



CLIENT AGREEMENT

1. The provisions of these Terms of Business, now renamed in accordance with the FSA Conduct of Business rules as a Client Agreement, will take effect immediately that they are provided to you and will continue in force until they are cancelled by you or us, or they are replaced by an updated Client Agreement.

Our Status

2. We are authorised and regulated by the Financial Services Authority (“FSA”) as Independent Financial Advisers. Our FSA Register number is 183210. Our permitted business is advising and arranging investment business, life insurance and pensions (including transfers and opt outs). We are authorised to hold client money and client assets. You can check this on the FSA’s register by visiting the FSA’s website www.fsa.gov.uk/register or by contacting the FSA on 08456061234. The FSA can also be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS.

Your Investment Objectives

3. Your investment objectives will be discussed with you at regular intervals and set out in writing as appropriate. These objectives form part of this Client Agreement.

Client Categorisation

4. In accordance with the FSA Conduct of Business rules, we will be classifying you as a “retail client”, this is equivalent to the previous classification of “private customer”. This means that you are afforded the greatest level of protection available under the Financial Services and Markets Act (FSMA).

Our Services

5. We offer completely independent investment advice, providing our clients with individual attention and individual advice. We will make a recommendation after we have assessed your needs. We provide advice on an active advisory basis in a wide range of areas including investment management, retirement planning, transfer of wealth between generations and corporate services. More specifically, our services include advice on Life Assurance, Pensions, Investments, Pure Protection and Private Medical Insurance contracts from a range of investment companies and insurers. We will advise you on, and carry out any instructions you give us to effect such contracts. Where we deem it appropriate to meet your investment objectives, our services may include advice on investments in units in unregulated collective investment schemes.

6. We offer products from the whole of market. There are no restrictions relating to the advice we may give you concerning the types of investment or markets in which you may wish to invest.

7. You should be aware that past performance of investments is no indicator of future performance.

8. We will not undertake any business with or through any party with whom we have a soft commission arrangement without notifying you of such an arrangement prior to

arranging the transaction.

9. We will not pool your investments with those of other clients.

Our Remuneration

10. Our initial discussion (not necessarily the initial meeting) in which we will describe our services and explain the payment options, is without charge. If you decide to proceed, our recommendations and proposed remuneration will be fully discussed and agreed with you before any actions are taken.

11. We offer the following payment options:

- a. Paying by commission (or product charges)
- b. Paying by fee (see appendix for details of this method of payment)
- c. Paying by a combination of commission and fee

Paying by commission (through product charges)

12. If you choose the commission option, we will normally receive commission on the sale from the product provider. You do not pay anything to us up front, but you do pay indirectly via the product charges. These charges cover the provider's own costs and any commission, they reduce the amount available for investment. No VAT is payable on commission. The maximum commission we would take on the sale of a product is 3% initial commission and an ongoing annual fund based commission of a maximum of 1% of the value of the portfolio. Any available excess commission will be rebated to the contract having the impact of reducing the initial costs of entry to you. Commission receivable from life assurance contracts is calculated as a percentage of premiums paid over the initial earnings period.

13. The amount of commission we will receive will vary depending on the amount you invest and will be set out clearly in our recommendation letter. As an example, if you invest £10,680 in an ISA we would typically receive up to 3% of the amount invested (£320.40) and up to a maximum of 1% of the value of the fund (roughly £106 every year). Similarly, if you invest a £10,000 lump sum into a bond or SIPP we would receive up to 3% of the amount invested (£300) and up to a maximum of 1% of the value of the fund (roughly £100 every year).

Paying by fee

14. If it is proposed that we should be remunerated on a fee-paying basis, we will agree its basis and details of how and when fees are payable, in writing with you before carrying out any chargeable work. Any Schedule of Fees we may issue to you is deemed to form part of this Client Agreement. Notification of any change to the level of fees will be given in writing. These fees may be in addition to any other remuneration received by us in connection with transactions carried out on your behalf. VAT is not charged on fees for purely arranging a transaction, but will be charged where any advice is given.

Full details of the fee option are set out in the appendix.

Paying by a combination of fee and commission (through product charges)

15. If you choose to pay by a combination of commission and fees, the actual amount will depend upon the service we provide to you, but will be in line with the arrangements set out in the section headed "Paying by commission (through product charges)" and the appendix detailing arrangements of payment by fee.

16. You should be aware of the possibility that other costs and taxes relating to the services that we provide for you may exist even though they are not paid through us or imposed by us.

Communicating with You

17. We will review your investments at intervals as agreed with you separately in writing. This will be by letter to you with a statement of the current value and our recommendation for any changes or by arranging an interview with you to discuss them. The composition of your portfolio that is subject to this Client Agreement is defined as those investments included in your most recent valuation unless otherwise confirmed with you. At our discretion and unless we hear from you to the contrary we may telephone you from time to time, typically between the hours of 9am to 9pm without your further prior consent to such contact.

Best execution

18. Under the FSA rules we must take all reasonable steps to obtain the best possible result for you taking into account various factors.

Conflicts of interest

19. We offer independent financial advice, but occasions can arise where we, or one of our other clients, will have some form of interest in the business that we are transacting for you. If this happens, or we become aware that our interests conflict with your interests, we will inform you in writing and ask for your consent before we carry out your instructions. We maintain a Conflict of Interest policy which enables us to identify and manage conflicts and potential conflicts of interest. This policy is designed to ensure that you are provided with an appropriately independent level of service by putting in place appropriate procedures, supervision and monitoring techniques. Further details of the policy are available upon request.

Quality of Service

20. If you wish to register a complaint, please contact us by writing to the Complaints Officer, Phillip Dewhurst, Dewhurst Torevell & Co Limited, 5 Oxford Court, Manchester M2 3WQ, or telephone 0161 281 6400. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. Copies of our complaints procedures are available on request.

Compensation

21. We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000. Pure protection, life assurance contracts and private medical insurance contracts are covered for 90% of the claim with no upper limit. Retail banking deposits are covered for £85,000 per individual per authorised institution. Further information about compensation arrangements is available from the FSCS.

Instructions

22. We require our clients to give us instructions in writing. We will accept e-mail instructions at our discretion. Any oral instructions received must be confirmed in writing. We can refuse your instructions at our discretion.

23. Our authority to act on your behalf may only be terminated in writing, at any time, without penalty, by either party and with immediate effect without prejudice to the completion of any transactions initiated prior to receipt of such notice.

Anti-Money Laundering

24. We are required to verify your identify in accordance with the FSA rules, no investment will be made until such verification has been obtained. If the required verification is not forthcoming within a reasonable period we will not arrange any investment for you.

Your Investments

25. All investments will be registered in your name unless otherwise agreed in writing. Unless you instruct us in writing to the contrary, we will forward to you all contract notes and documents showing ownership of your investments as soon as practicable after we receive them. Where a number of contract notes and documents of title are involved we will await arrival of all of them before sending them to you, which will be no later than 28 days after receipt of the first contract note. Where a policy for a pure protection or private medical insurance contract is received, this will be checked immediately and forwarded to you within 24 hours of receipt.

26. All cheques, documents of title, etc., may be sent by post to your last known address and shall be sent at your own risk. The Recorded Delivery service will not normally be used.

Your Money

27. All money that we may receive or hold from time to time on your behalf will be held by us in a client bank account with Barclays Bank PLC, which is segregated from our funds, as client money in accordance with the client money rules of the FSA. Unless you give us instructions to the contrary we will deposit money that you instruct us to hold for you in that account only.

28. No interest will be payable on client money unless it is held in a separately designated client account.

29. Separately designated client accounts are held at Barclays Bank PLC; they offer interest at tiered rates linked to base rate and dependent upon balances held within the account. Interest is calculated daily and applied monthly by Barclays Bank. Subject to any tax legislation, interest will be paid net. If the gross interest accrued in a six month period is less than £20, then the company reserves the right to retain this.

30. Monies to be held on deposit for longer periods of time may be placed with other banking institutions in order to obtain more favourable rates of interest. These rates will be dependent upon the balances available for deposit. These monies will be held in separately designated client accounts as client money in accordance with the client money rules of the FSA. Any costs for making electronic same day transfers to these institutions will be debited from the account at the current rate of £15 per transfer.

31. Money relating to investment business transactions settled outside the United Kingdom may where necessary be held with a bank that is not an approved bank under the client money rules of the FSA. If we have any grounds for believing that client money may not be protected as effectively as it would have been if held in a client bank account in the United Kingdom, or if we have not received the appropriate acknowledgement from the bank that it has no right of set off or counterclaim against any client money

held at that bank, we shall not pay client money into that account or transfer client money to that account unless we have warned you that money held in that account may be subject to a different legal and regulatory regime to that of the United Kingdom and have obtained your agreement in writing that your money may be held or transferred to that client bank account.

32. No investment will be made until your cheque or other form of bank order has cleared.

Personal Information

33. Personal information provided may be maintained on computer records and will not be disclosed to other parties, except representatives of our compliance advisers, our auditors, and any organisation requiring access to such information for regulatory purposes only, or any person having a legal entitlement to access.

Future Changes

34. In accepting this Client Agreement, you agree that we may change the future content without receiving your prior consent to do so, but we will not conduct any investment business for you following any change unless we have given you at least 10 business days notice, unless it is impractical to do so.

Law

35. 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.

36. The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Client Agreement.

APPENDIX – Remuneration options

We will agree how we will charge for our services before beginning work. We offer the following payment options:

- Paying by fee
- Paying by commission (through product charges)
- Paying by a combination of commission and fee.

If working on a fee basis you may ask us for an estimate of how much in total we might charge and may also ask us not to exceed a given amount without checking with you first. In the event that you do not proceed with our recommendations then a fee may be chargeable. We will tell you if you have to pay VAT on all or part of the fee. Any commission received will be clearly disclosed to you and any commission available in excess of our agreed remuneration will be rebated to reduce your contractual costs.

Ongoing Portfolio Management and Advice

The initial charge for our services is normally based on a percentage of funds under management and may be influenced by the complexity of the transaction. Strategic changes within an existing portfolio will also be subject to the rates set out below.

Our typical charges are as follows:

Funds under management	Percentage charged
<£250,000	3%
£250,001 - £500,000	2.5%
£500,001 - £1m	2%
£1m - £5m	1.5%
>£5m	1%

Our proposed remuneration will be set out in our report.

Annual and Ongoing Costs

Increasing levels of regulation and compliance mean that we may have to charge an annual retainer fee of up to £1,000 (plus VAT) to cover the cost of regulation and compliance. This would be formally agreed with you at outset.

For investment portfolios, an ongoing servicing fee of up to a maximum of 1% per annum of total funds under our management will be levied. In cases where investments generate trail commission these amounts can be collected in whole or in part, directly from the underlying investment companies. If this annual remuneration is collected in whole or in part by means of a fee then VAT will be charged on this.

Other Advice

For any other advice falling outside the scope of funds under management above we will agree the basis for our remuneration with you in advance. VAT may be charged on this if we are remunerated by means of a fee.

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