

## Client Agreement

Pavis Financial Management Limited is authorised and regulated by the Financial Conduct Authority. FCA No. 153871.

You can check this on the FCA's Register by visiting the website <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768. The Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.

### 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 (where applicable). Any advice provided will be confirmed to you in writing.

Pavis Financial Management Limited takes all our regulatory responsibilities very seriously and we ensure that all our staff are required to demonstrate their competence to undertake their role and our business is structured in a manner that is designed to meet in full all the requirements set by our regulator, the Financial Conduct Authority, and under European Securities and Market Authority rules.

### Client Classification

Pavis Financial Management Limited classifies all clients as “retail clients” for investment business and “consumers” for non-investment insurance business which means you are afforded all protections under the rules of the Financial Conduct Authority (FCA). 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, Skype, letter & fax.

### Language

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

### Client Money

Pavis Financial Management Limited 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.



## Investment Permissions

Pavis Financial Management Limited is permitted to advise on and arrange (bring about) deals in investments contracts.

**Transactional only;** With regard to investment contracts which we have arranged for you, these will not be kept under review unless we agree otherwise with you; but we will advise you upon your request.

**With Service Provision;** We will provide services to you as more fully outlined in our initial and post sales agreement

## Non-Investment Permissions

Pavis Financial Management Limited is permitted to advise on and arrange (bring about) deals in non-investment contracts. We are an insurance intermediary and act on behalf of clients and not insurers.

## Scope of Advice - Independent Advice

**Investments:** We will only provide advice and make a personal recommendation to you having fully assessed your financial needs and objectives. This means that we will spend some time discussing with you what you want to achieve financially and see if the advice and services that we offer are going to be appropriate to address them. Our personal recommendation will be based on a comprehensive, fair and personal analysis of the market.

**Insurance:** We offer products from a wide range of providers for term assurance, critical illness and income protection. We will advise you after we have assessed your needs and objectives. Our personal recommendation will be based on a fair and personal analysis of the market.

We will confirm in writing to you the areas of financial planning that we are advising you on. This will normally be contained in our report confirming our advice and recommendations. If you require advice on any other area of financial planning, you must specifically request us to provide further advice.

It is important to us that you fully understand how we go about doing this, so please do ask us for more detail if anything is unclear to you.

**Our Investment proposition** - We have constructed an investment proposition that has been designed over time to meet many of our clients' needs. Often our clients share common characteristics in terms of their financial circumstances and financial objectives. Pavis manage our own portfolios through ongoing monitoring and active asset allocation, providing quarterly rebalances for clients invested in our Premier Portfolios.

Where our investment proposition is not going to be suitable to meet your needs, we will look outside of this to find a bespoke solution that will.

We have close relationships with certain parties used within this proposition, including Integrated Financial Arrangements Ltd and their Transact Wrap Platform.

It is important to note that we have chosen to work with these parties because they enable us to offer products and/or portfolios from across the whole of the market and are not selected unless they meet a rigorous selection process.

**Financial Products** - In respect of the financial products that we use, we do not restrict ourselves to certain types of products. We will look across a range of products which are called Retail Investment Products, we will also look at Cash ISAs, National Savings Products and structured products as well. We use research tools to select these products using criteria set to meet your needs and will not use pre-determined lists or only a small range of preferred providers. We aim to find the right product to meet your needs on each and every occasion.

**Product Providers** - In respect of the product providers that we use: we do not restrict our advice to certain companies. Instead, we use research tools to help us find the company that provides the right products to meet your needs.

## Our Service Levels, Initial Fees and On-going Payment of Services

Before recommending a product, we will make suitability checks to ascertain your relevant knowledge, experience, objectives, financial situation and your ability to bear losses.

Prior to any transaction we will provide you with a suitability report outlining any recommendations we have made including the selling, holding or buying of investments.

To ensure that you are always fully aware of our advice costs and how and when you are going to be asked to pay for this, we will always confirm this verbally and in writing to you. We will confirm the exact amount and your preferred payment method.

### What will you have to pay us for our services?

You will pay for our services on the basis of an adviser charge, fee, commission (only available in respect of non-investment retail products) and/or a combination of all three.

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.

The following are typical examples of how and what we charge but please note that the circumstances and requirements of each client are different and the amount will vary depending on the complexity of each case, the service levels selected and any additional services that are included.

**Paying by Fee (Initial Advice)** Whether you buy a product or not, you will pay us an adviser charge for our advice and services, which will become payable on completion of our work. Usually, this fee can be deducted from the investments we implement for you.

We can offer a number of options to clients on how to pay for our services depending on the work being done. 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 agree a fee with you based on the most appropriate but least expensive staff required to get the work completed to our high standards. Typically, this would be charged on an hourly basis and confirmed in writing before work commences.

**Insurance** If you buy a non-investment retail product (Life Insurance, Critical Illness, Permanent Health Insurance, Accident, Sickness and Unemployment), we charge a one off fee of £500 minimum. We usually receive commission from the product provider, which is usually a percentage of the total annual premium. This will be used to reduce our fee and we will retain any difference. We retain the right to invoice you for the difference should the commission be lower than our minimum fee.

### Pavis Charging Structure and Fees

Our advice process includes an initial Discovery Meeting which is at our expense.

Should an agreement be reached by both parties and we are engaged to take matters further, we will typically follow a 4-stage process towards effective financial planning.

Our fees/charges will be fully disclosed to you. The precise charges relating to any recommendations we make will be confirmed in the suitability report or relevant product disclosure information provided to you.

You only authorise us to work for you one stage at a time. You will always know what fee you will be charged before we undertake any work for you. We will ask you to sign a written fee agreement before each stage in the advice process.

We do not ask for payment before commencing work. We do not automatically invoice you after each stage.

The following outlines our typical fee arrangements:

## Stage 1 - Client Audit & Gap Analysis

This is an information gathering exercise and audit of information. Some clients will be presented with a Gap Analysis Report before they move onto the next stages. The Gap Analysis Report will provide an overview of your situation, assess your shortfalls and make some generic recommendations to improve your planning.

## Stage 2 - Advice

Creating a bespoke financial plan for each client is the second key stage in the process. The Advice phase will include various stages including concept, research, plan formulation, report writing and presentation.

### Fee Payment

We will only invoice you with fees for the Audit and/or Advice stages if:

- you do not subsequently engage Pavis to implement your financial plan or
- fees generated from your investments at the implementation stage are less than fees agreed for the Audit and Advice stages or
- you specifically request that we invoice you for these fees.

### Stage 3 - Implementation

Implementation involves liaising with other professional advisers, completing and submitting any application forms, ensuring the various tax wrappers/policies are established in accordance with your wishes, liaising with Discretionary Fund Managers (where relevant), dealing with any associated Trust work and regular reporting back to you as we work through the process.

### Your Payment Options

Whether you buy a product or not, you will pay us an adviser charge for our advice and services, which will become payable on completion of our work.

You will be required to settle the payment of your adviser charge on completion of our work in 14 days. We accept cheque or BACS payments. We do not accept payment by cash. You will be provided with a receipt upon payment.

As stated earlier, the adviser charge can usually be deducted from the investments we implement for you.

### Hourly Rate Basis

We will agree the rate we will charge before beginning work. We do not currently charge VAT.

Our typical charges are:

<b>Directors</b>	£240.00 per hour
<b>Associate Directors</b>	£180.00 per hour
<b>Senior Financial Advisers</b>	£160.00 per hour
<b>Senior Associates</b>	£140.00 per hour
<b>Associates / Paraplanner</b>	£120.00 per hour
<b>Senior Administrators</b>	£ 80.00 per hour
<b>Administrators</b>	£ 52.50 per hour

Example of our fee charged at an hourly rate (for a typical investment)

Staff Role	Hourly Rate	Estimated Hours	Total Staff Cost
Director	£240.00	8	£1,920.00
Paraplanner	£120.00	2	£240.00
Administrator	£52.50	6	£315.00
<b>Total Charge</b>			<b>£2,475.00</b>

### Fixed Charge Basis

On occasion we can provide, upon request, an agreement for any work undertaken to be chargeable without reference to the time spent basis. The terms offered will be a one-off payment for the advice or actions agreed. The terms of reference relating to the agreement will state clearly the extent of any agreed contract.

If we agree that you will pay us by way of a fixed fee for our advice, some examples:

Type of Advice	Typical Cost
Pension planning	£2,000
Pension transfer and implementation	£3,700
Inheritance Tax planning	£2,500
Investment planning	£2,000
At retirement pension planning	£2,000
In retirement pension planning	£2,000
<i>We will agree with you the charge for any on-going advice that you may require.</i>	

### Funds Under Management Basis

Where we make arrangements for the investment of lump sums, fees are generally based on a percentage of the funds under advice and levied on a tiered basis:

Investment	Typical Fee
First £100,000	1% (£1,000)
Next £150,000	0.75% (up to £1,125)
Surplus over £250,000	0.50% (£50 per £10,000 over £250,000)

Usually, this fee (adviser charge) can be deducted from the investments we implement for you. To facilitate this, the provider will need explicit evidence that you have agreed to this method of payment and we shall ask you to confirm this in our fee agreement for onward transmission to the provider.

If we agree that you will pay us by way of a percentage of the funds under management for our initial advice, some typical examples are:

Investment Amount	£50,000	£100,000	£200,000	£250,000
Our initial charge is typically	£500	£1,000	£1,750	£2,000

### Termination of our Services (Initial Advice)

You or we may terminate our authority to act on your behalf at any time.

You will be liable to pay for any advice or services that you have received prior to the date of termination. This means that where we have agreed the advice and services that we will provide for you and we have agreed to receive payment for these, either by means of a fee for investment business or by receiving commission from a provider for non-investment business, you will have to pay us for any work we have completed up to the date of termination.

## Stage 4 – On-going Management & Client Review Service Option

The on-going management of your affairs is of vital importance. Your circumstances change, economic cycles come and go and investment markets rise and fall.

Pavis have created a service to assist you towards achieving your goals. We have set this out in the attached document – The Pavis Ongoing Service Proposition.

We will agree the level of on-going service that you require during the implementation stage and you will be automatically enrolled for your agreed service level once your plan has been implemented.

Our ongoing service option incorporates a periodic suitability review of the investments we have recommended, this is to ensure the original recommendation remains suitable. This periodic statement will be completed at least annually, however, the frequency may be increased when taking into account your risk profile and the types of financial products that have been recommended.

### Payment for on-going services

We have a range of on-going services we can provide to ensure that your personal recommendation is reviewed frequently and remains relevant to your changing circumstances. The frequency and amount of the charge will depend on the service you choose and is typically a percentage of the value of funds under advice and is usually deductible automatically from the funds rather than payable through an invoice and payment system.

The following examples are typical of our charges for a comprehensive service level:

Investment (funds under management)	Typical Fee	Example: Portfolio Size and Fee
Up to £200,000	1.00% p.a.	£150,000 = £1,500 p.a.
Next £200,000 to £500,000	0.80% p.a.	£400,000 = £3,600 p.a.
Next £500,000 to £1,000,000	0.65% p.a.	£750,000 = £6,025 p.a.
Next £1,000,000 to £2,500,000	0.50% p.a.	£1,500,000 = £10,150 p.a.
Over £2,500,000 – by agreement		

The actual fee charged will vary depending upon how the investment performs and it will increase as the fund grows. We will provide you with information regarding the costs at least annually to help you understand the overall cost and the cumulative effect on the return of the investment.

In line with other advisory firms and FCA requirements we are not allowed to receive commission for arranging investments. We can however negotiate with investment managers and product providers to obtain the best possible terms on your behalf.

Our charges are typically deducted from your account on a monthly or quarterly basis.

### Termination of our Services (On-going Advice)

You may advise us that you do not require this service, in which case our relationship will end and we will not provide any further reviews of your financial plan unless you specifically request this, at which point a fee will be agreed for any advice and administration.

You have the right to cancel payment for our on-going services. Notice of this termination must be given in writing and will take effect from the date of receipt. Where you hold assets within a WRAP, you need to be aware that there will be terms and conditions applicable, such as your agreement with the wrap provider in respect to facilitating our fees, which means you may need to instruct the wrap provider directly and arrange for the removal of assets from the WRAP or appoint another adviser who will be able to access your assets and provide further on-going advice to you. We will be pleased to assist you at this time in cancelling our service to you, making sure that any WRAP provider is informed of this cancellation.

## Conflicts of Interest

We have a legal and regulatory obligation to take all appropriate steps to identify and to prevent or manage conflicts of interest from arising. In the event of any of our business interests or activities creating a potential conflict of interest we will ensure that we take all appropriate steps to manage the potential conflict by maintaining robust systems, controls and staff training. In the unlikely event that we are unable to prevent the potential conflict, we will fully disclose to you the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks.

Further details of our conflict of interest policy are available upon request.

## Best Execution

It is our policy to transact your business in order to achieve the best possible results in terms of:

- Price of products, providers and services
- Cost of advice
- Speed
- Size and Nature of the transaction
- Effectiveness of the Platform/ Provider/ Service Provider

## Other Benefits We May Receive

We will not receive any financial inducement or gift that will in any way compromise our ability to provide you with suitable advice.

## Data Protection

For details of our Data Protection policy, please see our Data Protection Notice, which will be provided separately to you.

## 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.

## Complaints

If you wish to register a complaint, please contact us in writing at the address at the front of this agreement or telephone us on 0151 375 9848.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service: <https://www.financial-ombudsman.org.uk>.

## Compensation Arrangements

We have briefly set out some information about the Financial Services Compensation Scheme (FSCS) below. If you would like further information about compensation scheme arrangements, details are available at <https://www.fscs.org.uk> or call 0800 678 1100.

Most of the products we advise on are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if product providers or we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

The actual level of compensation you receive will depend on the basis of your claim. The FSCS only pays compensation for financial loss. Compensation limits are per person per firm, and per claim category.

The maximum liability limit for any claim made against Pavis Financial Management Limited will be capped at the limit covered by our Professional Indemnity Insurance, which is £2.5 million.

### Investment

Most types of investment business are covered for 100% of the first £85,000 per person per firm, so the maximum compensation is £85,000 per person per firm.

### Deposits

Money in accounts like current and savings accounts, including cash Individual Savings Accounts (ISAs) are covered up to £85,000 per authorised firm (£170,000 for a joint account). It should be noted that 'authorised firms' may have different brands. The FSCS will provide a £1million protection limit for temporary high balances held with your bank, building society or credit union if it fails. A temporary high balance would apply when payments have been received in respect of specified life events, details of which can be obtained from FSCS.

### Protection, non-Investment Insurance mediation

Protection is at 100% without limit, where the claim is in relation to a long-term care insurance contract that is a pure protection contract, or the claim is in respect of a liability subject to compulsory insurance.

In all other cases: 90% of the claim without limit.

### Client(s) Consent

This is our standard client agreement and fee structure 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>Client signature(s)</b>		
<b>Date of signature(s)</b>		



## The Pavis Ongoing Service Proposition

All plans should be carefully reviewed and fine-tuned along the way and we'll work alongside you to help keep things on target.

Things can change. If they do, we'll help you reset your objectives, regain focus and get you on track.

We'll provide you with support and coaching at our regular meetings to help you achieve those life-goals that need financial resources.

You'll be invited to our yearly client briefing events.

Our ongoing service proposition includes:

<b>Access to the team and your adviser</b>	<ul style="list-style-type: none"> <li>- response to emails, phone calls and letters from our clients is generally within 48hrs</li> <li>- in the absence of your nominated adviser, you will have access to a Chartered Financial Planner or another suitably qualified adviser</li> </ul>
<b>Review Meetings</b>	<ul style="list-style-type: none"> <li>- offer of a minimum of one review meeting each year which includes:-               <ul style="list-style-type: none"> <li>a review of your lifetime plans and goals</li> <li>an update of your financial forecast plan taking into account any changes in your circumstances</li> <li>an assessment of the ongoing suitability of your portfolio</li> </ul> </li> </ul>
<b>Portfolio Review Service</b>	<ul style="list-style-type: none"> <li>on-going portfolio monitoring and advisory advice</li> <li>offer to reassess your attitude to risk</li> <li>review asset allocation in line with attitude to risk</li> <li>realign asset allocation to benchmark quarterly (if Premier)</li> <li>research into appropriate investments in your portfolio</li> <li>design and construction of tax efficient portfolio</li> <li>online access to portfolio valuations</li> <li>portfolio valuations between reviews, on request</li> </ul>
<b>Professionals Service</b>	<ul style="list-style-type: none"> <li>recommend suitable professional advisers as needed</li> <li>provide updates to your accountant and other professional advisers</li> <li>supply end of year tax information if required</li> <li>ensure that everyone on your financial team provides advice in a co-ordinated way</li> </ul>
<b>Estate Planning Service (not a regulated service)</b>	<ul style="list-style-type: none"> <li>review your Inheritance Tax position</li> <li>advice on trusts</li> <li>liaison with lawyers and other professionals</li> </ul>
<b>Taxation Planning Service (not a regulated service)</b>	<ul style="list-style-type: none"> <li>advice on the most appropriate tax wrappers</li> <li>advice on the use of various tax allowances (CGT/ ISA/ Pension etc.)</li> <li>work in conjunction with your accountant and other taxation advisers</li> </ul>