

Working with Fiscal Engineers – Terms of Business

Definitions

By “you” and “your” we mean our client, i.e. the person whose money we look after. This might be the patient where a Court of Protection order is in place, or the trustees of a trust, or an individual person.

Initial service

Discovery

At this first stage we want to really focus on getting to know you. During the course of a meeting with you, we will:

- discover your goals, values and objectives
- assess your key financial needs and concerns
- build a detailed profile of your financial affairs

We will ask you to provide as much information as possible in advance so we can both get the most from this stage. After our meeting, we will check to ensure we have understood everything correctly. We will also ask you to complete a questionnaire to better understand your approach to taking investment risk.

While you're doing that, we will review your financial profile and build a diagnostic of your current situation.

Wealthplan

Once we're in an informed position, we will arrange to meet with you again when we will present your Wealthplan, in which we'll discuss:

- a diagnostic of your current situation
- discuss our evidence-based approach to wealth management
- demonstrate the impact and benefits of our advice, including 'what if' scenarios
- your Lifetime Financial Model

Mutual Commitment

You will need time to think about our proposals. When you're ready, we will arrange to see you again when we will:

- address questions arising and discuss your long term Wealthplan
- complete and sign initial paperwork and your service agreement

Up to this stage there is no commitment for us to work with each other and we will not charge you a fee.

Implementation

It can take around eight weeks to complete a comprehensive analysis of your existing financial arrangements and form our recommendations. Depending on your circumstances and timeframe, we may do this in two parts for you. In either case, as soon as our work is complete, we will send you a detailed Investment Policy Statement that will explain your risk tolerance and subsequent portfolio selection, along with an Implementation Report that presents a full analysis of your needs and our strategy to meet those needs. We can then arrange a short meeting to:

- discuss progress and address any secondary planning issues
- complete any further paperwork and execute the strategy detailed in your Implementation Report

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With all the paperwork completed, we will put your Wealthplan into action and keep you regularly updated as to its progress.

Ongoing service

Periodic Reviews

We will arrange to meet with you at least annually, when we will:

- present your updated Wealthplan to show progress against your personal goals and objectives
- provide advice and recommendations on rebalancing your portfolio to ensure your Wealthplan stays on track
- assess the suitability of your investments and protection

We will be in touch with you before each review meeting to check whether your circumstances have changed at all and to obtain current balances for your cash deposits and any other investments you may hold that we do not advise upon. We will also review your tolerance to risk at every periodic review.

Following your review, we will set out any advice and recommendations in a separate report and either send the required paperwork to you with it, or arrange to meet with you again to go through it together.

Our range of services

Fiscal Engineers Ltd provides an independent advice and investment execution service. This means that for investments and pensions policies we will assess a sufficient range of relevant products available on the market which is diverse in terms of product type and provider to ensure that your investment objectives can be suitably met. We are not limited in the type of product or provider in terms of having any close links with any firms or any contractual relationship with a third party that may impair the independent basis of our advice to you. When looking to address your protection needs, we will provide advice based on a fair and personal analysis of the market.

Any advice or recommendation that we offer to you regarding specific investment solutions will only be given after we have assessed your needs and considered your financial objectives and approach to taking financial risks. During this process we will usually request copies of your wills, tax returns and other documents and, whilst we will take these into consideration when preparing our advice, we will not check the accuracy of these documents unless specifically requested to do so. We will also take into account any restrictions that you wish to place on the type of investments you are willing to consider.

Our permitted business is advising on and arranging pensions, savings and investment products and non-investment insurance contracts. Before making any recommendations, we will carry out a suitability assessment so that we are able to act in your best interests.

All personal recommendations are made in a professional capacity, based on research undertaken by individuals with specialist knowledge and experience and tailored to your stated needs and objectives. For this reason, if you reject our advice, in full or in part, but wish us to transact an alternative course of action (generally referred to as proceeding on an insistent client basis) then we are within our rights to refuse to implement your instruction, particularly where we believe this not to be in your best interests.

Financial Planning and Defined Benefit Pension Schemes

It may well be that you or your spouse/partner has a defined benefit pension scheme in respect of a time when you were employed. These pensions will pay a promised level of retirement income, normally with the option to have a lump sum, from the scheme's normal retirement age until you die. Generally, an income will then continue to be paid to a surviving spouse/partner. These are referred to in legislation, as "safeguarded benefits" in view of the nature of their "promise to maintain income to members". It is possible in some cases to transfer this type of pension to a money purchase arrangement in your own name. Here you give up the promise of a pension income for life in exchange for a transfer payment into a personal pension which you can use to provide a retirement income. This, however, is open to investment and other risks.

Our regulator, the Financial Conduct Authority (FCA) sets out the following in its guidance "*When a firm is making a personal recommendation for a retail client who is, or is eligible to be, a member of a pension scheme with safeguarded benefits and who is considering whether to transfer, convert or opt-out, a firm should start by assuming that a transfer, conversion or opt-out will not be suitable.*"

Therefore, if you, or your spouse/partner have one or more defined benefit pension schemes, we will only prompt you to consider transferring it, if it is clear to us that we cannot achieve your retirement objective because of the pattern of benefits provided by the defined benefit pension scheme. If we think you should consider transferring



the defined benefit pension scheme, we will raise this with you. Equally, you can at any time, ask us to review your defined benefit pension scheme(s) if you think it is something that might be of interest to you.

Whichever is the catalyst for prompting a review of a defined benefit pension scheme, we will explain the costs involved in giving you what is complex advice. We will also give you a generic document which explains why some individuals decide to retain their defined benefit pension and others choose to transfer them. This will help you to decide if you wish to engage with us in such a review or to retain your existing pension provision as it is.

In the absence of us providing you with specific advice as to whether you should retain your defined benefit pension scheme, we shall construct the rest of your retirement planning advice that we give you on the basis that any defined benefit pension benefits are suitable for you. We will model your retirement cashflow based upon the assumption these benefits come into payment on the scheme's normal pension age in accordance with the scheme's rules. However, that should not be seen as us advising you that this is the most appropriate form of pension solution for you.

Communicating with each other

We will communicate with each other in English. Our costs are the same regardless of how we communicate with each other, whether face to face, by phone or in writing. We may contact you by telephone, email, post or SMS (text message) as you specify. We may also contact you about a particular investment, service, event or news that we feel may be of interest to you. If you would prefer we didn't, please let us know.

Any communication between us could contain personal and confidential information and there is a risk, particularly with email, that it could be intercepted. This risk is low, in our view, provided we both regularly change our passwords and use up to date anti-virus software. However, to minimise the risk further, when we send you highly sensitive documents – such as our advice reports – our emails can be encrypted on request.

If you would like us to send an instruction on your behalf to a third party, including an investment deal, order or instruction, you will instruct us in writing by letter or email and we will acknowledge receipt in writing by letter or email. We take all reasonable steps to ensure we act on such instructions promptly and at least within one working day of receipt wherever possible in order to obtain the best possible result for you. This is called 'best execution'. A copy of our Best Execution Policy is available on request.

When we make any investment fund recommendations to you, we will direct you to a specific area on our website where the relevant literature about that fund will be available for download. If you would prefer to have these in paper form, please let us know, and we will send them to you.

How we are paid

Our fees for our advice and investment execution services will always be provided in a personalised Service Agreement before we undertake any chargeable work for you. Our Service Agreement will set out exactly what we propose to do on an initial and ongoing basis, and the costs for both. We will both sign this document before we put your Wealthplan into action.

We will charge a fee to arrange investment, life and pension policies for you. When we recommend any type of policy, we will give you a detailed breakdown of all costs you can expect to incur from us and other sources, including our fees, any platform charges, policy charges, fund charges and an indication of any tax implications. If any of these costs will be in a foreign currency, we will make that clear to you and let you know the conversion rates.

You can choose to pay us from your personal bank account or as a deduction from your policy, where the provider allows it. Please note that if you choose to pay by deduction from your policy this will reduce the amount left for investment and may, depending on your circumstances, have other consequences. If you select this option we will discuss the implications of doing so with you before putting it in place.

We are not paid by commission from the outset or on an ongoing basis when arranging any investment, life or pension policy for you. However, if you have existing policies that were set up by another adviser on an ongoing commission basis and you transfer the servicing of these policies to Fiscal Engineers, the commission payments may be redirected to us. In this instance if it is possible to stop any existing commission payments in order to enhance your investment or reduce your premiums paid, we will do so.

Under the rules of our regulator, the FCA, as a firm providing independent advice, we are unable to accept or retain payments or benefits from other firms (e.g. product providers) as this would conflict with our independent status.

From time to time, we may attend training events funded and/or delivered by product providers, fund managers and investment platforms. These events are designed to enhance the quality of service we provide to our clients. As such this does not affect our obligation to act in your best interests. Please ask us if you want further details.



Calculating our fees

Initial fee

New personal and/or pension investment

We will agree with you an initial fee as a set amount when arranging new personal and/or pension investments for you. For example, a typical initial fee would be £10,000 on an investment of £1,000,000. We have a maximum initial fee of £25,000. This fee is exempt from VAT.

At present our new personal and/or pension investment initial fee is paid as soon as the investment commences.

New life cover

We will generally not charge for advising and arranging life cover if we are arranging personal and/or pension investments at the same time. However, should we charge, a fee will be agreed with you at the outset. A typical fee for arranging a life policy would be £2,000. This fee is exempt from VAT.

Annual fee

We charge an annual fee which is calculated as a percentage of the value of the portfolio we manage for you. This fee is tiered according to the value of your portfolio and will not exceed 1% per annum. For example, we will charge £10,000 per annum for a portfolio under our management valued at £1,000,000.

Our annual fee covers the cost of ensuring your Wealthplan stays on track by:

- reviewing your circumstances and objectives
- reviewing the policies we arranged for you and, where appropriate, those we didn't
- proposing and making changes to your portfolio by rebalancing and ensuring it adheres to your tolerance to risk

It is important to note that our annual fee is based on the value of your portfolio and therefore as the portfolio value goes up or down, our annual fee will also increase or decrease accordingly.

At present our annual fee is paid monthly in arrears and is chargeable as soon as monies are invested. We have a minimum annual fee of £5,000 in any one year period. This fee is exempt from VAT.

Additional advice

As time passes and your circumstances change, you may need further advice from us that goes beyond adjustments to your portfolio, or general financial advice, such as complex estate planning. Such advice could incur a fee. If it does, we will agree the basis of any fees in advance of undertaking the work, which could be based on time costs incurred or a fixed fee. We will provide an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without first checking with you.

Our typical hourly rate charges for time costs incurred are:

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|------------------------------------|-----------------------------------|
| • Financial Planner | £280 per hour + VAT if applicable |
| • Financial Planning Technician | £125 per hour + VAT if applicable |
| • Financial Planning Administrator | £75 per hour + VAT if applicable |

For example, if we agree to charge one hour's work from a Financial Planner and two hours' work from a Financial Planning Technician on a time-costed basis, our fee would be £530, plus VAT if applicable.

Should we need to consult specialist advisers such as lawyers or accountants as part of any additional advice, you will be directly responsible for their professional fees. We will always seek your agreement prior to consulting with third party professional firms if we are providing you with additional advice.

We may conduct a review of a defined benefit pension scheme as described above. If we do, we will explain the additional costs involved in giving you what is complex advice.

VAT

In any circumstances where VAT is due on our fees, the figures quoted herein are exclusive of VAT.

Inducements

We do not receive any financial or non-financial benefits from any party that might prejudice our independence.



Client money

We do not handle client money or cash and we cannot accept a cheque made out to us unless it is in settlement of an invoice from us.

Holding investments

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing.

All policy documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you in one batch.

It is our usual practice to use the services of a third party administrator to hold your investment portfolio within a separate nominee company. This means that the nominee company holds your investment assets 'in trust' on your behalf.

For UK-based portfolios, The Financial Conduct Authority (FCA) strictly monitors the administrator which provides the nominee service. For non-UK based portfolios, we will use a nominee provider based in a stable jurisdiction such as Switzerland, Jersey, Guernsey or Isle of Man. However, while such providers will be subject to regulatory approval and monitoring in the relevant country, they will not be subject to UK investor rules or come within the FCA's jurisdiction. We will provide you with more details of the nominee provider before you implement any investment recommendations, including full details of their charges and services.

Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) requires US persons holding an interest in any specified foreign financial assets with an aggregate value exceeding \$50,000 to report related information to the US Internal Revenue Service (IRS).

It is your responsibility to inform us if you:

- have US citizenship or lawful permanent resident (green card) status
- were born in the US
- have a US residence address or US correspondence address (including a US PO box)
- have standing instructions to transfer funds to an account maintained in the United States or directions regularly received from a US address
- have an 'in care of' address or a 'hold mail' address that is your sole address
- have a power of attorney or signatory authority granted to a person with a US address

Please note that we are not responsible in any way for any reporting obligations that you may have in relation to FATCA. We may also share your FATCA status with other financial institutions, HMRC and the IRS if requested.

Investment risks

Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily liquidated. In which case we will draw your attention to the risks associated with these investments as there is a restricted market for them. In some circumstances, therefore, it may not be possible to deal in the investment or obtain reliable information about its value.

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 some investments we may recommend can 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 Implementation Report and subsequent Suitability Reports.

Cancellation

In most cases you will have the right to change your mind and cancel a policy within an initial period. 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 other policies. The cancellation period is normally the day the policy is concluded or, if later, the day on which you receive the contractual terms and conditions. We will always outline your cancellation rights in our advice to you and you will receive a reminder from the policy provider once the policy is established.



Your protection

The Financial Conduct Authority (FCA) is the independent watchdog that regulates financial services. More information about how they work is available from www.fca.org.uk. You can write to them at 12 Endeavour Square, London E20 1JN or telephone them on 0800 111 6768 (+44 20 7066 1000 from abroad).

Fiscal Engineers Ltd is authorised and regulated by the FCA under reference number 211885. Unless we tell you otherwise, we will treat you as what the FCA defines as a 'retail client' for investment and pension advice and as a consumer for protection advice. This means that you are afforded the highest level of protection under the regulatory system.

If you are ever dissatisfied with our service, you may make a complaint by contacting us via email, letter or telephone. Our contact details are on the first page of this document. You may wish to contact our Chief Executive Officer Anthony Hambleton by email on anthony.hambleton@fiscalengineers.com or by telephoning 0115 955 5600. We have a complaints guide that is available on request. If we are not able to resolve any complaint between us, you should have the right to take any complaint to the Financial Ombudsman Service (FOS) which is an independent arbitrator. Whether you have that right or not depends on exactly what the complaint is about. More information about the Financial Ombudsman Service is available from www.financial-ombudsman.org.uk.

If you become entitled to claim compensation from us and we cannot meet our obligations, you may be able to put in a claim to the Financial Services Compensation Scheme (FSCS). Most types of investment products are covered for up to a maximum limit of £85,000. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. Individual securities however, including Exchange Traded Funds (ETFs), are not eligible for protection. More information is available at www.fscs.org.uk.

We may also advise on and execute other financial products that are not regulated by the FCA under the Financial Services and Markets Act 2000. In particular, please note that the FCA does not regulate advice on wills and taxation. The FSCS does not apply to products that are not regulated by the FCA.

The company and its representatives are not qualified to provide any legal or accounting advice and will not provide any opinion as to whether a complaint should be raised about any previous advice received unless explicitly agreed.

Protecting your information

Your personal information is very important to us and we will endeavour to take due care to protect it.

Your rights and our policy with respect to your personal data are set out in a separate document, our Data Protection Agreement.

Verification of identity

We are required by the Money Laundering Regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up to date. For this purpose, we may use electronic identity verification systems similar to those used for credit checks and we may conduct these checks from time to time throughout our relationship, not just at the beginning. Although such checks will leave a footprint on your credit record, they will not affect your credit score. By signing your Service Agreement with us you are giving us permission to carry out these checks.

Conflicts of interests

We will always endeavour to act in the best interests of our clients. However, circumstances can arise where we, or one of our other clients, may have a conflict of interest. If this happens, we will contact you to discuss the implications and detail the steps we will take to ensure fair treatment before acting on any instructions.

Please ask if you wish to discuss this matter in further detail or would like a copy of our conflicts of interest policy

Referrals to third parties

There may be occasions whereby we may refer you to a specialist for specific advice such as tax advice. Should you pursue our suggestion to use the third party introduced to you, you should note that we are **not** responsible for the advice that they give you. You will be subject to their terms and conditions. They will agree their charges for their advice directly with you.



Amendments

From time to time it may be necessary to amend the terms set out in this agreement and/or any subsequent Service Agreement. If this is the case we will write to you with details of the changes no less than 28 days in advance of them coming into effect.

Terminating our relationship

We may terminate this agreement by giving you at least 20 business days' written notice. You may terminate this agreement at any time, without penalty. Notice of 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 these terms of business unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding, if applicable. We will instruct all providers to cease paying us ongoing adviser fees as at the date of termination.

Please note that in the event of your premature death we will maintain the existing investment structure until requested to sell or amend by your authorised Executors.