

Client Agreement

REGULATORY STATUS

SRC Financial Services Limited is authorised and regulated by the Financial Services Authority. Our FSA Register number is 430562.

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 0845 606 1234.

Our Commitment to You

Prior to providing you with any advice we will take time to understand your current needs, circumstances and attitude to risk. Any advice provided will be confirmed to you in writing.

Client Classification

SRC Financial Services Limited classifies all clients as 'retail clients' for investment business and 'consumers' for non-investment insurance business which means you are afforded all protections under the rules of the Financial Services Authority (FSA). Should you wish to be classified differently for investment business, please discuss this with your adviser. Your adviser will inform you should your circumstances dictate that we would need to classify you differently for non-investment insurance business.

Please note that should you wish to be considered as a different category of customer for investment business, 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.

Methods of Communication

Unless you advise us otherwise, we will communicate with you via the following methods of communication, Face to Face, E-mail, Telephone, Letter & Fax.

INVESTMENT SERVICES

SRC Financial Services Limited is permitted to advise on and arrange (bring about) deals in investments and non-investment insurance contracts.

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.

SRC Financial Services Limited does not handle clients' money. We never accept a cheque made out to us (unless it is a cheque in settlement of charges or disbursements for which we have sent you an invoice) or handle cash.

Scope of Advice

We offer products from the whole market.

Conflicts of Interest

SRC Financial Services Limited offers advice in accordance with that disclosed to you in this agreement. Occasions may arise where we or one of our other clients have some form of interest in business being 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.

Best Execution

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. Further details of our policy regarding this are attached to the back of this document.

Termination of our services

You or we may terminate our authority to act on your behalf at any time.

You will be liable to pay for any advice or services that you have received prior to the date of termination. This means that where we have agreed the advice and services that we will provide for you and we have agreed to receive payment for these, either by means of a fee or by receiving commission from a provider, you will have to pay us for any work we have completed up to the date of termination.

Data Protection

For details of our Data Protection statement and policy, please see our separate Data Protection Statement and consent form, which will be provided separately to you.

Payment for Services

SRC Financial Services Limited offers you an initial meeting to understand in broad terms; your needs and objectives and to agree with you that our services are right for you going forward. This meeting usually lasts for around one hour, the cost of which is met by our firm.

Thereafter you will pay for our services on the basis of Paying by fee, paying by commission (through product charges) or paying by a combination of fee and commission (through product charges).

We offer a **transactional advice service** and an **advice and ongoing review service** and will agree which level of service is most appropriate to your needs.

For example;

In the transactional service basis, we will provide the following;

- A full explanation of our company, how we work and a written explanation of the services that our company offers, so that you will fully understand the level of services and advice you can expect from us
- A financial review in order to understand and agree with you; your needs and objectives based on a comprehensive review of your current financial position.
- Completion of a detailed risk analysis assessment to fully understand your attitude and tolerance to risk
- Research the market place to ensure the most appropriate provider is recommended
- All our advice will be confirmed in writing
- We will forward any policy documents(s) to you as required.
- Your investments will not be kept under review, and we will not provide any ongoing advice, of course you are welcome to ask us to provide further advice, but we will charge separately for this.

The advice and review service includes the above along with the offer of annual face to face review meeting and an annual policy statement showing the value of any investments we have arranged for you.

We will discuss your payment options with you and answer any questions you have. We will not charge you until we have confirmed the service you require and agreed how we are to be paid.

Paying by fee

Whether you buy a product or not, you will pay us a fee for our advice and services. This will become payable on completion of our work. 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 could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you'.

We will confirm the actual rate we will charge in writing before beginning work. Our typical charges are:

Hourly Rate	
Director/Specialist	£235 per hour
Administration	£55 per hour

Lump Sum Investment (implementation fees)	
£0 - £250,000	1.50%
Next £250,000	1.00%
Next £500,000	0.75%
Excess	0.50%

For example, an initial investment of £300,000 our implementation fee would be £4,250.

Reviews (fixed fees)

Initial review	We charge a fixed fee to review an existing portfolio. The fee will be dependent on the value and complexity of the assets under management
Ongoing review	1.00% of assets under management (a discount of 0.25% applies where assets under management exceeds £500,000 subject to a minimum of £5000)

You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first.

Our firm does not charge VAT

Please note that the above fees are for guidance only. You may be asked to pay more or less depending on our assessment of the work involved.

Sometimes we may also earn a small ongoing commission which we will normally arrange not to receive. Where it is not possible to stop this due to providers systems we will factor this into the cost of providing you with ongoing service items such as annual statements. We will confirm to you how much we will receive in your quotation, which will tell you about any other fees relating to any particular insurance policy as well.

Paying by commission (through product charges)

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing to us 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.

The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest and / or your age.

For example:

- If you invest £500 in an individual savings account (ISA) we may receive commission of 3% of the amount invested (i.e. £150) and 0.5% of the value of the fund (roughly £25 every year).
- If you pay £200 a month into a personal pension (with a term of 25 years) then we may receive commission of £1303.
- If you pay £50 a month towards a whole of life policy then we may receive £500.
- If you transferred a pension fund valued at £1,000 we would receive commission of 3% of this value (£300) and 0.5% of the fund (approximately £50) every year

We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

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

We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out in the sections headed "Paying by fee" and "Paying by commission (through product charges)"

Information about other costs and associated charges

There may be other costs, including taxes, that are payable through other parties (such as the product provider) that we may not be party to. Such charges are normally disclosed in relevant third party documentation, for example a Key Features Document.

General

Please note that there is a possibility that other costs, including taxes, could be incurred related to transactions in connection with investment business that are not paid via the firm or imposed by it.

For certain transactions that we recommend to you, (Name of Firm) will accrue a notional entitlement under a Discretionary settlement. The value of this entitlement does not impact on the overall charges applied to your investment, and the actual cost to you will be disclosed as required by the Financial Services Authority.

In addition to the above, for certain transactions that we recommend to you, we will also receive a royalty payment from the provider as part of the annual management charge. This payment will be made on an annual basis and again will not affect the charges applied to your contract as disclosed to you at the point of application. We will be happy to provide you with details of the payments as they relate to your investment should you request these.

Complaints

If you wish to register a complaint, please contact us in writing at the above address or telephone us on 01702511055. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

Compensation Arrangements

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, so the maximum compensation is £50,000.

Further information about compensation scheme arrangements is available from the FSCS

ACCOUNTING TO YOU & REGISTRATION OF INVESTMENTS

We will forward to you all documents showing ownership of your investments 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.

Client Consent

This is our standard 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 agree that this client agreement will come into effect from the date of issue.

signed (Client) _____ (Print) _____

Signed (Client) _____ (Print) _____

Signed (Adviser) _____ (Date) _____

RETAIL CLIENT 'BEST EXECUTION' POLICY

Scope

All clients of SRC Financial Services Limited are automatically classified as Retail clients unless you specifically request from us a different classification. This policy is applicable when we are receiving and carrying out your instructions.

The objective of this document is to inform you about our Best Execution policy and to obtain your consent to it.

Our policy and factors which affect your business

Policy

It is our policy to transact your business in order to achieve the best possible results in terms of the price, nature of the products selected, transaction charges, administration and service excellence.

Factors we consider

In doing so we consider the various factors outlined below in order of precedence;

- Price to you
- Reasonable costs and charges to you
- Speed of service and execution of your business
- Effective administration of where we place your business
- Size and nature of the transaction
- The nature and procedures of the provider chosen and
- Any other factors relevant to the execution of your transaction.

We will only override the price and cost factors mentioned above if it may assist in delivering the best possible result for your specific current needs and circumstances.

In addition we will also take into consideration;

- Your client categorisation and how this effects 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

Under our policy we will provide you with details, within a suitability report, of where we place your business. This is known as an execution venue and can be, for example, a regulated market such as the stock market, an investment fund or funds, a wrap or a company or an organisation where your business is placed.

Business can be placed into three trading areas;

1. - Through an appropriate third party business (which may or may not be a subsidiary or group company) such as a fund manager or a firm regulated by the Financial Services Authority
2. - Directly on a Regulated market such as the stock exchange
3. - Where you have provided your express consent, outside of a regulated market, such as specialist unregulated investments

Where your orders are transferred to another business for completion, we shall select such businesses according to our execution policy with a view to achieving the best possible result for you.

In applying our execution policy we may transact business with one or more companies and markets. A list of who we deal with for your business is available to you upon request. We monitor firms and organisations on an ongoing basis to assess their effectiveness.

In the event that we believe an alternative company, fund or market may be more suitable in achieving the best outcome for you, but is not already included within our list of execution venues, we will use such venues on either an occasional or permanent basis, as appropriate, to ensure you achieve the best possible outcome.

Specific Instructions from you

When you give us one or more specific instructions relating to a transaction we shall execute your order according to your instructions. We will need your instructions confirmed in writing or e-mail should this apply.

In this situation, we can only apply our execution policy with a view to achieving the best possible result in respect of those areas where you have not provided us with specific instructions.

Warnings

It should be noted that your specific instructions may contradict our execution policy and may not necessarily lead to the best possible result for you.

We will need your express prior consent in the event that you want us to place business outside of a regulated market. Your consent may be given to us in writing or by email.

You should be aware that some of our services by their very nature may not allow us to exercise any discretion over the execution of your transaction. In such situations we may not be able to apply this execution policy to any aspect of your instructions.

Monitoring and Reviewing

Where we need to update or amend this policy we shall do so immediately. In addition, we will formally review this execution policy no less than once a year to assess its effectiveness in achieving the best possible result for you.

Where we make a material change, this shall be notified to you the next time we conduct business together.