

Client Agreement – To be read in conjunction with Customer Privacy Notice

Authorisation Statement

Somerville Financial Services Limited which is authorised and regulated by the Financial Conduct Authority (FCA). The FCA regulates the financial services industry in the UK and their address is 12 Endeavour Square, London, E20 1JN. You can check this on the Financial Services Register by visiting the FCA's website www.fca.org.uk/register FCA No. 145264 or by contacting the FCA on 0800 111 6768.

Our Services

Somerville Financial Services Limited is able to act on your behalf in advising you on investments and non-investment insurance contracts. We offer products and services as follows:

Pension & Investment Arrangements

We offer an independent advice service. We will recommend investments based on a comprehensive and fair analysis of the market.

Protection & Insurance Arrangements

For non-investment Protection contracts we provide advice and will make our recommendations after considering a range of insurers for Term Assurance, Income Protection and Critical Illness.

For general insurance contracts we provide advice and will make our recommendation after considering a range of insurers for Private Medical Insurance and Accident, Sickness and Unemployment.

We will place no restrictions on the markets that we will consider before providing recommendations, unless you instruct us to do so. We will however only make a recommendation when we have reason to believe it is suitable.

Client Classification

Unless we notify you in writing to the contrary, we will be treating you as a "retail client" for investment business and as a "consumer" for general insurance business. This means that you will be afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

SOMERVILLE FINANCIAL SERVICES LIMITED

Independent Financial Advisers & Employee Benefits Consultants

ADDRESS: UNIT 4, STOURVALLEY BUSINESS CENTRE, BRUNDON LANE, SUDBURY CO10 7GB
TELEPHONE: 020 3872 1800 FAX: 087 1277 2514 WEBSITE: WWW.SOMERVILLEFS.CO.UK

Registered Office: Bankside 300, Peachman Way, Broadland Business Park, Norwich, NR7 0LB.
Registered in England no 2249579. Authorised and regulated by the FINANCIAL CONDUCT AUTHORITY.

Any advice or recommendation that we offer to you will only be given after we have assessed your needs and considered your financial objectives and attitude to any risks that may be involved. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider.

With very few exceptions, we will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products recommended.

Full details of the products we recommend, for example the minimum duration of the product, information on your right to cancel or whether no right to cancel exists, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before conclusion of any contract.

We will issue any documentation/recommendations and any other communication to you in English (unless agreed otherwise).

We may also, on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products, and we will confirm this to you in writing.

Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily realisable. We would draw your attention to the risks associated with these investments. In some circumstances it may not be possible to deal on these investments or obtain reliable information about their value.

Our Client Commitment

We are committed to providing the highest standard of financial advice and service.

The interest of our clients is paramount and we have designed systems and procedures to ensure the efficient delivery of our services.

Our clients will receive a comprehensive, courteous and professional service. We endeavour at all times to build good working relationships with clients and markets alike.

We believe in the concept of Treating Customers Fairly (TCF) and have fully embedded appropriate practice across the business. We produce compliant written material using plain English and strive to achieve all of the principles of TCF. Please visit www.fca.org.uk/firms/being-regulated/meeting-your-obligations/fair-treatment-of-customers for more information on the TCF initiative.

We take feedback seriously and will address issues quickly and will alter processes if systemic issues are identified.

We believe that we supply a high level service to our clients and also that our fee proposals are attractive.

Our Investment Services & Associated Costs

We charge for our services by way of an initial advice fee and, where appropriate, an ongoing advice fee. These fees can be based on a percentage of the amount you invest, on a fixed fee or on an hourly time costed basis. Where we work for you on an hourly cost basis we will provide you with an estimate of how many hours we expect this to take and we will not exceed this without your prior agreement.

Our General Insurance Services & Associated Costs

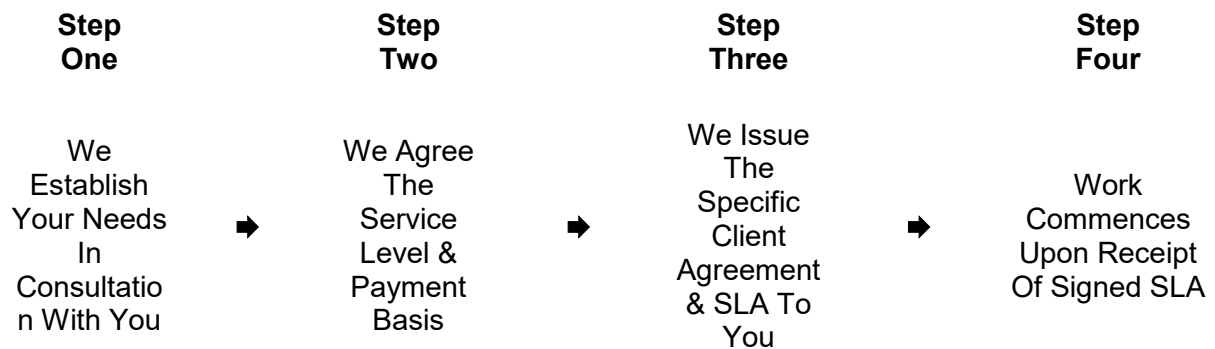
Similar to our investment services above, we will provide you with a personal and financial review prior to making our recommendation(s) to you. Should you accept our recommendation(s) we will arrange implementation for you.

We do not usually charge clients a fee for our insurance and protection services since we normally receive commission from the insurer. We will advise you of the amount that we expect to receive at the earliest opportunity.

The Planning Process

We recognise that clients have differing needs and budgets. We have designed service propositions to suit (or which may be adapted to suit) most types of client. We will agree an appropriate level of service with you at outset then commence working for you.

The planning process may be summarised as follows:



Initial Consultation

We offer all of our potential clients an initial consultation in the form of a meeting or telephone conversation, at our expense, during which we will:

- Identify broadly your needs, aims and objectives.
- Appraise your situation honestly and confirm whether or not we are willing and able to assist you.
- Put forward ideas and concepts that could help you to achieve your objectives.
- Outline which of our service propositions we feel would be most appropriate given your circumstances (see overleaf).
- Explain how we may charge for our services and provide an indication of likely costs.

If following the initial consultation you decide to proceed with our services, we will:

- Gather and analyse detailed personal and financial information about you.
- Recommend and discuss any action that we think you should take, having notified you of salient product features and associated risks.
- Implement relevant solutions for you, under your clear instruction to do so.

Client Service Proposition

We offer our clients the following advice and service options. Each is designed with a specific client type in mind and will be fully explained during the initial consultation. Clients may move between the different service propositions as their needs alter and we will advise accordingly.

Services Provided	Transactional	Standard	Comprehensive
Initial Consultation	✓	✓	✓
Analyse Your Needs & Objectives	✓	✓	✓
Assessment of Attitude to Investment Risk	✓	✓	✓
Undertake Research & Analysis	✓	✓	✓
Written Report Detailing Advice & Recommendations	✓	✓	✓
Implementation	✓	✓	✓
Access to Our Support Team	x	✓	✓
Ongoing Access to Your Adviser	x	✓	✓
Ongoing Service	x	✓	✓
Annual Review Meeting	x	✓	x
Annual Portfolio Valuation & Rebalancing	x	✓	x
Regular Review Meetings	x	x	✓
Unlimited Ongoing Support	x	x	✓
Six Monthly Portfolio Valuation & Rebalancing	x	x	✓
Comprehensive Financial Health Check	x	x	✓
Liaison with Accountant/Solicitor	x	x	✓
Typical annual charge expressed as a percentage of your invested value, subject to the noted annual minimum:			
£0 - £99,999	None	1.00% (£750 minimum)	1.50% (£1,500 minimum)
£100,000 - £399,999	None	0.75%	1.00% (£1,500 minimum)
£400,000 (and above)	None	0.50%	0.75%
Annual Facility Charge	£50.00	None	None

Important notes:

The facility charge under the transactional service proposition is an amount that is designed to pay for maintenance of records and systems, and to cover sundry expenses that we expect to incur. This above table gives an indication of our likely charges but these will vary with the investment amount and the complexity of your arrangements and the work required.

Advice Charges

We give examples below of charges for our advice. You will be provided with a specific agreement setting out our charges and how you will pay them once your requirements are known and agreed. These examples are based on a client receiving our “Standard” level of service:

Example	Initial Advice	Ongoing Advice	Notes
New lump sum investment of £50,000	£1,500 (3.00% of £50,000)	£500 per annum (1.00% per annum of the invested amount/fund value)	
New lump sum investment of £100,000	£2,000 (2.00% of £100,000)	£750 per annum (0.75% per annum of investment amount/fund value)	
New lump sum investment of £400,000	£4,000 (1.00% of £400,000)	£2,000 per annum (0.50% per annum of investment amount/fund value)	
New regular premium arrangement with a contribution of £500.00 per month	£1,500	£500 per annum	Advice charges for regular premium savings & investment contracts are usually chargeable as a fee outside the plan

Important notes:

Our initial advice fees will vary depending upon the amount invested and the complexity and volume of work involved. In the case of small investment sums we reserve the right to introduce a minimum earnings amount which could represent a much greater percentage of the amount invested than illustrated above.

You will be provided with a specific agreement once your requirements are known and agreed.

The amount of the on-going charge will increase or decrease in line with the underlying fund value.

Our services are not free and if you decide that you do not wish to proceed after we have provided advice and recommendations then we reserve the right to charge a fee of up to £750.

Payment Options

Payment for our services can be made in one (or more) of the following ways:

1. By way of deduction from the investment amount

For example, if you invest a lump sum of £100,000 and the fee is £2,000, that amount will be deducted before the remaining £98,000 is invested and paid to us by the provider.

If we provide you with an ongoing service our fee will usually be deducted from the policy value, i.e. facilitated by the investment provider via investment unit cancellation.

2. We can invoice you directly

We can agree a fixed fee with you (in some instances) or we can charge you a time costed fee based on an hourly rate, as follows:

- Director / Senior / Specialist at £250.00 per hour

- Financial Adviser at £225.00 per hour
- Technical Administration at £152.00 per hour

No fees are payable until we have agreed the basis on which you wish to proceed.

Cancellation Rights

In most cases you can exercise a right to cancel by withdrawing from the contract. In general terms you will normally have a 30 day cancellation period for a life, pure protection, payment protection or pension policy and a 14 day cancellation period for all other policies.

For pure protection policies the start of the cancellation period will normally begin when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive 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 premium contract, you may be required to pay for any loss you might reasonably incur in cancelling which had been caused by market movements. This means that, in certain circumstances, you might not get back the full amount invested.

VAT

Under current legislation our services are not subject to VAT but should this change in the future, and where VAT becomes due, we will notify you before conducting any further work.

Client Money

Somerville Financial Services Limited does not handle client money. We cannot accept a cheque made payable to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

Documentation

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All policy documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete.

Instructions

We only accept instructions in writing (paper or electronic means) to aid clarification and avoid future misunderstandings. Please note we will not act on oral instructions to avoid any possible misunderstandings.

Material Interest

We will act honestly, fairly and professionally adhering at all times to the "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 interests, 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. In accordance with the rules of our regulator, The Financial Conduct Authority (FCA), we are prohibited from accepting any payment (commission or other non-monetary benefits) which is likely to conflict with the duty of the firm to its clients.

Complaints

If you wish to register a complaint, please write to the Managing Director, Somerville Financial Services Limited, Unit 4 Stour Valley Business Centre, Brundon Lane, Sudbury, CO10 7GB or telephone 020 3872 1800.

A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at www.financial-ombudsman.org.uk or by contacting them on 0800 023 4567.

Compensation Scheme

If you make a complaint and we are unable to meet our liabilities, you may be entitled to compensation from the Financial Services Compensation Scheme. For investment business you will be covered up to maximum of £85,000.

Further information about these amounts and limits for all other product types are available from the FSCS at <http://www.fscs.org.uk/what-we-cover/products>

Anti-money laundering

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning.

Law

This agreement is governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

Force Majeure

Somerville Financial Services 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.

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, but without prejudice to the completion of transactions already initiated. Any transactions effected before termination and a due proportion of any charges for services shall be settled to that date.

Our Fees

We have set out within how our professional services can be paid for. We charge our clients for our professional services which include advice, implementation and review services. Our fees are based on the time costs involved in providing services to you and the level of expertise and responsibility involved. Where our charges our invoiced directly, we request that payment is made within 14 days of receipt.

Client Consent & Declaration

This is our standard terms of business on which we intend to rely. For your own benefit and protection you should review these terms carefully before signing. If you have any queries whatsoever please ask for further information.

I/We agree that this agreement will come into effect from the date of issue.

I/We are aware of the costs of the initial advice, and where appropriate, ongoing advice charges, and agree to the method and timing of these.

I/We confirm that we agree to the advice charges being collected on the basis selected below;

Advice and administration relating to the encashment of maturing LV Protected Retirement Plan. Estimated time costs up to a maximum of £1,000.

You should note that when paid though the investments it may reduce your personal tax thresholds and/or exemption levels. Where this happens we will discuss it with you and confirm it in your personal recommendation report.

Please sign to confirm receipt and to indicate your agreement of the specified terms of engagement.

First Client

Signature:

Print Name:

Date :

Signed on behalf of the firm:

Name of firm signatory:

Date of issue:
