

Lathe&Co

TERMS OF BUSINESS

Lathe & Co Wealth Advisers

Warnford Court, 29 Throgmorton Street, London, EC2N 2AT

Lathe & Co Ltd is an Appointed Representative of Intrinsic Financial Planning, who are authorised and regulated by the Financial Conduct Authority.

TOB.L&C.6.1

- This document sets out the terms of business between our firm (as an Appointed Representative) and its clients.
- These 'Terms of Business' apply until further notice and must be read in conjunction with the 'Guide to Our Service'. In case of any ambiguity between the documents, this 'Terms of Business' will take precedent.
- Either we or you can end these terms at any time, without penalty and this will not affect any outstanding transactions being carried out on your behalf.

Contents

CONFIRMATION OF MY ADVICE AREAS.....	3
CONFIRMATION OF WHOSE PRODUCTS I OFFER.....	3
WHAT YOU WILL PAY FOR MY SERVICES.....	3
INVESTMENT FEES – AD HOC / WHERE NO ONGOING SERVICE IN PLACE	4
INVESTMENT FEES - STANDARD	4
ONGOING SERVICES & FEES	7
ONGOING SERVICES & FEES – MORTGAGE & PROTECTION ONLY.....	8
OTHER IMPORTANT INFORMATION WE FEEL YOU OUGHT TO KNOW	10

Insurance
I will advise and make a recommendation for you after I have assessed your needs for Life Assurance, Critical Illness, Income Protection, Accident Sickness/Unemployment, Home Insurance, and Private Medical Insurance.
I will advise and make a recommendation for you after I have assessed your needs.
Advice – I will advise and make a recommendation for you after I have assessed your needs

CONFIRMATION OF MY ADVICE AREAS

Insurance
We offer Life, Critical Illness, Income Protection and Whole of Life products from a panel of leading insurers. Ask us for a list of insurers we offer insurance from.
Mortgages
We offer mortgages from the whole market.
Investment
Restricted advice – My recommendation will be based on products from panel of leading investment companies. I will be happy to provide you with a list of the companies on the panel at your request.

CONFIRMATION OF PRODUCTS OFFERED

It is important to point out that not all mortgage loans and services are regulated by the Financial Conduct Authority. Some of the advice and services we provide may relate to loans which are either unregulated or have limited consumer protection.

We will confirm if any product we are recommending is not regulated by the FCA.

You should note that if we are arranging a “Buy- to-Let” mortgage for you, it is imperative to understand that very few Buy-to-Let mortgages are regulated by the Financial Conduct Authority (FCA).

We will confirm to you if any product we are recommending is a Business Loan; a Business Buy-to-Let; or a Consumer Buy-to-let loan.

WHAT YOU WILL PAY FOR MY SERVICES

Insurance
No fee for Life Assurance, Critical Illness, Income Protection, Accident Sickness & Unemployment, Home Insurance, and Private Medical Insurance. We will be paid by commission from the company.
You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.
Mortgages
Residential mortgages:
We charge a fee of £200. This fee is for advice, research, recommendation, implementation (e.g. application, administration of arranging the loan). We will also be paid by commission from the lender.
Our fee is payable on application.

Should you wish you can request to view the commission rates from each of the lenders we have considered at the time that we make our recommendation to you.

NB- The amount of commission will vary depending on individual circumstances; the lender and product. The exact amount of the commission will be explained to you before you apply for a loan.

For Business loans; Business Buy To Let; Consumer Buy To let:

We charge a fee of £200. This fee is for advice, research, recommendation, implementation (e.g. application, administration of arranging the loan). We will also be paid by commission from the lender. Our fee is payable on application

Should you wish you can request to view the commission rates from each of the lenders we have considered at the time that we make our recommendation to you.

NB- The amount of commission will vary depending on individual circumstances; the lender and product. The exact amount of the commission will be explained to you before you apply for a loan.

You will receive a mortgage illustration when considering a particular mortgage, which will tell you about any fees relating to it.

Investment

Ad hoc fees – where you do not wish to subscribe to an ongoing service, or where you want specific advice or project work. It is likely that VAT may be due on these fees.

Standard fees – where you wish to take advantage of our full advice process, or our ongoing service options. These are shown by way of implementation and ongoing service fees, and it is likely that no VAT is due on these fees.

Payment for our services will be based on an agreed Advice fee. 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 will be paid.

You will see all our fee options displayed to you on the following pages.

INVESTMENT FEES - STANDARD

- This process only begins once you have agreed to approved arrangements that will be put into action. This involves arranging investments or other products on your behalf, as required, and may extend to implementing a specific financial planning process, such as estate planning.
- We will act as the intermediary between the product provider(s) and you with a view to arranging the purchase of the Retail Investment Products as we have agreed.

Fees for the design, production and implementation of a financial strategy are calculated as follows:

In Respect of Lump Sum Investments and Single Premium Pensions:

The fee is calculated according to the size of the transaction, as set out below:

Initial fees:

Unless otherwise explained the charges below will cover a full advice process: understanding your current situation, objectives, attitude to risk, research to identify suitable solutions, documenting our recommendations and implementing the agreed solutions.

Initial Advice Options:**1. Percentage of Investment or Transfer amount**

When our work entails investing a lump sum of money, our charges are:

- **3.00%** to **5.00%** on first £150,000,
- **2.00%** to **3.00%** on the next £100,000 and
- **1.00%** to **2.00%** on any balance

Our typical charge is **3.00%** of the sum invested, which for an investment of

- £75,000 would be £2,250 and for
- £100,000 would be £3,000

As there is a minimum amount of work involved with even relatively small sums to be invested, the percentage is typically higher for smaller investments, such as with an ISA.

Our typical charge for a full ISA annual premium of £20,000 (for the 2018/19 tax year) or other similar size investment would be **3.00%**, which equates to £600.

NB: for EIS/VCT investments initial charge is 3.00% on any lump sum amount. Due to research, paperwork and due diligence involved.

Should you invest through regular premiums, our range of charges taken over 12 months are

- Up to **50%** of the first £250 of monthly premiums
- Up to **30%** of the next £500 of monthly premiums
- Up to **20%** over £750pm

Our typical charge is **30%** of the first year's premiums

For a regular premium of £150 per month, this would equate to £540 (12 x £150 x 0.3)

For premiums above £250 per month our typical charge is [**30%**]

The charges outlined above are raised when the investment is made, and it is likely that no VAT is due on these fees.

2. Hourly Rate

Our charge may be based on the amount of time involved to undertake work at the following hourly rates:

Advice - Chartered	£400
Advice - Diploma	£200
Para planning support	£75
Travel and Administration	£50

Based on our experience and the anticipated complexity of your circumstances we will give you an estimate of the cost for pieces of work in advance of starting chargeable work and will not exceed this estimate without your clear agreement. Travel time is charged if meetings are not held in our offices.

Time Frames:

The typical time involved to complete the advice process in our offices by a diploma qualified adviser for a client with a single investment or to set up a pension arrangement will be:

Adviser	6 hours at a cost of £1,200
Paraplanner	5 hours at a cost of £375
Total:	£1,575

For a Pension Transfer from two ceding schemes, in our offices, the cost will be:

Adviser	3 hours at a cost of £600
Paraplanner	8 hours at a cost of £600
Total:	£1,200

If you ask us to stop work after agreeing to these charges you will be invoiced for the time spent on your case before we receive your instructions.

If detailed recommendations with illustrations have not been provided and discussed with you at this point; it is likely that VAT is due on these fees.

3. Fixed Rates

We offer a range of advice services at fixed rates, set after an initial consultation.

Full details of all fixed price services available will be provided on request but our typical charges for two levels of Financial Review are:

Full Financial Review - £1,500

A fully documented review of your:

Assets, liabilities, net worth, current and projected income/expenses (e.g. projected into retirement), insurance policies, retirement provision and other investments; including an analysis of current product and fund features and estimated inheritance tax liabilities with generic recommendations to meet your broad financial objectives.

Basic Financial Review - £750

A simple documented review of current arrangements in relation to your objectives, orientated to meet a need (such as retirement income) with generic recommendations.

If no further work is undertaken leading to an actual investment; it is likely that VAT is due on these fees. Charges calculated using an hourly or fixed rate may be paid directly or may be converted to a % of a subsequent investment, facilitated by the Product Provider.

Minimum Fees & VAT

The fees outlined above are raised when the investment is made, and it is likely that no VAT is due on these fees.

Any variation to this amount will be confirmed in writing to you before any further proceedings. This may be, for example; for larger or more complex loans, or where your personal situation is more complex regarding income sources, taxation, residence and credit rating.

ONGOING SERVICES & FEES - INVESTMENTS

Set out below are the detailed elements for the indicative levels of ongoing service that we deliver to our clients. You can, if you wish, add or augment levels of service with your adviser as you deem appropriate. Our fees for our services can be seen below:

Enhanced	Where client's portfolios grow in terms of value, and potentially complexity, these need to be managed and reviewed appropriately. Building on our annual review services, this service has more frequent reviews and opportunities to ensure clients are kept informed of performance, and plans maintained in line with client's circumstances and objectives. This may well include consultations with other specialist advisers.
Standard	A comprehensive service aimed at initial analysis, recommendation and implementation in line with a client's immediate needs. With ongoing review and recommendation, this is a service to adapt to a client's changing needs and circumstances.
Basic	A straightforward advice service typically centred on immediate client issues and needs that require initial analysis and recommendations. With ongoing review delivered remotely and via advisory updates, this still brings client awareness and peace of mind.

At a review, we will cover:

- Assessment of personal circumstances
- Review of your goals & objectives
- Reassessment of your attitude to investment risk/return & market sectors (asset allocation)
- Review of investment performance & holdings
- Valuations & investment commentary
- Where appropriate, recommendations in order to keep your new / existing* plans in line with your objectives

*Advice on new investments/savings will be subject to our 'initial fees' as shown under our 'Investment Fees - Standard' section earlier.

Service will include recommending changes to existing investments to help meet your goals at an acceptable level of investment risk, providing fund analysis and valuations and a wide range of associated ad hoc services.

All service levels include a review, it is simply the style and frequency that alters as shown in the table overleaf:

<u>On Going Service Offering</u>	<u>Enhanced</u>	<u>Standard</u>	<u>Basic</u>
Keeping you informed with pertinent and relevant information	YES	YES	YES
Annual valuation of plans invested via ourselves	YES	YES	YES
Telephone and e-mail access to your adviser included	YES	YES	YES
Option of an annual telephone review of your plans	YES	YES	YES
Annual Face-to-Face review meeting	YES	YES	NO
Half Yearly Face-to-Face review meeting	YES	No	NO
Liaising with your other professional advisers i.e. legal, accountancy without extra charge	YES	NO	NO
Annual Service Charge:	1.00%	0.75%	0.50%

Please note that as the fee is based the investment value, the actual amount we receive will increase (or decrease) in proportion to any increase (or decrease) in the value of your portfolio.

Alternatively, for clients and their families with more complex financial arrangements likely to need a range of support services over time such as IHT planning, re-mortgaging, taking retirement benefits over time and regular cash flow monitoring, we may agree a monthly retainer that reflects the service required, paid by standing order or direct debit. A typical charge will be £X per month. Details are available on request.

Examples of Ongoing Fees

If we look after you via our enhanced service (as detailed above) & your investments are valued at £150,000, our charge is **1.00%**. Therefore, the annual payment to us will be £1,500.

If we look after you via our standard service (as detailed above) & your investments are valued at £80,000, our charge is **0.75%**. Therefore, the annual payment to us will be £600.

If we look after you via our basic service (as detailed above) & your investments are valued at £50,000, our charge is **0.50%**. Therefore, the annual payment to us will be £250.

INVESTMENT FEES – AD HOC / WHERE NO ONGOING SERVICE IS IN PLACE

If you do not wish to subscribe to an on-going service, we provide many services on an 'ad-hoc' basis. Should you require any services as noted below, or bespoke work to be carried out, we will be able to tailor a specific service.

An additional charge may be required, typically calculated in accordance with our hourly rates, as shown at the bottom of the table below.

Prior to any work being agreed and carried out we will give an indication of the approximate amount of time that these tasks may take. These additional charges may be paid by a single payment (e.g. by cheque), charged from your investment plan(s) or via regular monthly retainer payments (e.g. standing order).

Fees will depend on individual circumstances, but are typically:

Face to face meeting to review your financial planning, confirm your existing provisions, and & identify areas of need and/or concern:	£750
Advice and recommendation to address an agreed area of need / concern (e.g. retirement planning, estate planning, investment solution):	£750
Regulatory & taxation updates:	£49 p.a.
Annual valuation:	£100
Annual risk profile questionnaire:	£100
Annual telephone advisory update:	£200
Additional reviews:	From £400 a session
Quarterly E-Newsletter facility:	£30 p.a.
Pure time related hourly rate work:	£152 per hour

Please note that these services on their own are likely to attract Valued Added Tax (VAT), in accordance with current HMRC (Her Majesty's Revenue and Customs) guidelines.

Where any of the above services are included in an ongoing service option, you will not be charged separately for these services.

ONGOING SERVICES & FEES – MORTGAGE & PROTECTION ONLY

Set out below are the details for the ongoing service that we deliver to our clients.

You can if you wish to, add or enhance levels of service with your adviser if you feel appropriate (usually for an agreed fee).

There is no fee for the following level of service, as we will have been paid commission from the mortgage lender or insurance provider at inception of your mortgage or protection plans.

Communication

To provide you with a high-quality service we may consider contacting you in regard of items we consider are of interest to you, or to make you aware of new opportunities. If this happens, we would like to contact you.

Protection

It is important to ensure your current protection plans and provisions remain in line with your objectives. If you wish, we can review this once a year with you.

Mortgages

If we do not review your borrowing, you may end up paying more than you need to for your loans. We aim to contact you before any special terms of your mortgage expire. Ideally this will be 6 months beforehand. We encourage you to contact us should your financial circumstances change in the meantime. We will make reasonable endeavours to contact you. Please be aware that should we not be able to review your mortgage before the end of any special term, this may result in you paying considerably more for your loan.

OTHER IMPORTANT INFORMATION WE FEEL YOU OUGHT TO KNOW

If You Are Not Satisfied with Our Service

If you have a complaint about your Adviser or any financial advice you have received from your Adviser, please contact us:

Address: Complaints Department, Intrinsic Financial Services Limited, Wiltshire Court, Farnsby Street, Swindon, SN1 5AH.

Telephone: 01793 647400

Email: complaints@intrinsicfs.com

We will be happy to provide you with a summary of the internal procedures for handling complaints, this is available without charge upon request.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service (e.g. if we arranged insurance or a regulated mortgage product).

The Financial Ombudsman Service can be contacted as follows:

Address: The Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

Telephone: 0300 1239123

Email: complaint.info@financial-ombudsman.org.uk

www.financial-ombudsman.org.uk

You should note that if your Buy-to-Let Mortgage is not regulated by the FCA, you will NOT be entitled to refer the complaint to the Financial Ombudsman Service.

Our Regulator - The Financial Conduct Authority

We are an appointed representative of Intrinsic Financial Planning Limited (FCA Register number is 440703), Intrinsic Financial Services Limited, Wiltshire Court, Farnsby Street, Swindon. SN1 5AH which is authorised and regulated by the Financial Conduct Authority.

In cases where we provide mortgage advice, this is covered via Intrinsic Mortgage Planning Limited (FCA Register number 440718).

The permitted business of Intrinsic Financial Planning Limited and Intrinsic Mortgage Planning Limited is advising on and arranging pensions, investments, mortgages, life assurance and general 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 0300 500 8082.

Client Classification Levels for Your Protection

The FCA has rules which affect your rights as a customer.

We classify all our individual customers as 'retail' customers. As a retail customer you have rights under the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS).

There are other classifications of customer that don't have these rights. These are "professional" customers - such as listed companies, local authorities and larger partnerships or trusts. Also "eligible counterparties" (e.g. national governments and other state bodies, banks or regulated financial services firms).

If you have any questions regarding your classification (e.g. if you are a large company), please write to Intrinsic Financial Services Ltd Compliance Department, Intrinsic Financial Services Limited, Wiltshire Court, Farnsby Street, Swindon. SN1 5AH or to the Financial Ombudsman Service and FSCS.

Client Money Peace of Mind

We do not handle Client Money. We never handle cash and will only accept a cheque made out to us in settlement of Advice and Service fees. Our preferred method of payment is via bank transfer.

Your Duty of Disclosure

Any financial advice we provide will be based on your personal financial circumstances and objectives. It is important that the information you give us is both accurate and a true reflection of your current circumstances.

It is your responsibility to provide complete and accurate information to a provider (a provider being for example, an organisation that provides insurance, mortgage, or investment related plans).

It is important that all statements made on any proposal form, or on any additional documentation are full and accurate.

Please be aware that if you fail to disclose any relevant information, or any change of circumstances to a provider, then the terms of your desired plan may be invalidated (e.g. an insurance claim may not be paid). We strongly recommend that the information you provide is checked thoroughly prior to submission.

Investment Advice and Recommendations Scope

Any investment advice your adviser provides will be based on your personal financial circumstances and objectives. We will confirm these and the reasons for any recommendation in an Advice Report.

If you have asked for any restrictions on the types of investment or the markets you wish to invest in, these will be confirmed in the Advice Report. We will always make it clear when products are not within the 'regulated' scope and advise you of your rights.

Paying for Advised Services

Where payments are facilitated through a product, this will impact the actual amount remaining invested. Payment of the initial Advice and Ongoing Service fees facilitated by the relevant Product Providers or Platform administrators will be as a percentage of contributions invested or of the value of the plan's value/funds under management as at the anniversary of the initial investment. As such, the cash equivalent amount will vary depending on the value at the time.

Providers/Platform administrators will detail the specific process they operate to facilitate a fee in their literature. If you opt to pay the Adviser Charge directly (not through a product) an invoice

will also be provided, which must be settled within 14 days of issue (we reserve the right to charge interest on late payments at a rate of 3% above Bank base rate). Full details of the final Advice will be provided in the Suitability Advice Report. Full details of the any future Service fee will be provided either in the Suitability Advice Report or '**Authority to Proceed**' document prepared for you by your Adviser. You may also be asked to sign and return a copy of the Authority to Proceed document to confirm your understanding and acceptance of the arrangements.

Cancellation / Termination of Authority

The Ongoing Service fee or our authority to act on your behalf can be cancelled at any time without any penalty by email or post using contact details provided. These methods ensure we have an audit trail for your instruction. You will be responsible for cancelling any instructions from your bank. If the fee is being taken from your investments we will endeavour to instruct the Provider, Platform or DFM to stop the fee within 5 working days of receiving your instructions and refund any over payment if we are unable to meet this commitment.

You may ask us for an updated estimate of your advice charge at any time and you may ask us not to exceed a given amount without checking with you first.

Investment Advice Refunds

Our standard policy is that in circumstances where this agreement is terminated, a recommendation is not followed through to implementation, or a product arranged is cancelled at any time, no refunds will be given, and all work undertaken will be billable and due. Please note that this does not affect your statutory rights or ability to complain.

If you cancel your investment(s) in the cooling off period or stop regular contribution payments the fee will no longer be due unless a minimum fee is stated in this Terms of Business and your Adviser Charging Agreement/Authority to Proceed.

Language

Unless agreed by us at outset all communication will be completed in English.

Overseas permissions

Financial Planning: All advice will be conducted in the UK. We do not have permissions to give advice when either you or I are located in any overseas location regardless of whether that location is in the European Economic Area (EEA) or not.

Mortgage Advice: All advice will be conducted in the UK. We do not have permissions to give advice when either you or I are located in any overseas location regardless of whether that location is in the European Economic Area (EEA) or not.

Protection Advice: All advice will be conducted in the EEA. This means that both you and I can be in any EEA country at the time advice is given.

Timing of Reports

Financial Planning: I will send you a Suitability Advice Report setting out the reasons for my recommendation at the time of my recommendation and where applicable before implementing any advice that I have recommended.

Mortgage Advice: I will send you a Suitability Advice Report setting out the reasons for my recommendation within 15 days of making that recommendation.

Protection Advice: I will send you a Suitability Advice Report setting out the reasons for my recommendation within 5 days of completion of the contract.

If you would like this in an alternative format e.g. Braille, Moon, Clear and Large Print, Audio documents (Cassette, CD, MP3 or Wav) or any other languages please let me know.

VAT

The service we provide is described as an 'intermediation' service. This means we provide advice with the intention of acting between you and a product provider to arrange a financial product or service. If we did not do this, we would be liable for VAT on the fees charged. VAT is not applicable on the fees we charge for intermediation services. In arranging the sale of retail financial products an adviser charge made for advice, even if you decide not to proceed with the purchase of the recommended product, will remain VAT free where the adviser has provided you with full advice services up to that point, including all relevant documentation.

The adviser charge made for an ongoing service is also VAT free provided it is in respect of an intermediation service. This means activities such as topping up an investment or utilising available investment tax allowances, such as the ISA allowance. In the event that the advice services we provide become ancillary to our intermediation services, VAT may become chargeable (e.g. we review your entire financial circumstances but make no or limited recommendations).

Should this change in the future, and where VAT becomes due, we will notify you before conducting any further work. In any case, where VAT is payable on our services it will be charged in addition to the agreed fee.

However, where a Discretionary Fund Manager (DFM) forms part of a solution, then VAT may become chargeable.

Declaration of Other Interests

Intrinsic has several payment arrangements with various product providers to facilitate adviser learning and enhance the outcomes for our customers. Further details are available on request.

Our Loans and Ownership

Intrinsic Financial Services Limited owns 100% of the share capital of Intrinsic Financial Planning Limited, Intrinsic Wealth and Intrinsic Mortgage Planning Limited. Old Mutual Wealth Holdings Limited owns 100% of the share capital of Intrinsic Financial Services Limited.

Old Mutual Wealth Holdings Limited is part of the Quilter Group. The Quilter Group of companies offers a range of pension, protection and investment solutions through both a UK and International platform. This may give rise to a potential conflict of interest where a company within Quilter Group has a suitable solution for your needs. If such a situation occurs I will ensure that my recommendation is the best execution of your needs. I will also highlight the potential conflict of interest at the time of making the recommendation.

Addressing Financial Crime

All transactions relating to the services provided by us are covered by Money Laundering Regulations and the Proceeds of Crime Act, 2002. The FCA also requires that we have appropriate measures in place to prevent the furtherance of financial crime.

Our responsibilities include but are not limited to verifying the identity and address of our clients and any third party making payments on their behalf. If required, you must supply proof of your identity in accordance of the above Regulations. Identity verification checks may include electronic searches of the electoral roll and the use of credit reference agencies, which will result in a soft 'foot-print' on your credit records.

This foot-print is not visible to other financial service providers and does not affect your credit rating in anyway. In accordance with the Data Protection Act 2018 acceptance of these terms and conditions represents your permission for us to access this information.

Financial Services Compensation Scheme (FSCS) Current limits

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. i.e. it differs for investments, insurance, mortgages and bank accounts.

- **Insurance:** Insurance advising and arranging is covered without any upper limit.
- **Mortgages:** Mortgage advising and arranging is covered up to a limit of £50,000.
- **Investment:** Most types of investment business are covered up to a limit of £50,000.
- **Deposits:** Bank Type Deposits are covered up to a limit of £85,000 per institution.
- **Structured Deposits:** Structured deposit advising and arranging is covered up to £85,000
- **General Insurance:** General insurance advising and arranging is covered up to 90% of the claim with no upper limit. Compulsory Insurance is covered without any upper limit.

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

The Law That We Operate Under

All of our agreements provided are governed and construed in accordance with the laws of England and Wales. In relation to any dispute, for your protection you agree to submit to the non-exclusive jurisdiction of the English courts.

The Data Protection Act 2018

The personal information you provide will assist your financial adviser in offering you the best advice as required by the Financial Services and Markets Act 2000. The personal data you provide will be used and stored in accordance with the Data Protection Act 2018 which incorporates the requirements of the General Data Protection Regulation (GDPR) into UK legislation. Before collecting any data from you, you will be issued with a Privacy Notice Document and will be asked to agree to the collecting, storing and use of your Special Category Data.