

McFARLANE & PARTNERS

CLIENT AGREEMENT

McFarlane & Partners is a trading style of McFarlane Associates Ltd which is an appointed representative of Westminster Wealth Management LLP which is authorised and regulated by the Financial Services Authority,

FSA Register numbers are 490519 (WWM) and 493390 (McFarlane Associates Ltd). 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 or at:

The Financial Services Authority,
25 The North Colonnade,
Canary Wharf,
London E14 5HS

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, and any restrictions you wish to place on us. With some limited exceptions, any advice provided will be explained and related to your circumstances and objectives in writing. We will provide you with all appropriate product disclosure material before concluding a recommendation

Client Classification

McFarlane & Partners classifies all clients as 'retail clients' for investment business which means you are afforded all protections under the rules of the FSA. Should you wish to be classified differently, please discuss this with your adviser.

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

Investment Services

McFarlane & Partners is permitted to advise on and arrange (bring about) deals in investments, non-investment insurances, pensions and mortgages.

With regard to investments which McFarlane & Partners has arranged for you (apart from those clients taking advantage of **The Wealth Management Programme**, below), these will not be kept under review but we will advise you upon your request. McFarlane & Partners may contact you in the future by means of an unsolicited promotion should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you.

The Wealth Management Programme is designed to allow your investment to be regularly monitored and reviewed through inclusion in the most appropriate of the McFarlane & Partners core investment portfolios. This is a fee-based service charged at 1% of the funds invested per annum (normally taken from within your investment rather than invoiced separately). Full details of the programme are available from your advisor.

McFarlane & Partners does not handle clients' money. McFarlane & Partners never accepts cheques made out to us (unless it is a cheque in settlement of charges or disbursements for which we have sent you an invoice or is otherwise detailed in a fee agreement) or handle cash.

www.mcfarlaneandpartners.com

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Scope of Advice

Investment & Insurance

We offer products from the whole market.

Multi-Product Administrative Platforms

Where the administrative costs of advising clients, that would otherwise have to be passed on to clients, can be reduced by the use of a single or small number of *wrap* or *platform* providers, McFarlane & Partners will consider this alongside other client objectives in determining the suitability of recommending a *preferred provider*. Such a preferred provider would be chosen from the whole of the market, based on objectives and circumstances considered to suit the majority of clients. Both the nature of the analysis and the performance of the preferred provider will be maintained under review and available to clients on request.

Introductions for other services

In regard of the introduction of clients to third parties for services such as accounting or legal advice McFarlane & Partners may elect, for the benefit of all clients, to deal with a *preferred provider*, but will maintain such arrangements under review.

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 best execution policy are available on request.

Payment for Services

You will pay for our services via either a one-off fee or retainer, commission from a selected product provider, or a combination of these. We commit to discuss our payment options with you and answer any questions you may have. You will not be charged until we have agreed with you how we are to be paid.

- We are not obliged to offer a commission option for investment advice.
- We are not obliged to offer a fee option for insurance advice.

For the integration of new clients McFarlane & Partners reserves the right to charge a fee of up to £500 in the event your initial instructions require more than 5 hours of administration on our part. We will inform you if this is the case before commencing any invoiceable work on your behalf and will normally allow this fee to be offset against future commission or fees.

We will tell you if you will have to pay V.A.T.

Apart from subscribers to The Wealth Management Programme, if you require an ongoing service or commitment for future reviews this should form part of any agreement. If it does not do so then it would be assumed that ongoing services and reviews are to be on an ad hoc basis.

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Payment by fee

Payment by fee may be based on an hourly rate, a fixed proportion of a sum to be invested, or via a pre-agreed lump sum as agreed. The options are described in the table overleaf. Your advisor will prepare a separate fee agreement that describes precisely what you have agreed prior to beginning work on your behalf. Payment will become due on the completion of the work agreed irrespective of whether you initiate a new product.

In the event we also receive commission we will refund this value in full either through a reduction of product charges or via a refund of the commission to you. The exception to this would be a scenario where an ongoing commission payment formed part of a separate service agreement.

If the agreement reached is based on an hourly rate your advisor will provide you with an estimate of the number of hours required, and you will be given the right to set a ceiling on work carried out prior to your further approval.

Paying by commission

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.

Examples of the sort of commissions payable are included in the table overleaf however the amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest or your age. While commission payments may include a small ongoing payment while the policy remains in force this is considered to be payment for the original advice and unless otherwise agreed is not offset-able against future services or reviews.

In respect of any regular or single premium policy which we have arranged for you, should you subsequently cease to pay premiums and in consequence we are obliged to refund the commission that has been paid to us, we reserve the right to charge you a fee representing the amount we have to repay, for a period of up to four years after commencement of the policy. We will not charge any such fee if you exercise your right to cancel in accordance with any cancellation notice sent to you by the life insurance company.

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

McFarlane & Partners may offer clients the opportunity to convert from an agreed fee to a commission payment once the recommendation and hence the consequences of such a choice are clear. In this instance the client may be refunded (via product charges or a direct refund) any excess commission but is liable for the agreed fee in the event a commission payment is insufficient, not forthcoming or is otherwise revoked.

Accounting to You

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.

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		commission only	hourly rate driven fees	complexity driven advice fees	Project Fees
Investments	lump sum	Commission on lump sum investments is often between 3 and 5% with a further 0.5% per annum of the initial investment paid on an ongoing basis although this can be as high as 8% where there is no ongoing payment. If you invest £7200 into an Individual Savings Account (ISA) we would anticipate receiving £288, i.e. 4% of the investment, or £216 (3%) plus a further £36 (0.5%) per year the ISA remains invested.	Where clients wish to engage McFarlane & Partners on an hourly fee basis in general hourly rates will be as follows: <ul style="list-style-type: none"> o Principle/Director: £250 - 350 per hour o IFA: £175 - 250 per hour o Technician Assistant: £150 per hour o Administrator: £100 per hour 	<ul style="list-style-type: none"> o 3% of the sum invested up to £500,000 o 2% of the sum invested up to £1,000,000 o 1% of the sum invested over £1,000,000 Up to 1% per annum would normally be charged for retaining your details and keeping information up to date in order to facilitate future reviews The fee may be negotiable for larger sums	Project based fees will vary depending on the services required.
	regular premium	Commission on regular premium investments are highly variable depending on the type of investment. If you pay £150 per month into an ISA we would anticipate receiving commission of £150, whereas for the same premium paid into an endowment we may receive up to £900. For advising an investment of £150 per month into a Personal Pension we would anticipate receiving £1200. These figures are variable and should not be seen as maximum amounts.		Normally we would charge a fee of 3% of the sum being invested, taken from each premium. However we would recommend clients consider a fixed fee approach where a given fee is agreed at outset for the advice.	
<i>McFarlane & Partners is obliged to offer at least one fee option when advising on investments</i>		<i>McFarlane & Partners advisors are not obliged to offer a fee option when advising on pure insurance contracts.</i>			
Insurance	Commission is generally in the region of 150% of the insurance policy's annual premium. If you pay £50 per month into a life assurance policy with a term of more than 10 years we would anticipate receiving £900	Generally speaking a fee option will not be available on insurance advice. In the event that a fee is agreed hourly rates are likely to be as above for investment work			
Retainers		Retainer fees will vary depending on the service being retained.			
Ongoing Charges		Ongoing services will be tailored to your needs and charged accordingly. If you have elected to pay for your advice via commission any trail component of this would be considered to be part of the payment for the original advice with ongoing or future services paid for separately (via commission or fees as agreed with you)			

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Other benefits we may receive

McFarlane & Partners maintains cordial relationships with providers of financial products as you would expect. From time to time the firm or individual advisors may utilise their resources in regard of training or expanding product knowledge, or may accept hospitality or other similar benefits. As a firm McFarlane & Partners monitors the recommendations of all advisors and has systems in place to highlight and investigate higher than average levels of business with any given product provider.

Termination of Authority

You or we may terminate our authority 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 any fees which may be outstanding.

Conflicts of Interest

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.

As a consequence of such potential conflict of interests arising, we have put arrangements in place to ensure our clients are treated fairly. We have also implemented a conflict of interests policy to help us manage such risks, which you may access upon request.

Cancellation rights

In most cases you can exercise a right to cancel, by withdrawing from the contract recommended to you. 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. In most instances, you will not be able to exercise a right to cancel a mortgage contract, unless the contract is concluded at a distance (i.e. no face to face advice), at which point you may have a 14 day cancellation period.

The start of the cancellation period will normally begin, for pure protection policies, 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, we may require you to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.

Methods & Language 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, Please note that all our communications and documents will be provided to you in English.

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Risk warnings

Please be aware that investments can fall as well as rise, and that you may not get back the full amount invested. The price of investments we may recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance. Specific warnings relevant to the investments, or investment strategies, we recommend will be confirmed to you in your Suitability Report.

Complaints

If you wish to register a complaint, please contact us The Compliance Officer at Westminster Wealth Management, in writing at the above address or telephone us on 0870 160 9299. A copy of our complaints procedure is available on request

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 £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000. Further information about compensation scheme arrangements is available from the FSCS

Clients Consent

I/We understand and consent to the above terms

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

I also confirm that I AM / I AM NOT happy to give McFarlane & Partners my express consent to contact me by telephone to discuss advising on or arranging financial, mortgage or insurance products in future.

Name		Date	/ /
Signature			

Name		Date	/ /
Signature			

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