

# Cavendish Medical

## CLIENT AGREEMENT

This agreement is issued on behalf of Cavendish Medical Ltd. (CML) of 1<sup>st</sup> Floor, Devon House, 171-177 Great Portland Street, London W1W 5PQ

And **Client(s) full name(s)**

Of **Client(s) full address**

### **Authorisation Statement**

Cavendish Medical Ltd. is Authorised and Regulated by the Financial Services Authority (FSA). FSA number 436797.

### **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**

CML classifies all clients as 'retail clients' for investment business and 'consumers' for non-investment insurance business or home finance which means you are afforded all protections under the rules of the 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 and Non-Investment Insurance Services**

CML 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 that we have arranged for you, these will not be kept under review but we will advise you upon your request.

**CML 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.

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### **Scope of advice**

#### **Investment**

We offer products from the whole market.

#### **Non-investment insurance**

We offer products from a range of insurers on the basis of a fair analysis of the market.

### **Conflicts of Interest**

CML 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 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.

### **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**

#### **Investment**

Payment is in three stages as follows:

#### **Stage One – Providing you with a Strategy and Options Report**

This fee will be £ [XXX], which includes VAT.

#### **Stage Two – Implementation of new recommendations**

There will be a single fee of up to 3% of your investment and pension assets under Cavendish's management up to a value of £100,000. For assets in excess of £100,000 a fixed implementation fee will be agreed with you in advance of the work being carried out. This remuneration will normally be paid to us by the plan provider when the new arrangements are started and will be deducted from your investment or pension fund as a single amount. However, if you wish to pay this as a separate fee you can request this and nothing will be paid to us from your plan, you will instead be issued with an invoice for the amount we would have been paid by the investment or pension plan provider, plus VAT. If you have investable assets of less than £33,000 an initial implementation fee of £1,150 will be payable.

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## Stage Three – the ongoing Partnership Agreement

The 'partnering' fee will be 1% per annum of your investment and pension assets under Cavendish's management up to a value of £1,000,000. Assets between £1,000,001 and £2,000,000 will be charged at 0.8%. Assets of more than £2,000,001 will be charged at 0.6%. This remuneration will normally be paid to us by the plan provider and will be deducted from your investment or pension fund on a monthly basis. However, if you wish to pay this as a separate fee you can request this and nothing will be paid to us from your plan, you will instead be issued with an annual invoice for the amount, plus VAT, that we would have been paid by the investment or pension plan provider; you can opt to pay this amount annually in advance **or** in 12 monthly instalments where you will be asked to complete a Standing Order Mandate to do so.

## Our minimum Partnership Agreement fee

Our minimum partnering fee is based on 1% of £100,000 of investment and pension assets under Cavendish's management. This equates to £1,000 per year or £83.33 per month. The method of payment can be by either method mentioned above. Please note that any amount not paid to us by the plan provider but by you instead will be subject to VAT. Therefore, if you have investable assets of less than £100,000 the minimum fee payable will be £1,150 per year (i.e. £1,000 plus VAT) or £95.83 per month (i.e. £83.33 plus VAT).

## **Non-investment insurance**

The remuneration for insurance plans (e.g. Life Assurance, Critical Illness Cover, Income Protection Insurance, Private Medical Insurance or other General Insurances) will normally be paid to us in the form of commission by the plan provider. This amount is disclosed to you before any application for a plan is submitted on your behalf. You can elect for nothing to be paid to us from your plan, in which case an invoice for the amount we would have been paid by the protection plan provider plus VAT will be issued to you. In either case the remuneration will start on commencement of the plan.

## **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, CML 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 020 7636 7006. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

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## **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.

## **Investment**

Most types of investment business are covered for 100% of the first £50,000 so the maximum compensation is £50,000.

## **Non-investment 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

## **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.

## **Clients 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.

<b>Client Name(s)</b>		
<b>Signature(s)</b>		
<b>Date of issue</b>		

This document was last updated on 4 January 2010.

### RETAIL CLIENT 'BEST EXECUTION' POLICY

#### **Scope**

All clients of CML 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.

#### **Prior Consent**

In order to place business on your behalf, we require your prior consent to this execution policy.

**You will be considered to have provided your prior consent to this execution policy if we receive an instruction to execute an order on your behalf.**