



## CARTLIDGE MORLAND

### Client Agreement

This agreement is issued on behalf of Cartlidge Morland of 83 - 85 Mansell Street, London, E1 8AN who can be contacted at 020 7709 5560.

#### Authorisation Statement

Cartlidge Morland is Authorised and Regulated by the Financial Services Authority. The Financial Services Authority regulates the financial services industry in the UK and their address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. You can check this on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) FSA No. 182556 or by contacting the FSA on 0845 606 1234.

#### Permitted Business

Our permitted business is advising on and arranging savings and investments products, pensions, mortgages and insurance protection policies.

#### Client Classification

Each client with whom the firm conducts business is categorised as to identify the level of regulatory protection. We propose to classify you as 'Retail Client' for Investment purposes.

Should you wish and following discussion and agreement, you may request to be reclassified as an elective professional client. This means that you will lose certain protections under the Financial Services and Markets Act 2000, enforced by the Financial Services Authority. In addition, we will not have to adhere to all of the rules as set out by our regulator in respect of financial promotions. Neither will we have to ensure that you understand all the risks associated with the services and transactions we provide or execute on your behalf.

#### Communications

We will communicate with you in English both verbally and written for the sending and reception of orders, unless otherwise specifically agreed. In most cases, the communications you receive from us will either be presented in or confirmed in writing, whether by letter, fax or e:mail. We may also meet with you or communicate verbally with you by telephone. We request that our clients provide us with their instructions in writing to avoid potential disputes. We may, at our discretion, accept your instructions either in person, or by telephone. In this event, we will keep an attendance note on file and provide written confirmation of any action taken.

## **Scope of Service**

We operate independently and therefore provide investment products and funds from the whole market. We will advise and make a recommendation for you after we have assessed the background to your personal/financial circumstances, including your needs. In some situations, we shall only be providing you with information rather than advice – and this will be made clear to you on those occasions.

We provide protection products from a range of insurers for critical illness cover, life assurance, permanent health insurance, private medical insurance and death in service cover.

## **Services to be Provided**

With regard to investments that we have arranged for you, these will not be kept under review, unless you are member of the Cartlidge Morland Investment Service. In the latter circumstances, formal reviews will be provided either half yearly or annually, as may be agreed between us. If you are not a member of the Cartlidge Morland Investment Service, we will advise you upon your request. 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.

On issue of this Agreement any subsequent advice or recommendation offered to you will be based upon your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. We will issue you a suitability report to confirm our recommendation. Unless confirmed otherwise we will not place any restrictions on our recommendations.

Cartlidge Morland does not handle clients' money. We never accept a cheque made out to us unless the cheque is in settlement of charges or disbursements for which we have sent you an invoice, nor do we handle cash.

We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward you all documents showing ownership of your investments as soon as practicable after we receive them, where a number of documents are due involving a series of transactions, we normally hold each document until the series is complete, then forward them to you.

Where we arrange a transaction on your behalf we will take all reasonable steps to obtain the best possible result for you, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and any other issues that we consider to be relevant. Investors should note that mainstream UK life assurance, pension funds and unit trusts/OEIC's may be purchased Monday to Friday 9.30 a.m. to 5.00 p.m. by either telephone or electronically, subject to cleared funds being in place and any third party money laundering requirements satisfied. Cartlidge Morland accepts no responsibility for the frustration of transactions it places, caused by either the actions or unexpected additional requirements of third parties.

*(In certain overseas jurisdictions, money-laundering requirements may be more onerous and UK conventions on either/both money laundering and dealing may not apply. It may take longer for us to conclude investment transactions in these circumstances, or when*

*our client has chosen a particular investment which has not been recommended by us and in which we have no previous dealing experience).*

## **Paying for services**

Not all firms charge for advice the same way. We will discuss your payment options with you and answer any questions you may have. We will not charge you anything until you have agreed how we are paid.

### *We can be paid by a fee*

Whether you buy a product or not, you will pay us a fee for our advice and all time expended, including information gathering and administrative activity. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we might accept payment and reduce our fee accordingly; or waive payment of commissions to reduce your product charges/ increase your investment amount; or refund the commission to you. (If, as agreed, we refund commission to you, and at any time subsequently, we are obliged to refund any part of the commission received to the product provider, we shall require you to refund any sum we have paid to you proportionately).

### *We can be paid by commission (or product charges)*

If you buy a financial product, we will normally receive commission in respect of your purchase from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. We will tell you how much commission we will be paid before you complete an investment, but you may ask for this information earlier.

### *We can be paid by a combination of commission and fee*

In some circumstances, we also charge a fee on top of any commission we might receive.

### *Our fee option*

We will agree the rate we will charge before beginning work. We will tell you if you have to pay VAT. Our charges are:

Principal/Director/Partner	£320 per hour
Pension Technical	£245 per hour
Senior Consultant	£200 per hour
Consultant	£180 per hour
Administration	£90 per hour

We will provide you with an estimate of how much in total we might charge and will not exceed this by more than 10.00% without checking with you first. You may also ask us not to exceed a given amount without your specific permission. We will always advise you of the category(ies) of staff undertaking the work as part of our estimate.

On large investments, the value based initial charge we make (whether paid by commission or fee) will often be lower than the maximum commission rate stated. We will tell you precisely how much it is before you make your investment.

### Fixed Fees

For particular advice or the completion of a specified task/transaction, we may at our discretion offer you the option of paying a fixed fee, rather than fees charged according to the amount of time spent.

### Cartlidge Morland Investment Management Service (IMS)

We charge 1.25% p.a. x sum invested (e.g. £10,000 x 1.25% = £125 p.a.). These charges will be collected monthly in advance and include the use of a 'wrap' platform and/or a self invested personal pension plan (SIPP) and/or an individual savings account (ISA) without additional charge by the third party providers of these services. We will also make a consultancy charge whenever you invest a sum in this service, or transfer fresh funds into it. These charges will vary between 1% and 4% x sums invested and the sum to be charged will be notified to you in advance. All investments are bought and sold within this service without any commission being charged. All trail commissions received from third party fund managers will be credited to your client account.

### Our Commission Option

Amounts vary according to the type of product, the amount you invest, and (sometimes) how long you invest for, or your age when you start the product. We will confirm the actual amount to you before you buy a product. The table following demonstrates the **maximum rates** of commission for investment business that might be offered to us by third parties. This does not mean that we will accept the sums concerned and the precise amount to be received will be notified to you before you decide to make an investment on this basis. If, in exceptional circumstances, it is proposed that the amount to be charged is greater than the amount shown below, written confirmation will be provided in advance.

Regular Contributions	<b>Based on payments by you of £100 per month</b>
Collective Investments (e.g. unit trusts/OEICs)	24% of the first 12 month's payments plus 4% of all payments from month 2 so, based on £100 per month this would be £288 initially plus £48 each year from month 2.
Whole of Life	145% of the first 12 month's payments plus 2.5% of all payments from month 49 so based on £100 per month this would be £1740 initially plus £30 each year from month 49.
Personal and Stakeholder Pension 10 year term	80% of the first 12 month's payments plus 2.5% of all payments from month 24 so, based on £100 per month this would be £960 initially plus £30 each year from month 24.
Personal and Stakeholder Pension 25 year term	140% of the first 12 month's payments plus 2.5% of all payments from month 49 so, based on £100 per month this would be £1680 initially plus £30 each year from month 49.
Lump Sums	<b>Based on payment by you of £10,000</b>
Collective Investments (e.g. unit trusts/OEICs)	5% of the amount you invest plus 0.5% of your fund value each year from year 2 so, based on a £10,000 investment this would

	be £500 plus £50 each year from year 2 assuming no change in fund value (the actual amount will vary in line with your fund value and for example if the fund were to increase to £20,000 then £100 would be paid).
Investment Bonds	6.3% of the amount you invest plus 0.75% of your fund value each year from year 1 so, based on a £10,000 investment this would be £630 plus £75 each year from year 1 assuming no change in fund value (the actual amount will vary in line with your fund value and for example if the fund were to increase to £20,000 then £150 would be paid).
Personal and Stakeholder Pension	5% of the amount you invest plus 0.75% of your fund value each year from year 2 so, based on a £10,000 investment this would be £500 plus £75 each year from year 2 assuming no change in fund value (the actual amount will vary in line with your fund value and for example if the fund were to increase to £20,000 then £150 would be paid).
Annuities	4% of the amount you invest plus 0.5% of your fund value each year from year 1 so, based on a £10,000 investment this would be £400 plus £50 each year from year 1 assuming no change in fund value (the actual amount will vary in line with your fund value and for example if the fund were to increase to £20,000 then £100 would be paid).
Income Drawdown	6% of the amount you invest plus 0.5% of your fund value each year from year 2 so, based on a £10,000 investment this would be £600 plus £50 each year from year 2 assuming no change in fund value (the actual amount will vary in line with your fund value and for example if the fund were to increase to £20,000 then £100 would be paid).

### Personal Pension Schemes

Not all types of personal pension scheme are included in the information above about commissions. Instead only the more common types are included, and schemes such as SIPP's are not. Before we start advising you, we will inform you of how much we could be paid if we do recommend one of these products to you.

You can also ask us about commission we might receive on underlying investments we recommend you hold within a SIPP if not contained in the information above.

**When you arrange a product through Cartlidge Morland, it is possible that other taxes or costs may exist that are not paid through the product provider or imposed by it. The table of commission terms above is not exhaustive, as we cannot cover every permutation or product in a general table. In respect of investment business, our practice is always to issue a quotation in advance showing the amount of commission payable – or in the absence of such a quotation, to state the amount payable in our letter of recommendation, before you proceed with the investment.**

### 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.

Ascentric Wrap Platform – some of the partners of Cartlidge Morland own shares in the company operating the Ascentric Wrap Platform and hold further share options too. The shares and options combined are a strategic holding amounting to less than 1.00% of the share capital of the company concerned. The Ascentric Wrap Platform is the primary mechanism by which collective investment funds (and other investments) are held and traded within the Cartlidge Morland Investment Service. We believe it is important in our dealings with you that you are aware of this holding in case you object.

Cartlidge Morland Trustees Ltd is a nominee company owned by the partners of Cartlidge Morland. The company's principal function is to act as trustee of the Cartlidge Morland SIPP and to act as nominee in respect of SIPP investments. The company makes no profits from this activity and makes no charge for acting as trustee. It pays all the SIPP charges it debits from SIPP accounts to either Denton Pension Management Ltd (the independent SIPP provider/administrator), the Ascentric Wrap Platform or to Cartlidge Morland (the partnership), in respect of its consultancy and investment management charges.

Cartlidge Morland (the partnership) usually charges the same for SIPP consultancy and investment management, irrespective of whether the Cartlidge Morland SIPP or an alternative SIPP is used. In other words, we derive no more revenue from offering our own SIPP, than we would by recommending alternatives.

### Proposal/Application Forms

It is your responsibility to provide complete and accurate information to us (and to insurers) when you effect/renew a policy or investment, or exercise any option under any policy. You must also notify either the insurer or ourselves of any relevant facts concerning your health or personal/financial circumstances that arise between the date you sign a proposal form and the date your new policy comes into force. If you fail to do this, you may render your policy void.

It is important that you ensure that all statements you make on proposal forms, claim forms and other documents are full and accurate. We cannot be held responsible for incorrect data held or submitted in the event of non-disclosure.

### **Rights to Cancel**

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. However there will be occasions where no statutory rights are granted, however this will be explained before any contract is concluded.

### **Complaints**

If you wish to register a complaint, please write to Andrew Cartlidge of Cartlidge Morland, 83 - 85 Mansell Street, London, E1 8AN whom can be contacted at 020 7709 5560.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

### **Compensation Scheme**

We are covered by the Financial Services Compensation Scheme (FSCS) if we cannot meet out our obligations. This is dependent upon the type of business and the circumstances of the claim.

Most types of investment business are covered by 100% of the first £50,000, so the maximum compensation is £50,000. The advising and arranging of insurance is covered for 90% of the whole claim with no upper limit, this includes long-term insurance (e.g. pensions and life assurance).

Further information about this compensation scheme arrangement is available from the FSCS.

### **Data Protection**

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By allowing Cartlidge Morland to act on your behalf, on the basis of this document, you consent to us, or any company associated with us or our successors processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FSA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition; the commission or alleged commission of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact The Data Protection Officer on 020 7709 5560 or in writing at Cartlidge Morland, 83 - 85 Mansell Street, London, E1 8AN. Please note however that our regulator requires us to hold the data we collect for a specified number of years. We may not therefore be able to cease holding your data with immediate effect and we reserve our right not to provide copies of information we hold about you where this contains confidential

information on third parties – even at your request, or to allow inspection by third parties, except where stipulated by our regulator, or by a Court of Law.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purposes. Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data. We do reserve the right not to provide you with copies of records, if information relating to third parties would be disclosed.

### **Law**

These Terms of Business are governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

### **Third Parties**

These Terms of Business exclude any rights that may be conferred upon third parties by the Contracts (Third Party Rights) Act 1999.

### **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.

### **Alteration**

It may on occasion be necessary to amend this agreement. Unless we obtain your consent, we will provide you with at least fourteen days notice of our intention to do so, before conducting investment business with or for you, unless it is impractical in the circumstances to do so.

### **Client consent**

**The client agreement will come into force upon receipt of this document. Cartledge Morland will deem your consent to the above terms and conditions unless we receive written confirmation from you to the contrary.**

## Order Execution Policy

### Introduction

FSA rules require us to give you these details on our Order Execution Policy and we shall consider that you have consented to this Policy unless you object.

We will notify you of any material changes to our order execution arrangements or execution policy.

**If you provide us with specific instructions regarding an order we will act in accordance with those instructions. Please note this may prevent us from taking the steps set out in this Policy to obtain the best possible result in respect of the elements covered by those instructions.**

### Our Policy

The general rule is that we must take all reasonable steps to obtain, when executing orders, the best possible result for clients.

In order of priority we consider price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order when placing an order. We will only override the price and cost factors mentioned if this is likely to be in your interests.

In practice this means that we will ordinarily place agreed orders with the provider within three working days of receipt of instructions submitted by the post, fax and those given verbally. Instructions received by email will be actioned within three working days, subject to the Cartlidge Morland addressee having acknowledged receipt of the instruction. Under no circumstances will we accept deal orders that are requested via our telephone voicemail system.

In addition, we will also take into consideration;

- Your client categorisation and how this affects you.
- The nature and characteristics of your transaction.
- Where your transaction can be directed and,
- Any specific instructions you give us, whether received on an individual basis or as a general instruction to be applied to all your transactions.

### Where we place your business

The specific providers will always be described in our letters to you. When you complete your application or we receive your instruction to invest this will be considered as express consent to undertake the order.

Orders will be placed with:

- Fund managers, Insurers, WRAP providers and other product providers including firms regulated by the Financial Services Authority.
- Outside of a regulated market, such as specialist unregulated investments.

Please note that this is not an exhaustive list but comprises those execution venues on which we place significant reliance.

Cartlidge Morland accepts no responsibility or liability for delays in the conduct of dealing caused by the actions of third parties, such as life assurance companies, investment houses or wrap platforms.