

MONTGO CONSULTING LTD

31 Beach Road, Eastbourne, East Sussex, BN22 7EY Tel: 01323 735303

Montgo Consulting Ltd is registered in England & Wales, Company No: 4918378
Registered Address as above

CLIENT AGREEMENT

- 1.** This document sets out the basis on which we, Montgo Consulting Ltd, also referred to in this document as the Firm, will advise you, conduct business with you and charge for our services. Please read it carefully and if you are unsure of any of its terms please ask.
- 2.** The terms of this agreement come into force on acceptance of its terms by you. This may be prior to you signing the agreement if for example you wish us to commence work immediately. However a signed copy will be required subsequently.
- 3.** Montgo Consulting Ltd is authorised and regulated by the Financial Conduct Authority (FCA) with a firm reference number 606440. You can check this on the FCA's Register by visiting the FCA's website at www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA at 25 The North Colonnade, Canary Wharf, London E14 5HS or by telephone 0800 111 6768.

THE RANGE OF OUR ADVICE AND FINANCIAL PLANNING OBJECTIVES

- 4.** Your adviser is an independent financial adviser (IFA) and acts on your behalf. We offer products and services as follows:
 - Investments - we offer an independent advice service. We will recommend retail investment products as defined by the FCA based on a comprehensive and fair analysis of the market. We will place no restrictions on the investment markets we will consider before providing recommendations, unless you instruct us otherwise in writing. However we will not recommend unregulated collective investment schemes or other unregulated investments e.g. art, wine or stamps. We will only make a recommendation for an investment when we consider it is suitable for you.
 - Non-investment protection contracts - we offer non-investment protection products, specifically term assurance, income protection and critical illness from the whole market.
- 5.** In order to provide you with personal financial advice and recommendations suitable for you we will need to ensure we understand your financial circumstances, objectives, needs and attitudes. We may ask you to complete a “personal financial questionnaire” (or fact find) to gather the relevant information to assess your requirements. Details of your stated objectives will be set out in a “suitability report” that we will issue to you to confirm our

recommendations. Unless stated in writing, to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

6. In the event of the Firm assisting you in the completion of any investment or insurance application or policy proposal forms that you should ensure the information that is entered on such forms is correct and complete. Therefore you should understand that inclusion of incorrect information or omission of any material facts may result in the insurance, investment or policy to which the application or proposal relates to being adversely adjusted, made void and/or any claim(s) made against it being refused. The advice we give you will be based on the information you have given us and your stated investment objectives including the degree of risk you will accept. You should advise us of any changes.

7. We will forward to you all documents showing ownership of your investments/contracts as soon as practicable after we receive them.

8. We will outline from the outset whether our advice will cover your entire financial planning needs or whether it will focus on a specific area, giving consideration to any restriction you place on what advice you want.

9. We require our clients to give us instructions in writing, for example to proceed with buying an investment that we have recommended, or we may confirm our understanding in writing, by post or by email, in order to avoid possible disputes.

CUSTOMER CLASSIFICATION OF YOU

10. The type of client category will determine the levels of protection afforded to you. The Firm proposes to classify you in accordance with FCA rules as a retail client for investment business and a consumer for non-investment insurance. The regulatory protection available to you will be the highest available and means you have the right to take any complaint to the Financial Ombudsman Service.

This agreement is personal to you and not assignable. We may accept instructions from and give information to third parties or your other advisers on your behalf where you have confirmed in writing we may do so. We cannot accept any responsibility for errors in information supplied by such persons. Where you are a trustee, director or officer of any trust, corporation or LLP requiring advice, you warrant to us that you have full authority to act on behalf of the same and there are no restrictions on the limits of our advice of which we have not been made aware. We will not be responsible for advising on compliance with your trust, trustee, director or officer obligations.

THE COST OF OUR SERVICES

11. You will pay for our services by either an invoiced fee, a fee facilitated through product charging or from commissions or a combination of these. We will discuss payment options with you and answer any questions you have. Value Added Tax (VAT) is not currently payable on our fees. We will inform you if this changes in future.

12. Our advice and services are chargeable, whether you buy a product or not, at the applicable fee rates set out in this document. If you exercise your right to cancel an investment, pension or protection policy you will still be liable to pay our fees for the work done.

12.1 Fee Rates

An initial meeting or telephone discussion of up to an hour is offered without charge or obligation. On appointment as your IFA, our services become chargeable at our hourly rate of £160 per hour. This applies for all work except where a fixed fee has been agreed or for the annual investment portfolio review service (see 12.4).

We will normally provide in advance an estimate in writing of the cost of our work we might charge in total unless it is not practicable to do so. An example might be contact from you where the response requires immediately chargeable work or where it is not possible to assess how much time will need to be spent.

Our quote is usually an estimate based on the likely chargeable time spent. It is not a fixed fee quote and the final charge may exceed this. However you may wish to set a certain amount of fees that cannot be exceeded without further reference to you, in which case please let us know. In some circumstances we are able provide a fixed fee quote. Please ask if this is of interest.

For your guidance to advise and arrange an investment portfolio of £100,000, the time required for this may total seven hours with a fee cost of £1,120. To advise and arrange a regular premium pension plan for £500 p.m. may take fours' work with a fee charge of £640.

Should you request a visit to your home or workplace outside the Eastbourne area a separate charge for travel time will be levied. This will be calculated based on the estimated time for a return trip and my normal charge-out rate. It will be agreed with you prior to the meeting.

12.2 Payment Options

You have the choice of how to pay our fees, please see below a list of the options available to you:

a) Settling your fee by invoice

When a fee is due you will be sent an invoice and a copy of your timesheet. Fixed fees do not have timesheets. Payment is due on receipt as the work has already been conducted. In some cases where work is protracted or the amount owing is high an interim fee may be charged, with a final fee on completion. We accept payments by bank to bank transfer (BACS) or by cheque. We do not accept payment by cash or by debit or credit card.

b) Settling your fee by a product charge

Where a product is advised and arranged you may elect that we are remunerated by a fee paid from the product. This is referred to as an “adviser charge.” The fee will not exceed the rates shown in this document. An adviser charge should be appropriate to the advice and service provided for advising and arranging that product and cannot be used to cover the cost of unrelated advice.

c) Settling your fee by commission

Commission is no longer payable from new investments and pensions if advice is provided. It is however payable for the arrangement of pure protection policies investment business. In addition the firm may be in receipt of trail commissions from your existing investments and other plans. Whilst you have no entitlement to any commissions, initial commissions from pure protection and execution only business and trail commission from investments will be taken into account when calculating your fees except for trivial commissions (see 17).

Ongoing commissions from regular premium plans are normally retained by the Firm as they are typically small and accounting costs may be disproportionately high, but they may be used to cover fees on a case by case basis (see 16).

In some circumstances it may be appropriate to pay for the cost of advice by a combination of fee options. For regular investment, savings and pension plans we do not accept payment in instalments by an adviser charge and an invoice for the full fee will be levied on completion.

12.3 Pure Protection Products

If we advise and arrange a protection product for you the cost of the work is determined by the time spent at a fee rate of £160 per hour. If we receive initial commission from the product provider, we will pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee, reduce your insurance premium, or refund some or all of the commission to you in cash subject to certain conditions. Renewal commissions are treated differently (see 16 & 17).

In respect of any regular premium protection policy, which we may recommend, should you subsequently cease to pay premiums on the policy and as a result of your cancellation we are obliged to refund commission that has been paid to us, we will charge you a fee representing the amount we have to repay. This clawback liability lasts for a period of up to four years after commencement of the policy and the fee will not exceed the amount of commission that was credited to you at outset. For example, assume that advice on a life assurance policy was provided to you and the fee was £600. Commission of £400 was paid by the provider and retained by the Firm whilst the balance of the fee, £200 was paid by you by invoice. If after a year you cancel the policy and the Firm is obliged to repay 75% of the commission i.e. £300. The difference between the original fee, £600 and the amount retained £300 (£100 commission plus £200 fee) is £300 and would represent the amount the Firm would invoice you for.

We will write to you at the point of policy commencement in the suitability report, to confirm the maximum amount you may be liable for and the term over which this will apply.

12.4 Payment for Ongoing Services

You are not obliged to receive and pay for any ongoing services or reviews. However work that is agreed with you is charged on a time spent basis at £160 per hour. An estimate of the cost will be provided prior to commencement of chargeable work.

The Firm also offers an annual investment portfolio review service (AIPRS) by separate agreement. A document that details this service will be supplied if applicable. Please note this service is only available for a client with a portfolio value of £250,000 or more. Here a fee equal to 0.6% per annum is charged for all funds we advise on. For example if the portfolio is valued at £250,000 the fee is £1,500 and if £400,000 it is £2,400. Where the value of your investments rises, then the fees for this service will increase and vice versa.

The cost of ongoing services and reviews can be paid for by invoiced fee, a product or adviser charge, certain ongoing commissions by discretion, or a combination of the three. The Firm does not offer the option of paying fees by monthly instalments.

If the work is terminated by you prior to completion of the review a *pro rata* charge will be levied to cover the cost of our work conducted up to the point of cessation. For those on the AIPRS this will be calculated as an estimated proportion of the full fee. For example if it is deemed the work is terminated half way through the whole process the charge would be 0.3% or 0.1% if cancellation is at an early stage etc.

For reviews charged on a timed basis the fee will be calculated based on the hourly rate and the number of hours carried out up to the point of cancellation.

ONGOING & RENEWAL COMMISSIONS

13. Montgo Consulting Ltd may receive ongoing commissions of various types either from investments or plans the firm has arranged for you in the past or that you have transferred to our agency. Trail commission from investments and pensions is used to cover the cost of our work – see however 12.2c.

14. For the annual investment portfolio review service (AIPRS) the cost of the work is calculated as 0.6% p.a. of the value of the portfolio. Trail commissions received from investments will be taken into account and used to offset the fee in whole or part. On completion of the review, a statement showing the gross fee, how it is calculated, commissions received and any top up fee due will be provided.

15. Trail commission from investments is not usually paid to clients in cash and is only done on a discretionary basis. Cash rebates are deemed to be “annual payments,” by HMRC and will be taxable at your highest income tax rate.

However if initial commission from a pure protection policy is paid to you in cash it is not deemed an annual payment and hence it is not taxable.

Cash payments to you from pension plans will not be made in any circumstances as they are unauthorized payments and will incur a penalty or a tax charge.

16. Renewal commissions from regular premium endowment, pension, critical illness, income protection and life assurance policies, typically 2.5% of the premiums paid may also be received by the Firm after an initial period of up to four years. In addition indexation commissions may be payable when a plan premium is automatically increased at the policy anniversary. These ongoing commissions are normally retained by the Firm although discretionary rebates in the form of timesheet credits may be made.

17. Trail commissions from investments deemed so small that it would be manifestly disproportionate for the Firm to monitor, record and account for are not taken normally into account when calculating fees. The amount deemed trivial is £40 p.a. in total from all investments per investor or investor couple.

CLIENT MONEY

18. For your security we do not handle clients' money. We do not accept cheques made out to us unless it is in settlement of our fees or other charges or disbursements for which we have sent you an invoice. We do not handle cash. Payment by cheque for investments or insurance policies should be drawn in favour of the investment or insurance provider.

ACCOUNTING TO YOU

19. We will make arrangements for all your investments policies and/or contracts to be registered in your name unless you first instruct us otherwise in writing. You have a right to inspect copies of contract notes and entries in our records in relation to transactions on your behalf. In that request we reserve the right to give you copies of such documents rather than access to the original records.

We will forward to you all documents showing ownership of your investments policies and/or contracts as soon as practicable after we receive them. Where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you.

FINANCIAL SERVICES COMPENSATION SCHEME

20. We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we or a financial services provider we have recommended cannot meet our or their obligations. This depends on the type of business and the circumstances of the claim. You will find up to date details of the FSCS's compensation limits, eligibility and details of how to make a claim on its website www.fscs.org.uk.

The current limits are:

Investment

Most retail investments are covered up to a maximum limit of £50,000 per person. Investments into an Enterprise Investment Scheme (EIS), a Venture Capital Trust (VCT), an Exchange Traded Product (ETP) and Business Relief schemes are not covered by the FSCS. Advice on these schemes is however covered in the event of the Firm going out of business.

Insurance & Pensions

Insurance advising and arranging is covered for 100% of the claim with no upper limit.

Annuities

Cover is 100% with no upper limit.

Cash

Cover is £85,000 per person per banking institution.

Further information about compensation scheme arrangements is available from the FSCS.

COMPLAINTS

21. If you should have any complaint about the advice you receive or a product you have bought please write or call the Complaints Officer at Montgo Consulting Ltd, 31 Beach Road, Eastbourne, East Sussex BN22 5AX. Tel: 01323 735303. Alternatively please e-mail Mike Grant at mike@montgo.co.uk .

If following our subsequent investigation and response you are still not satisfied you may contact the Financial Ombudsman Service (www.financial-ombudsman.org.uk; Exchange Tower, London E14 9SR. Tel: 0800 023 4567). Full details are contained within our internal complaints procedure, which is available to you on request at any time.

CANCELLATION RIGHTS

22. In most cases you can exercise a right to cancel by withdrawing from a newly entered into contract. In general terms you will normally have a 30 day cooling off period for a life, pure protection, payment protection or pension policy and a 14 day cancellation period for investments.

For pure protection policies the start of the cancellation period will normally begin when you are informed that the contract has started, or 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 disclosure information which will be issued to you.

If you cancel a single contribution investment based contract you might not get back the full amount you invested due to stock market movements. This arises if the value of an investment falls between the investment and cancellation dates.

MATERIAL INTERESTS

23. We will act honestly, fairly and professionally known as conducting business in ‘Client’s best interest’ regulations.

We are not connected to nor have any material interest in any product provider. If we become aware of any future potential conflict of interest for example if we or one of our other clients have some form of interest in business transacted for you 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.

RISK WARNINGS

24. Relevant risk warnings will be advised throughout the financial planning process and in your suitability report.

The value of investments may go down as well as up, and you may not get back the amount invested. The amount of income from investments may fluctuate. Non-readily realisable investments for example into an authorised commercial property fund will generally have a restricted market, and therefore it may be difficult to deal in that investment or to obtain reliable information about their value.

For insurance products, your insurance policy may lapse if you do not keep up with your regular premium payments and you may not be covered if a claim is made.

25. COMMUNICATIONS AND MARKETING

The Firm does not send out marketing communications other than occasional client newsletters and investment blogs. These communications are mainly for information purposes rather than marketing. The Firm has no associated companies and will never pass on or sell your details to third parties for the purposes of marketing. You can opt out from receiving client newsletters and investment blogs by ticking the box on the signature page or at any time in the future by letting us know.

TERMINATION OF AUTHORITY

26. You or we may terminate our authority and/or this agreement to act on your behalf at any time without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to this client agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and our fees that are outstanding.

27. On termination, the Firm may at its sole discretion make a cash payment to you of trail commissions which have not been taken into account when determining fees for work done. Any cash payment will normally be taxable on you as an annual payment.

28. On termination you should notify the companies you hold investments or policies with, that the Firm is no longer your IFA and arrange for any ongoing commissions to be transferred to a new IFA, paid out to you or stopped. However if the Firm continues to receive commissions after termination and settlement of your account these will be normally retained by the firm.

DATA PROTECTION & ANTI MONEY LAUNDERING

29. The information you have provided is subject to the Data Protection Act 1998 (the “Act”). By signing this document you consent to us or any company associated with us for 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 you with your permission, for example your solicitor or accountant, or associated with us for example product providers, the FCA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors.

We will treat all personal data and sensitive personal data (for example your health and religious views) as confidential and will not process it other than for a legitimate purpose. 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.

If at any time you wish us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact The Data Protection Officer on 01323 735303 or in writing at 31 Beach Road, Eastbourne, East Sussex BN22 5AX.

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, currently £10) for supplying you with such data.

30. We cannot be held responsible for the information held on your file being inaccurate due to you failing to inform us of a change of circumstances. However as part of an ongoing service that you have agreed we will normally request updated personal information from you.

31. Where business services are provided to us by third parties then circumstances may arise which warrant the disclosure of more than just your basic contact details. On these occasions such as processing business, and obtaining compliance and regulatory advice you agree that personal information held by us may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to such third parties. You agree that this information may

be transferred electronically, (e.g. e-mail). You also agree that we or any such third party may contact you in future by any means of communication which we or they consider appropriate at the time.

32. We keep records of our business transactions with you for at least six years.

33. We are required to verify your identity in accordance with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007. We reserve the right to approach third parties including online verification firms and to delay any of your applications until adequate verification of identity has been obtained.

LIABILITY

34. We reserve the right to amend this agreement at our discretion where changes in regulation or law necessitate by giving you notice in writing. You will also be given the option to accept our new agreements or terminate our authority. This agreement shall be governed by and construed according to English law. Any disputes shall be determined in the jurisdiction of the English Courts.

35. Where a formal written notice is required by this agreement then it shall be in writing by post or by e-mail in a PDF format. The changes will be deemed effective two business days after posting or e-mailing.

36. Force Majeure. Montgo Consulting 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.

Please continue to the Client Consent declaration below.

CLIENT CONSENT

37. This is our 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 understand and consent to the terms of this client agreement and I/We hereby authorise the transfer of information, as described above, on a confidential basis when warranted between such third parties.

I/We authorise you to liaise with My/Our other professional advisers in exchanging relevant personal information pertinent to my/our financial planning requirements and to rely on any such information provided.

I/We agree that this Client Agreement will come into effect from the date you sign below or earlier if work is required to commence prior to this date.

Please tick this box if you do not wish for us to contact you for marketing purposes by e-mail, telephone or post.

Client Name(s)

Client signature(s)

Date

Signed for and on behalf of the firm:

Adviser Mike Grant

Signature *M. Grant*

Date