

CLIENT AGREEMENT



Parkgate Financial Solutions LLP

1st Floor 99 Knutsford Road, Grappenhall, Warrington, Cheshire, WA4 2NS.

Disclosure

1. Following our initial discussions with you, we must now provide you with the details of the service we are to provide and the costs of this service. We need to obtain your agreement to proceed before we undertake any work that will attract any cost. This document sets out the agreement between us and the costs of our services in monetary terms or where a monetary value cannot be given, the basis of its calculation. This agreement revokes all other previous agreements.

Level of Service

2. We have agreed that the level of service we are being engaged to provide is:

| Level of service | Investments | Home Finance Products | Non-Investment Protection |
|---|-------------|-----------------------|---------------------------|
| We will advise and make a recommendation for you after we have assessed your needs | | | |
| You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed. | | | |
| We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances but will not conduct a full assessment of your needs or offer advice on whether a non-stakeholder product maybe more suitable | | | |

Range of Products

3. We have agreed that the range of products that we are being engaged to advise upon is:

| Range of Products | Investments | Home Finance Products | Non-Investment Protection |
|--|-------------|-----------------------|---------------------------|
| Products from the whole market | | | |
| We only offer products from a limited number of companies. You can ask us for a list of the companies whose products we offer. | | | |
| We only offer product[s] from Legal & General Insurance Limited in relation to Home Insurance, Mortgage Payment Protection Insurance and Buy to Let Insurance products | | | |

Remuneration

4. You have agreed that our remuneration should be:

- By a Fee
- By Commission (through product charges) or Procuration fee (from a lender)
- By a combination of a Fee and Commission (through product charges) or Procuration fee (from a lender)

Paying by a Fee or a Combination of Commission (through product charges) and a Fee

5. If you make the decision to pay for our services by way of a fee or combination of commission and fee, the amounts of the fee that we would ask you to pay are set out below. This table does not include our wealth management service level. See over.

| | Fund Based Initial Fee | Fund Based Renewal Fee |
|-----------------|------------------------|------------------------|
| Collectives | Up to maximum of 3% | 0.75% |
| Insurance Bonds | Up to maximum of 3% | 0.75% |
| Pension Plans | Up to maximum of 4% | 0.75% |

6. Example of Fund Based fee: If you invest (£100,000) into a collective investment we will receive (£3,000) as an initial payment then, ignoring any investment growth, (£750) in year two and (£750) in year three and so on.
7. Where the fee is to be paid directly by you and not through the product, we will issue you with an invoice at the completion of the work for the amount paid. The breakdown of costs will be detailed in the suitability report.
- 7a. For **Mortgage & Home Purchase Plans** our typical fee will be a maximum 1% of the loan; this fee will be confirmed in writing with a minimum charge of £300

By Commission (through product charges) or a Procurator fee (from a lender)

8. If you make the decision to pay any part of our costs by commission (through product charges) or procurator fee (from a lender) we will inform you in writing of the amount of commission we will receive before you complete any application form.
9. The following table gives details of our normal commission levels in relation to some of the product areas we are able to advise upon. The actual amount of commission received may be higher or lower than these figures.

| Product | Example term or age | Normal Commission Levels | Normal Amount of Commission |
|--|---------------------|----------------------------------|-----------------------------|
| This shows the normal amount of commission in relation to a monthly investment or premium of £100 | | | |
| Collective Investments | Any | 3% of all premiums | £3 per month |
| Whole of Life assurance | Age 40 | 155% of first 12 months premiums | £1,800.00 initially |
| Pensions | Any | 25% of first 12 months premiums | £250 initially |
| This shows the normal amount of commission in relation to lump sum investments of £10,000 | | | |
| Collective Investments | Any | 3% of the amount invested | £300 |
| Investment Bonds | Any | 3% of the amount invested | £300 |
| Pensions | Any | 4% of the amount invested | £400 |
| This shows the normal procurator fee in relation to a mortgage of £200,000 | | | |
| Standard Mortgage | 25 years | 0.35% | £700 |
| Adverse Credit Mortgage | 25 years | 1% | £2,000 |

Commission liability

10. If you agree to pay our costs by using commission only and we are required to pay all or part of this amount back because you have cancelled or otherwise ended the policy, we reserve the right to require you to reimburse any money we have to repay. Examples of the amounts we can ask you to pay are set out below.

Examples of commission liability

| Liability Period | 1 month | 3 months | 5 months | 12 months | 20 months | 30 months | 40 months |
|------------------|---------|----------|----------|-----------|-----------|------------|-----------|
| 24 months | 96% | 87% | 80% | 50% | 17% | N/A | N/A |
| 36 months | 97% | 91% | 86% | 66% | 44% | 16% | N/A |
| 48 months | 98% | 93% | 90% | 75% | 58% | 38% | 17% |

11. As an example if a policy has a 48 month liability and is cancelled after 30 months and the initial commission was £500 the approximate amount that will be payable will be £190.

When our remuneration is payable

12. Unless otherwise agreed with you in writing, all fees become payable at the point that the transaction proceeds to application stage or where no transaction is made, at the point that we provide you with details of our recommendation. If on a commissions basis, commissions are payable on completion of the transaction.
13. Should you decide not to proceed with the transaction that would otherwise have generated the commission or fee intended to cover agreed costs, we reserve the right to charge you a fee at a standard hourly rate this being £150 per hour for the work we have completed.

Ongoing Service Level

14. You have agreed to engage us to provide you with the following level of ongoing service under our client service agreement:

Financial Advice

| Financial Advice | Service Cost & Review | Payment Frequency | Payment Method |
|--|-------------------------------------|--|---|
| Regular premium contracts, Mortgages/Home Purchase plans | Product renewal Bi-Annual review | monthly renewal not applicable to Mortgages and home purchase plans | Premium based renewal from provider not applicable to Mortgages and home purchase plans |

Financial Planning

| Financial Planning | Service Cost & Review | Payment Frequency | Payment Method |
|---|---|-------------------|-------------------------------------|
| Lump Sum Investment Life/Pension/Collectives no upper limit | 0.75% Annual Review 6 monthly Valuation | Quarterly/Monthly | Fund based renewal from provider |

Wealth Management

| Wealth Management | Service Cost & Review | Frequency | Payment Method |
|---|--|-------------------|-------------------------------------|
| Lump Sum Investment Life/Pension/Collectives no upper limit | 1.00% 6 Monthly Review Quarterly Valuation | Quarterly/Monthly | Fund based renewal from provider |

All three levels will receive our standard service newsletter every 6 months.

Were appropriate, we offer a Discretionary Fund Management Service across our Financial Planning and Wealth management service levels. Details are available on request.

15. Distribution for new Investment and Retirement contracts will be via Wrap technology, unless accessed through our Discretionary Fund management Service. We will consider other exceptions on request.

In this instance, communication of private and confidential financial and personal information in relation to our service to you, in many cases will be via email. The responsibility of the security of electronic addresses supplied to Parkgate Financial Solutions is that of the client. Any changes to the electronic email address should be notified immediately to Parkgate Financial Solutions in writing.

15a. In the event that there is insufficient monies set aside for charges within a Wrap then a dis-investment strategy of least volatile stock will be applied to your Wrap portfolio. This strategy means that as a default the least volatile stock in your Wrapper/Wrap will be sold in order to meet the charges.

16. There will be occasions when additional advice will be required in addition to the product or investment recommendation. In this instance, we have a wealth of experience and can provide guidance via third party professionals including but not limited to the following areas:

Taxation & Trusts
Specialist Tax and Trust Planning
Legal & Accounting

This service can be discussed on an individual case basis and will be charged at the following hourly rates

| | Hourly Rate | |
|------------------------------|-------------|--|
| Principal/Specialist Adviser | £200 | |
| Adviser | £150 | |
| Administrator | £50 | |

Financial Promotions

17. We may become aware of an opportunity arising from a new product being launched that we may consider would interest you. If this happens, we would like to write to you or phone you with some details. We may also give you a written recommendation about that opportunity. If you want to receive this type of contact, you should let us know by inserting a 'tick' in this box.

Law

18. The law applicable to this agreement is English Law.

Warning Notice

19. This document 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.

| | |
|-----------|--|
| Name | |
| Signature | |
| Date | |

| | |
|-----------|--|
| Name | |
| Signature | |
| Date | |

Adviser's declaration

20. I confirm that I have issued the above named client with a copy of the **About Us** document and that I have discussed both the **About Us** document and this **Our Client Agreement** with the client/s and that I have given the client an opportunity to ask any questions or receive further explanation.

| | |
|----------------|--|
| Adviser's Name | |
| Position | |
| Date | |
| Signature | |