.1 We will issue Personal Illustrations and Keyfacts for all business transacted in compliance with FCA 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.
- 9.2 What will actually become payable under a Retail Investment Product 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.
- 9.3 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.
- 9.4 Where You borrow against the maturing value of a Retail Investment Product to include 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.
- 9.5 We will notify You separately of any specific risk factors that apply to the Intermediation Service We provide.

10. HOW WE ARE PAID

- 10.1 Whether You buy a product or not You will pay Us for the service we have provided.
- 10.2 We will agree with You in advance how We are paid and will ask You to sign and date this Agreement by way of acceptance.
- 10.3 Commission may be paid when Intermediating in the arrangement of Protection products that do not include an Investment element.
- 10.4 If You choose to pay Us by commission, We will retain the amount received in lieu of an Adviser Charge. If the amount of commission is less than the Charge We would have charged for providing the Intermediation Service, We reserve the right to charge You the balance. We will, however, agree the amount with You in advance and obtain Your consent in writing.
- 10.5 From 31 December 2012 We will not be paid commission when intermediating in the arrangement of Retail Investment Products and an Adviser Charge for our service will be payable. However, we may receive commission when intermediating in the arrangement of non-investment products.
- 10.6 You can choose how the Adviser Charge is calculated from one of three options:
- an agreed amount (10.7)
 - time fees (10.8)
 - or as a percentage of funds under review (10.9)
- 10.7 We will discuss and agree the Adviser Charge with You in advance, as well as the payment method.

10.8 Time fees are determined by the time We record and by our fee scale at 1 January 2019:

| | | |
|----------------|---|--------------------|
| Directors | : | £250 per hour |
| Advisers | : | £175 per hour |
| Administration | : | £50 – £75 per hour |

We will provide an estimate of time fees on instruction; however it is often not possible to gauge how many hours will be recorded, complications may arise, particularly if information needs to be obtained from a third party. As a consequence an estimate given in good faith will not be binding. We will not, however, incur You in cost over and above the estimate without obtaining Your written consent.

10.9 You may pay for our services by a combination of Commission, Adviser Charge or Time Fee. The actual amounts will be agreed in advance and will be determined by the Retail Intermediation Service You instruct us to provide. Adviser Charges may be expressed as a percentage of funds under review. You may choose from four different service levels under our Wealth Management Programme, starting with Option 1: Buy-only to Option 4: Bespoke.

10.9.1 **Option 1:-** An entry level service designed for Clients who require Forrester-Hyde arrange an investment product but do not require Forrester-Hyde Limited review the product or give advice. In effect this is a “buy only” service and We will not subsequently review the product, unless agreed by separate arrangement.

| | | |
|----------------|---|----------|
| Initial Charge | : | Up to 3% |
| Annual Charge | : | Nil |

For example – under Option 1 an investment of £50,000 will incur an initial charge of £1,500 at 3.0% - the minimum charge is £1,500.

10.9.2 **Option 2:-** This service level is designed for Clients who require an ongoing Intermediation Service but want to contain cost. We offer a range of three Investment Portfolios: Cautious (low-medium risk), Balanced (medium risk) and Assertive (medium-high risk). These Passive Plus Portfolios are pre-designed and will comprise both Tracker Funds 70% and actively managed funds 30%. The Portfolio is reviewed quarterly and the review and valuation sent to You.

| | | |
|----------------|---|----------|
| Initial Charge | : | Up to 3% |
| Annual Charge | : | 0.75% |

For example – under Option 2 an investment of £100,000 will incur an initial charge of £2,000 at 2% - the minimum charge is £1,500, and an annual charge to review of £750 at 0.75%. The amount you pay each year will fluctuate with the value of your investment. If this increases in value our annual charge will also increase.

10.9.3 **Option 3:-** This level is the most popular, appealing to Clients who want to invest in actively managed funds whilst remaining sensitive to costs.

The Forrester-Hyde Investment Committee, chaired by our Chief Executive, design and actively manage a total of thirteen Portfolios, graded between low and high risk and geared to either capital growth or income:

| Portfolio | | Risk Rating | Type |
|----------------|--------------|-----------------------|-----------------------|
| Core - | Conservative | Low | Core/Active |
| | Cautious | Low-Medium | Core/Active |
| | Balanced | Medium | Core/Active |
| | Assertive | Medium-High | Core/Active |
| | Adventurous | High | Core/Active |
| Specialist - | Bespoke | Individually Tailored | Individually Tailored |
| | Distribution | Low-Medium | Income/Active |
| | Ethical | Low-Medium | Income/Active |
| | Defensive | Low | Income/Active |
| | Tactical | High | Growth/Active |
| Passive Plus - | Cautious | Low-Medium | Passive/Active |
| | Balanced | Medium | Passive/Active |
| | Assertive | Medium-High | Passive/Active |

Under this option You will receive our ‘Outlook’ quarterly by email. We review the asset allocation and underlying fund selection for each Portfolio and seek Your authority to rebalance when appropriate. This involves intermediating with Retail Investment Product Providers on Your behalf throughout the year.

We will meet with You annually to conduct a full review and You may contact Us at any time by email, telephone or in person to discuss Your Portfolio.

| | | |
|----------------|---|-------------|
| Initial Charge | : | Up to 3.00% |
| Annual Charge | : | Up to 1.00% |

For example – under Option 3 an investment of £250,000 will incur an initial charge of £2,500 at 1% - the minimum charge is £1,500 and an annual charge to review of £2,125 at 0.85%. The amount You pay each year will fluctuate with the value of Your investment. If this increases in value our annual charge will also increase.

- 10.9.4 **Option 4:-** This is a Bespoke service for Clients who require a highly personal level of Service, to include an individually tailored Portfolio. This service level provides access to Collective Investment Schemes including Authorised Unit Trusts, Investment Trusts, Exchange Traded Funds and Structured Investment Products. Bespoke Clients receive our global 'Outlook' quarterly by email and We will meet with You biannually or more frequently, up to four times a year.

You may contact Us at any time by email, telephone or in person to discuss your Portfolio.

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

For example – under Option 4 an investment of £500,000 will incur an initial charge of £6,250 at 1.25%. The minimum charge is £5,000 and an annual charge to review of £6,250 at 1.25%. The amount You pay each year will fluctuate with the value of Your investment. If this increases in value our annual charge will also increase.

- 10.10 An Adviser Charge is agreed and is payable in advance and maybe subject to VAT if We are advising You and not intermediating in the arrangement of a Product. If, however, We are providing an ongoing Intermediation Service which will lead to arranging further Products. We are advised by HMRC that this Intermediation Service is not subject to VAT.
- 10.11 Adviser Charges paid annually to review and rebalance your Portfolio under Option 2, 3 and 4 of our Wealth Management Programme may be deducted and paid from the investment either annually in advance or by instalment, monthly in advance.
- 10.12 If You choose to pay for our Intermediation Service by Commission arising from our arranging a Product or if You choose to pay for our Intermediation Service by Adviser Charge, deducted from the investment product or by Time Fee and for whatever reason You do not buy the product, We may not be paid. You will then be liable to pay Us an amount equal to the commission that would have been paid by the Product Provider or the agreed Adviser Charge or Time Fee that would have been deducted from the Product.
- 10.13 You have instructed Forrester-Hyde Limited provide the following Intermediation Service on Your behalf:-
- EXAMPLE ONLY

You have chosen to pay for this Intermediation Service by:-

Cheque or by electronic transfer to our account as detailed:-
Barclays Bank Limited
Account Name: Forrester-Hyde Ltd
Account Number: 10704652
Sort Code: 20-79-73

By Adviser Charge as a deduction from the Retail Investment Product We have intermediated.

By commission paid by the Provider of a Non-Investment Insurance Product

By a combination of the above.

11. REVIEW

- 11.1 We will not review the Retail Investment Products We arrange for You unless You instruct Us and retain Us to provide an annual or more frequent review.
- 11.2 We reserve the right to levy an Adviser Charge or record and charge for Our time for the ongoing administration of any Retail Investment Product We have arranged on Your behalf but will agree this with You in advance.

12. TERMINATING THIS AGREEMENT

- 12.1 You or We may terminate this Agreement at any time upon giving twelve (12) months' notice in writing, or such other shorter period as We may agree. At the termination date You will remain liable for and will pay to Us on written demand the following sums:-
- All and any commission which has been paid or may be payable to Forrester-Hyde Limited by a Product Provider and which is reclaimed as a result of Your terminating this Agreement.
 - The unpaid balance of an agreed Adviser Charge.
 - An amount equivalent to the fee We would charge calculated in accordance with Your instruction on a time fee basis (see 8.8 above).
- 12.2 Subject to 12.1 above termination will be without penalty and without prejudice to the completion of any transactions initiated prior to the termination date.
- 12.3 If You have agreed to an Adviser Charge in advance You will not be entitled to a proportionate refund. If You have agreed to pay time fees We shall invoice You for our time up to the termination date.

13. RIGHT TO CANCEL

- 13.1 We will inform you of your statutory right to cancel. The Distance Marketing Directive normally grants you 30 days in which you may cancel a Life or Pension Contract, or 14 days for an investment. However there will be occasions where no statutory rights are granted. However this will be explained before any contract is concluded.

14. DATA PROTECTION

- 14.1 We are a Data Controller for the purposes of General Data Protection Regulation (GDPR). 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 Retail Investment Products and Intermediation Services. We also need to maintain records and We may use information We hold about You to let You know about Retail Investment Products or Intermediation Services We feel may be of interest to You.

Unless You advise Us otherwise, this information will 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, FCA, 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.
- 14.2 In order to provide services to you we may be required to pass your personal data to parties located outside of the European Economic Area (EEA) in countries that do not have Data Protection Laws equivalent to those in the UK. Where this is the case we will take reasonable steps to ensure the privacy of your information.
- 14.3 We will not disclose Your information to any other parties without Your express permission in writing to do so.
- 14.4 Our Privacy Notice in full is available at <https://www.forrester-hyde.co.uk/privacystatement.php>

15. PROFESSIONAL INDEMNITY INSURANCE

- 15.1 We have Professional Indemnity cover for the protection of our Clients in the event there is found to be negligence on our part. This satisfies the level of cover stipulated by the FCA.
- 15.2 In the event of a claim arising from the professional services outlined in this Client Agreement liability will be limited to £350,000 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 the part of Forrester-Hyde Limited, the Directors or employees.
- 15.3 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.
- 15.4 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.

16. FINANCIAL SERVICES COMPENSATION SCHEME, FSCS

- 16.1 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 Conduct Authority.
- 16.2 The maximum levels of compensation are:-
- 16.3 **Deposits:** £85,000 per person per firm (for claims against firms declared in default from 3 July 2015).
100% of the first £85,000
From 3 July 2015 the FSCS will provide £1million protection for temporary high balances held with Your Bank or Building Society if it fails.
- 16.4 **Investments:** £85,000 per person per firm (for claims against firms declared in default from 1 April 2019).
100% of the first £85,000
- 16.5 **Home Insurance and Mortgage:** £85,000 per person per firm (for claims against firms declared in default from 1 April 2019).
- 16.6 **Pensions:** If Pension provider fails 100% of claim with no upper limit.
If your SIPP operator fails £85,000 per eligible person.
For bad pension advice £85,000 per eligible person.

- 16.7 **Insurance Broker:** There is no upper limit on the amount of protection (for claims against firms declared in default from 3 July 2015).
Long-term insurance benefits are protected 100%
Claims under compulsory insurance, professional insurance and certain claims for injury, sickness or infirmity of the Policyholder are protected at 100%.
Protects 90% of other types of claim with no upper limit.
- 16.8 **General Insurance Advice and Arranging:** Protects 90% of the claim with no upper limit. Compulsory insurance is 100% for business conducted on or after 14 January 2005.

For further information go to: www.fscs.org.uk/what-we-cover/eligibility-rates/compensation-limits.

17. MONEY LAUNDERING

- 17.1 In common with all financial businesses, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:

- Maintain identification procedures for clients and beneficial owners of clients
- Maintain records of identification evidence and the work undertaken for the client; and
- Report, in accordance with the relevant legislation and regulations

We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act 2002 and includes concealing, converting, using or possessing the benefit of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.

We are obliged by law to report any instances of money laundering to the National Crime Agency without your knowledge or consent. In consequence, the firm's directors or staff will not enter into any correspondence or discussions with you regarding such matters.

We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the principles, rules and guidance published by the Financial Conduct Authority.

18. COMPLAINTS

- 18.1 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 using the contact details shown at the end of this document. Your complaint will be acknowledged in writing within five business days of it being received at 1279 London Road, Leigh-on-Sea, SS9 2AD. If, after We have reviewed your complaint you remain dissatisfied, You may have the right to refer your complaint to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR Tel: 0800 023 4567 email: complaint.info@financial-ombudsman.org.uk.
- 18.2 Full details of our complaints procedure are available free of charge upon request.

19. CHANGES IN LAW

- 19.1 This Agreement is governed by, and construed in accordance with English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this agreement and any matter arising from it.
- 19.2 Each party irrevocably waives any right it may have to object to any action being brought in those Courts, to claim that the action has been brought in an in appropriate forum, or to claim that those Courts do not have jurisdiction.
- 19.3 If any provision in this standard agreement – or its application – are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.
- 19.4 We will not accept responsibility if You act on advice previously given by Us without first confirming with Us that the advice is still valid in light of any change in the law or Your circumstances.

20. FORCE MAJEURE

- 20.1 Forrester-Hyde Limited 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.

21. DECLARATION AND CLIENT SIGNATURES

21.1 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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