

Client Agreement

This agreement is issued on behalf of Innovate Financial Services Limited of Investment House, One Alvanley Terrace, Edinburgh EH9 1DU who can be contacted at 0131 221 2510

Authorisation Statement

Innovate Financial Services Limited is Authorised and Regulated by the Financial Conduct Authority. The Financial Conduct Authority regulates the financial services industry in the UK and their address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. You can check this on the FCA's Register by visiting the FCA's website www.fca.org.uk/register FCA No. 484358 or by contacting the FCA on 0845 606 1234.

Client Categorisation

Each client with whom the firm does business is categorised to identify the level of regulatory protection to be applied. We believe in providing our clients with full regulatory protection and we propose to classify you as 'Retail Client' for Investment, and classify you as a 'Consumer' for Insurance business.

Communications

We will communicate with you in English both verbally and in writing for the sending and reception of orders. To avoid any doubt instructions should be issued in writing.

Investment Services to be Provided

With regards to investments that we have arranged for you, these will be kept under review as per the terms of ongoing service agreement. We 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.

On issue of this letter any subsequent advice or recommendation offered to you will be based upon your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. We will issue you a suitability report to confirm our recommendation. Unless confirmed we will not place any restrictions on our recommendations.

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

We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward you all documents showing ownership of your investments as soon as practicable after we receive them, where a number of documents are due involving a series of transactions, we normally hold each document until the series is complete, then forward them to you.

Insurance Objectives

Following the issue of this letter, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any instructions you wish to make regarding the type of mortgage or insurance policies you are willing to consider. Details of your stated objectives will be included in the Suitability or Needs and Demands Letter we issue to you confirming the reasons for our recommendations.

Restrictions

Unless advised to the contrary, we will assume that you wish to place no restrictions on the types of investment, pensions or insurances we may recommend and in which you may subsequently invest. We will assume that you wish to place no restrictions on the markets in which transactions are to be executed. A full listing of products is available from your adviser upon request.

Advice and Instructions

Any advice given to you by us shall be in writing. We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings. We will, however, accept oral instructions provided they are confirmed in writing. We may, at our discretion, refuse to accept instructions although such discretion shall not be exercised unreasonably. We will record all transactions on our files which, along with copies of relevant documentation, will be retained by us for a period of not less than six years. You have a right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions. We reserve the right to withhold copies of these records if information to other parties would be disclosed.

Costs and charges

Not all firms charge for advice in the same way. We will discuss your payment options with you as detailed in the Key Facts Document and answer any questions you have. Where a non-regulated contract is to be advised upon, the Key Facts document will not be applicable. We will not charge you anything until you have agreed how we are to be paid.

Where we have arranged a contract for you and you subsequently contact the provider of that contract directly to alter the products of services you receive from them, we may, as your servicing agent, receive payment from that provider in relation to any change you make. We will not be held responsible for any contract alteration where you have acted without advice. We will confirm any payment we receive to you in writing at the appropriate time.

Material Interest

We will act honestly, fairly and professionally, known as conducting business in 'Clients 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 interest, 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, 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.

Ongoing Advice

When we have arranged any product for you for which you have given instructions, we will not give you any further advice unless you request it, but will be glad to advise you at any time you ask us to do so.

Risk Warnings

In all cases we will communicate the risks of investing to you both verbally and in writing. The performance of an investment is not guaranteed and you are not certain to make a profit. The value of funds can go down as well as up.

Conflicts of Interests

We offer independent financial advice, but occasions can arise when we, or one of our other clients, will have some form of interest in business that we are transacting for you. If this happens, or we become aware that our interests or one of our other clients conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions.

Distance Marketing Directive

On the rare occasions when it may be necessary to conduct our business without any personal contact we will advise you if this requires the creation of a distance contract between us. In this event you will be provided with additional information as required by the Directive.

Rights to Cancel

We will inform you of your statutory right to cancel. The Distance Marketing Directive normally grants you 30 days in which you may cancel a life or pension contract. However there will be occasions where no statutory rights are granted, however this will be explained before any contract is concluded.

Law

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

Data Protection

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By signing this document you consent to us or any company associated with us processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FCA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition; the commission or alleged commission of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact The Data Protection Officer on 0131 221 2510 or in writing at Investment House, One Alvanley Terrace, Edinburgh EH9 1DU.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purpose. Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

In order to provide services to you we may be required to pass your personal information to parties located outside of the European Economic Area (EEA) in countries that do not have Data Protection Laws equivalent to those in the UK. Where this is the case we will take responsible steps to ensure the privacy of your information.

Professional Indemnity Insurance

Innovate Financial Services Ltd maintains Professional Indemnity Insurance.

Force Majeure

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

Your Responsibilities

All answers on proposal forms or any other document and any other statements made are your responsibility. You are responsible for providing the complete and accurate information, which insurers require in connection with any proposal for insurance cover. This is particularly important before taking out a policy and at renewal, but it also applies throughout the life of a policy. If you fail to disclose any material information to the insurance company this could invalidate the policy and mean that claims may not be paid. You should check all details on any proposal form or Statement of Facts and pay particular attention to any declaration you may be asked to sign.

You should read all insurance documents issued to you and ensure that you are aware of the cover, limits and other terms that apply. Particular attention should be paid to any warranties and conditions as failure to comply with them could invalidate your policy.

You should inform us immediately of any changes in circumstances that may affect the services provided by us or the cover provided by your policy. You are strongly advised to retain copies of all correspondence that you send us for your own protection.



About our Services and Costs

Innovate Financial Services Ltd

One Alvanley Terrace, Edinburgh EH9 1DU

1. The Financial Conduct Authority (FCA)

The FCA is the independent watchdog that regulates financial services. This document is designed by the FCA to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

2. Whose products do we offer?

Investment

- We offer products from the whole market.
- We can only offer products from a limited number of companies.
- We can only offer a limited range of the products from a single company.

Insurance

- We offer products from a range of insurers for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Income Protection.
- We can only offer products from a limited number of insurers.
- We only offer products from a single insurer.

3. Which service will we provide you with?

Investment

- Independent advice – We will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market.
- Restricted advice – We will advise and make a recommendation for you after we have assessed your needs, but we only offer advice on limited types of products, or products from one company or a limited number of companies.
- No advice – 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.

Insurance

- We will advise and make a recommendation for you after we have assessed your needs for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Income Protection.
- 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.

4. What will you have to pay us for our services?

Payment for our services can be made on the basis of fixed fees. Alternatively, in some cases it may be possible to pay us our adviser charge via a retail investment product if facilitated by a product provider. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

Other costs including taxes (for example VAT), related to transactions in connection with the product or other advice we may give you and that are not paid via Innovate Financial Services or imposed by it, may arise. We will inform you when these additional charges may be applied.

The cost of our services

1. Initial Charges

3% on the first £100,000 of your investment, and then 1.5% on any amount over that up to £500,000.

Investments over £500,000 will be on a tailored charge basis.

2. Ongoing Charges

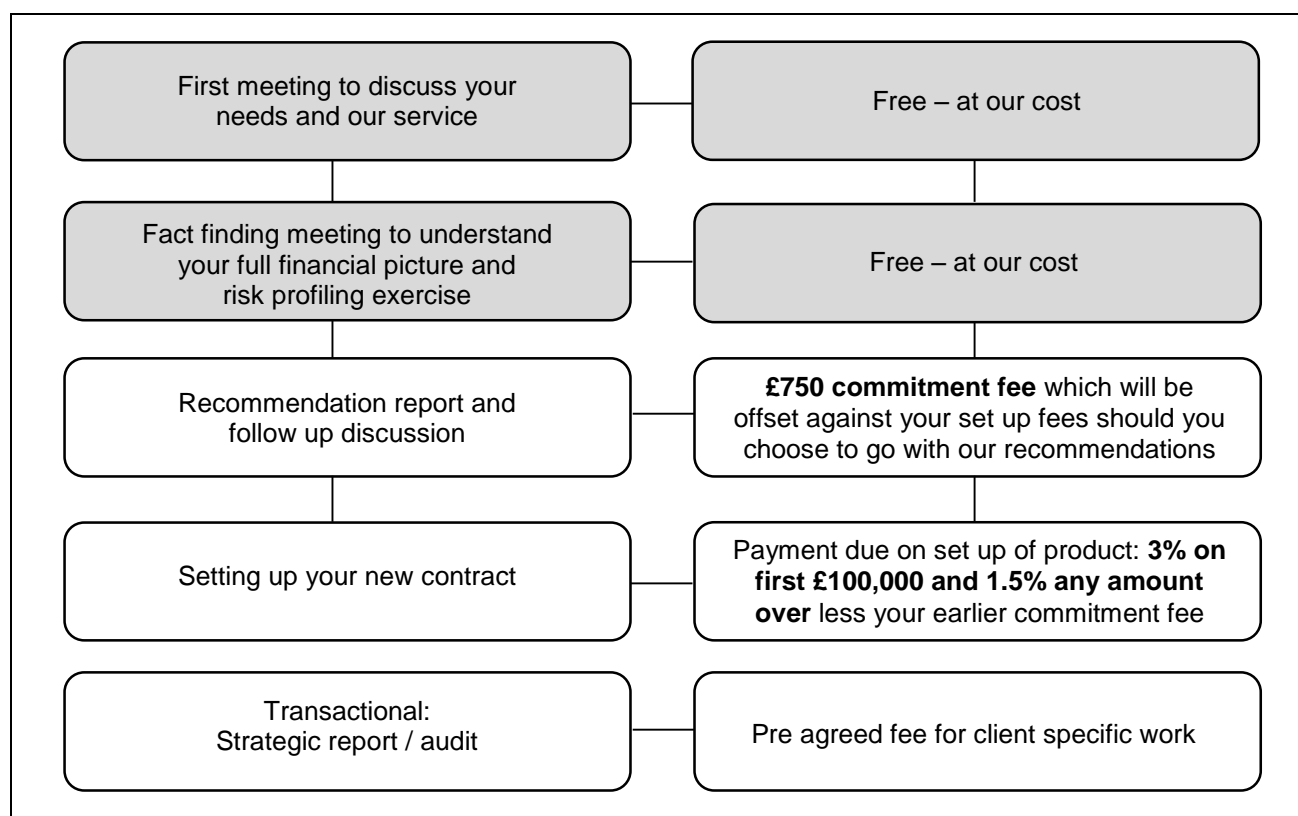
Up to a maximum of 1% per annum.

3. Example Costs

To set up a new investment of £50,000 would cost: £1,500 (3% of £50,000).

To set up a new investment of £200,000 would cost: £4,500 (3% of first £100,000 = £3,000 PLUS 1.5% of the remaining £100,000 = £1,500).

One year of ongoing service at 0.75% on the £200,000 would cost: £1,500.
The amount of the annual ongoing charge may increase as the fund grows.



How paying for advice with a monthly payment (e.g. in a pension) works

We normally take our advice charge from the first four monthly payments you make to your product. We have put together an example to show how this works, based on a regular contribution of £300 per month:

Total cost of your advice to set up the product is: **£750**

Payment is taken over a maximum period of 4 months, so we divide the total advice cost by 4.

The monthly advice charge is: $£750 \div 4 = \text{£}187.50$

Each month you will pay your premium for the product of: **£300**

Each month **we take £187.50 of that £300** and invest the remainder

So each month for the first 4 months, your payments are split as follows:

£112.50 is invested

£187.50 pays the adviser charge

Ongoing Service Fee

We offer three levels of ongoing service with ongoing charges up to a maximum 1%:

Financial Planning Service:

Includes:

- Fund monitoring
- Annual report statement and performance report
- Annual meeting
- Fund switches on annual review
- Regular magazine
- Notification of relevant legislative changes

Bespoke Service:

Includes:

- Fund monitoring
- Bi-annual statements and performance reports
- Bi-annual meetings
- Regular magazine
- Access to your adviser should you need us in the meantime
- Ongoing fund switches
- Tax calculations on investments
- Pension calculations and tax allowances

Tailored Service:

For clients with holdings over £500,000.

Client specific quote on cost and service, dependant on work involved.

Settling your adviser charge through a single payment

You will be required to settle the payment of your adviser charge on completion of our work in 14 days. We accept payments by cheque or bank transfer. We do not accept payment by cash.

Payment for ongoing services

We have a range of ongoing services we can provide to ensure that your personal recommendation is reviewed frequently and remains relevant to your changing circumstances. The frequency of the charge will depend on the service you choose. Please refer to the Service Level Agreement provided to you.

Paying by commission (through product charges)

If you buy a non-investment product, we will normally receive commission on the sale from the product provider. Although you pay nothing 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. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. We will tell you how much the commission will be before you complete the contract but you may ask for this information earlier. The amount of commission we receive will vary depending on the amount you pay and (sometimes) how long the term of the contract or your age.

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

In some circumstances, we may charge you a combination of fee and commission. The fee will not exceed the rates shown in this document. Our fees exclude VAT, if applicable. We will advise you in our initial meeting if it is likely that VAT is chargeable. This is dependent on whether you wish to buy a financial product. The fee will become payable on completion of our work. 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. We will tell you how much the commission will be before you complete the contract but you may ask for this information earlier.

Where we charge a combination of fees and commission, our maximum rates are set out in the fee information and the commission sections above. **In addition to the above we may charge a fee on a different basis for a specific transaction or project but we will agree this with you in advance.**

Insurance

- A fee.
- No fee for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Income Protection,

You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

5. Who regulates us?

Innovate Financial Services Limited is authorised and regulated by the Financial Conduct Authority. Our FCA Register number is 484358

Our permitted business is advising and arranging investments and insurance.

You can check this on the FCA's Register by visiting the FCA's website www.fca.org.uk/register or by contacting the FCA on 0800 111 6768.

6. What to do if you have a complaint

If you wish to register a complaint, please contact us:

In writing: Write to Innovate Financial Services Limited , Complaints Department, Investment House, One Albanley Terrace, Edinburgh EH9 1DU

By phone: Telephone: 0131 221 2510

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

7. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the 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.

Investment

Most types of investment business are covered up to a maximum limit of £50,000.

Insurance

Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS.

Client Fee Agreement

This is our standard Client Fee 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.

Agreed method of Advice:-

1.	Bespoke	
2.	Financial Planning Service	
3.	Transactional Service	

Adviser Charging		Initial	Ongoing
1.	Bespoke	3% for £100,000 plus 1.5% on any amount over	
2.	Financial Planning Service	3% for £100,000 plus 1.5% on any amount over	
3.	Transactional Service/Report	£750 minimum	N/A
Additional Notes / Tailored			

Fee Payment Options		Client(s) to initial box to indicate preference
1.	By cheque	
2.	By bank transfer	
3.	Paid by product provider/Platform	

By signing these terms and conditions of business:

- You agree that the information we hold about you can be held on computer and/or paper files.
- You agree that information which you give us may be disclosed to third parties (e.g. product providers) for the purpose of processing your application or to another firm upon sale of all or part of our business.
- You agree that we may use the information that we hold about you to contact you from time to time by post, fax, e-mail or telephone to bring to your attention additional products or services which may be of benefit to you.
- We agree that any consent given by you under paragraph 3 above may be withdrawn by you at any time by contacting us in writing at the above address.
- Innovate will act between the product provider(s) and yourself with a view to arranging the purchase of the Retail Investment Products agreed with you.

The firm may transfer all or any of its rights and obligations under any agreement entered into with you, to persons or institutions at its discretion.

This Client Agreement will come into effect once signed and by my/our signature(s) confirm that I/we have read and understood the terms and conditions of this client Agreement.

Customer Name(s)		
Customer signature(s)		
Date of issue		