



## Client Fee Agreement

This fee agreement is made between:

1. Investing Ethically Limited, 31 Whiffler Road, Norwich, NR3 2AW (the adviser)  
and,
2. (Client Name)

This Fee Agreement should be considered as an addendum to our standard Client Agreement, the general terms of which will apply in all cases.

### Initial

You have instructed us to act for you and perform the duties outlined in our Client Agreement. In summary we will:

- Gather all relevant personal information, including details of your finances, your needs and future financial objectives, including your attitude towards investment risk and your ethical concerns.
- Analyse the information gathered in detail against your stated objectives and research possible solutions.
- Provide a detailed report of your situation to include our product recommendations.
- Work with you and any relevant product providers to ensure the recommendations are implemented.

### On-going

As part of the initial work we have agreed to provide an on-going service to include:

- Maintenance of your files.
- A periodic review of the underlying investments to assess their continuing appropriateness having regard to your circumstances.
- To provide a written summary of our recommendations at that time (although it will be your decision whether to instruct us to take all or any action proposed).
- To liaise with product providers to implement any changes or switches agreed between us.

Full details of the exact services available and their frequency are contained in the relevant Service Proposition document which will be provided to you separately.

### Remuneration & Charges

For the **initial work** we have agreed an adviser charge of:

A fixed fee of £

In line with the 'Table of Charges' in the Cost of our Services

% of the amount invested

For the **on-going service** we have agreed to provide the \_\_\_\_\_ Service with an annual charge of:

% of assets held on our agency (subject to a minimum of £750 per year)

The annual servicing charge is non-refundable, even if you do not choose to use the services that we have offered to you and any remuneration resulting remains the property of Investing Ethically Ltd. This does not affect your rights to terminate this agreement at any time.



### Method of Payment

The fees agreed above will be paid by the following method:

#### Initial Adviser Charge – PLEASE SELECT RELEVANT BOX

Payment will be made by you directly to Investing Ethically Limited by cheque / direct credit on receipt of an appropriate invoice from us.

Payment\* will be taken directly from your investment(s) and will be facilitated by the provider / platform.

*\* This may involve a reduction in the initial amount invested or deduction from any relevant cash account held and will be confirmed in writing to you within our report.*

#### On-going service charge – PLEASE SELECT RELEVANT BOX

Payment will be made by you directly to Investing Ethically Limited by cheque / direct credit / standing order with these payments being received no later than 5 business days after they become due at the end of each month upon receipt of an appropriate invoice from us.

Payment\* will be taken directly from your investment(s) and will be facilitated by the provider / platform.

*\* This may involve the sale of units within your funds or deduction from any relevant cash account held.*

### Changes to the Level of Fees

Investing Ethically Limited reserves the right to amend our fees at our discretion but will notify you in writing in advance of any changes taking effect.

### Capital Gains Tax

Where units are cancelled to meet charges that are held within a Unit Trust or OEIC, the sale of units to meet charges could give rise to a Capital Gains Tax liability if you have fully utilised your annual allowance in the year in question.

### Payment Terms – initial fees

If an invoice has been issued, payment must be made in full within 14 days of issue. Late payment of any fee will result in interest being added at our discretion, at an equivalent rate of 4% per annum above the Bank of England base rate, as amended from time to time.

### Termination

You may terminate this agreement at any time giving notice in writing to our main address. All work undertaken to date on your behalf will be costed in accordance with the terms in this agreement and will become payable immediately upon issuance of a relevant invoice.

Where our annual service is terminated by you, we reserve the right to invoice you for any work concluded for which payment has yet to be received during the year.

In some cases, cancellation or the lapsing of a long-term life assurance plan, protection policy or certain investments may result in reclaimed commission that has been used to enhance your contract terms or to offset the fee that would otherwise be charged. Investing Ethically Limited reserves the right to recover these costs from you if they occur within 48 months of commencement of the policy / plan.

### Cost of Our Services

Not all firms charge in the same way. We will discuss your payment options with you and answer any questions you have. We will not charge you anything until you have agreed how we are to be paid for our services. It is important to understand that our time and advice are not free and so any charges / fees agreed with you will still be payable whether you buy a product or not. We accept cheque or direct credit but we do not accept payment by cash.

When clients engage our services, it is our experience that they wish to receive (and indeed it is our intention to provide) a full service to include liaising between you and any relevant third parties to ensure the products needed to help you reach your objectives are set up appropriately. This is often referred to as 'intermediation' and this is considered an exempt service for VAT purposes (see VAT section).

### Value Added Tax (VAT)

Where applicable VAT will be added to invoices for services provided. Intermediation is an exempt service and so our experience is that our services to you are Exempt where intermediation exists and/or where you purchase an on-going service at the point of sale which is ancillary to the Exempt supply. We will notify you in writing where we believe our services are subject to VAT.

### Settling Your Adviser Charge in a Single Payment

You can settle your adviser charge for the initial set-up and implementation in a single payment for lump sum investments, pensions, pension switches or retirement advice in the following ways:

- Directly to us – we will send you an invoice for the work undertaken.
- Payment facilitated through the recommended product(s) – the provider or platform will pass our agreed remuneration directly to us by reducing the amount of your investment.

### Client Charging

At Investing Ethically we agree our fee terms directly with you before we commit to undertake any chargeable work. Our initial advice process is split into two stages. Stage 1 is the provision of a set of personal recommendations to meet your identified needs based on a thorough understanding of your circumstances. This is undertaken on a time-costed basis using the hourly rates below. Once we have agreed the scope of our work, the fee estimate for stage 1 is fixed and will not change unless the scope of our work changes.

If you accept our recommendations and instruct us to implement them (stage 2) we will charge an implementation fee which is expressed as a percentage of the transaction value. The percentage charge reflects both the value of the transactions, the professional liability risks from undertaking the transactions as well as the nature of the advice provided. Pension switches and Drawdown cases or higher-risk specialist investments are subject to higher implementation charges than investing cash.

### Example 1 – Pension Switch advice

As an example, for a £250,000 pension switch case it may take us around 10 hours from a Chartered Financial Planner to reach the point of a personal recommendation being presented – so a fee of £2,250 would be agreed and become payable irrespective of whether you proceeded with our recommendations.

### Table of Charges for Implementation – Pension Switch / Flexi Access Drawdown

|                       |       |
|-----------------------|-------|
| On the first £500,000 | 1%    |
| the next £500,000     | 0.5%  |
| over £1,000,000       | 0.25% |

In the example, if you did proceed, then an implementation fee of 1% (£2,500) would be payable in addition. The total cost would therefore be £4,750.

### Example 2 – New investment

As an example, for a £250,000 new investment case (investing from cash) it may take us around 9 hours from a Chartered Financial Planner to reach the point of a personal recommendation being presented – so a fee of £2,025 would be agreed and become payable irrespective of whether you proceeded with our recommendations.

### Table of Charges for Implementation – New investment

|                       |       |
|-----------------------|-------|
| On the first £250,000 | 0.75% |
| the next £250,000     | 0.5%  |
| over £500,000         | 0.25% |

In the example, if you did proceed, then an implementation fee of 0.75% (£1,875) would be payable in addition. The total cost would therefore be £3,900.

### Hourly Rates / Fixed Fees

It may be that you wish us only to provide you with generic advice or review certain arrangements without the need for the setting up of a new product. In these circumstances it is likely that any fee agreed would be subject to VAT at the prevailing rate. We will agree the rate we will charge before undertaking any work for you. Our typical charges are:

#### Hourly Rates

|  |               |
|--|---------------|
| Chartered Financial Planner / Director | £225 per hour |
| Financial Planner                      | £175 per hour |
| Paraplanner                            | £100 per hour |
| Administrator                          | £60 per hour  |

You can request an estimate of how much in total we may charge. You can also ask us not to exceed a given amount without firstly gaining your authority to proceed. As an example, to provide a basic review and report (of one plan) may cost £900, and a more complicated review and report (of four plans) may cost from £1500. Implementation of advice would then be an additional cost.

Alternatively, we may agree to work on a fixed fee for part or all of any service we provide to you. Any such agreement shall be confirmed in writing to you before chargeable work is undertaken.

### Payment for On-going Services

We offer a range of Client Service Propositions to ensure the on-going suitability of the products you hold and any underlying investments through periodic reviews along with other ancillary services included in the cost. The cost to you will depend on the amount of monies on which we provide the service and the type of service which is deemed appropriate/agreed. The charge is expressed as a percentage and could

be up to 1% of the total of the assets held through our agency.

The Client Service Proposition which you sign will detail the exact charge as it pertains to you, but our charges are typically 0.6 % to 0.75% per year, depending on portfolio size, and subject to a minimum annual fee of £750. For example, if we provided a review service on assets of £250,000 our on-going charge would typically be £1,625. This fee will of course fluctuate in line with any changes to the underlying value of your investments. Therefore, if your investment increase in value, then our adviser charge will also increase.

The extent to which you make use of the service(s) available is a matter of choice for you, but our charges will be payable until cancelled by you (see Termination Clause of Fee Agreement). These fees will often be referred to as an on-going 'Adviser Charge' which is in line with the FCA requirements for Customer Agreed Remuneration (CAR). In the majority of cases these payments will be facilitated through the investments / products you hold through our agency once you have agreed to them being deducted.

### **Aggregated Costs Disclosure**

It is important that you understand the true costs and impact of receiving advice and the investment solutions put in place for you. The 'Cost of our services' section outlines the fees payable for our services. Where we recommend a Retail Investment Product, we will also provide you with information about the aggregated costs of any recommendation and will provide this information prior to any application being submitted so that you can be clear on all the costs involved.

We will use information provided to us by the platform providers to meet our obligations. Where this information is not available, we will make a manual calculation specific to the recommendations we are making and include this in the suitability report we issue to you for plans covered by the Regulations.

### **Settling your adviser charge by instalments**

You have an option to pay your adviser charge by instalments, but this is only available on regular premium products. Payment by instalments does not relate to any on-going charges which we may levy for providing an on-going service.

### **Paying by instalments through your product provider**

If you buy a financial product, you can choose to have your adviser charge deducted from the product through instalments. Although you pay nothing to us up front, that does not mean our advice is free. You still pay us indirectly through deductions from the amount you pay into your product. These deductions will reduce the amount left for investment.

For example, if the monthly premium was £1000 and the advice charge was £1000, an amount of £250 would be taken from each payment for 4 months to meet the charge with only the balance of £750 being invested. At the end of the period the adviser charge would be settled in full.

### **Keeping up your payments (under a regular premium contract)**

If you choose to pay for the advice you receive through instalments, the full amount of the adviser charge will need to be paid irrespective of whether:

- The recommended product(s) is/are cancelled or lapsed before the amount is paid; and/or
- You subsequently decide to transfer your business to another firm/financial adviser.

Any outstanding amounts, as at the date of one of the described events, will be due to be paid in full within 14 days of such event. An invoice will be issued for the full outstanding amount and sent to you.

**Other benefits we may receive**

In the course of our business dealings we may be provided with additional services from various providers including the facilitation of the adviser charge so as to avoid the need for you to settle our charges from your own bank account. In addition we may be provided with additional training resources from time to time. Further information can be provided upon request.

**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 the relevant third party documentation issued to you, for example the Key Features document or personal illustration.

**Confirmation of Agreement**

I / We confirm that I / we have received the Client Agreement and Client Fee Agreement documents and the contents have been explained.

I / We understand that the terms contained within these documents will be deemed to be effective from the date they were provided to me / us.

By agreeing to these terms and conditions you accept that the fees due will become payable on completion of the advice or transaction at the prescribed levels.

|             |  |
|-------------|--|
| Client Name |  |
| Signature   |  |
| Client Name |  |
| Signature   |  |
| Date signed |  |

For the adviser to complete:

|               |  |
|---------------|--|
| Adviser Name  |  |
| Signed        |  |
| Date of Issue |  |