

CLIENT AGREEMENT

BALPA Financial Solutions Ltd is authorised and regulated by the Financial Services Authority. FSA Number 136761.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS

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

BALPA Financial Solutions Ltd 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 Services Authority (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

BALPA Financial Solutions Ltd is permitted to advise on and arrange (bring about) deals in investments and non-investment insurance contracts.

Unless we have previously agreed with you, with regard to investments and non-investment insurance contracts, which we have arranged for you, these will not be kept under review but we will advise you upon your request. However, we may contact you in the future by means of an unsolicited promotion should we wish to contact you to discuss the relative merits of an investment or non-investment insurance contract or service which we feel may be of interest to you.

BALPA Financial Solutions Ltd **does not handle clients' money for investment purposes.** We never handle cash or 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 in relation to premiums relating to Flying Licence Insurance.

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 for Term Assurance, Critical Illness, Private Medical Insurance and Permanent Health Insurance.

We only offer products from Flightcrew Risk Solutions PCC Ltd or Catlin (UK) Limited for Flying Licence Insurance.

We will normally advise and make a recommendation for you after we have assessed your needs for most types of non-investment insurance contracts that we deal with.

However in some cases where you may not require advice or a recommendation we may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

Ownership

We own 100% of the share capital in Flightcrew Risk Solutions PCC Ltd who issue our Flying Licence Insurance policies.

Conflicts of Interest

BALPA Financial Solutions Ltd 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 will be provided to you on request.

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

The information you have provided is subject to the Data Protection Act 1998 (the "Act").

It is understood that you consent to us or any company associated with us processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management. This includes Paradigm Partners LLP who provide us with advice on the FSA regulations and compliance from time to time.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FSA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition; the commission or alleged commission of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact The Data Protection Officer on 020 8476 4056 or in writing at BALPA Financial Solutions Ltd, BALPA House, 5 Heathrow Boulevard, 278 Bath Road, West Drayton, UB7 0DQ.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purpose. Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

A copy of our full Data Protection Policy is available upon request

Payment for Services

Investment

You will pay for our services on the basis of a fee, commission or a combination of fee and commission. 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.

Customer Agreed Remuneration

We believe that it is very important to agree remuneration with our clients at the outset. Our charges are transparent and agreed prior to any costs being incurred by our clients.

There are three parts to the services we offer:

- 1. Advice** - We will gather and analyse personal information about you, your finances, your needs and objectives, recommend and discuss any action we think you should take and provide you with a financial planning report.
- 2. Arranging Products** – Implementation of products and/or investments for which we are regulated, as recommended in your financial planning report.
- 3. Ongoing Service** - This may include an annual portfolio review, valuations of existing investments and face to face review meetings.

Paying by fee

Whether you buy a product or not, you will pay us a fee for our advice and services. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee; or reduce your product charges; or increase your investment amount or refund the commission to you (where legislation allows).

We will confirm the actual rate we will charge in writing before beginning work. Our typical charges are:

Investment Implementation Fee including Pension Transfers (please also see specific section on Pension Drawdown)

This is charged as a percentage of the amount being transferred, paid or invested of up to 3% of initial investment amount.

For example, for an amount of £100000 under review the Investment Implementation Fee could be £3000.

There are instances where our advice will not result in a lump sum investment, for example tax planning or regular premium contracts, in such a case we would charge by an hourly rate (see section of Hourly Rates)

Investment Implementation Fee for Pension Drawdown

This is charged as a percentage of the amount being transferred, paid or invested after deduction of any Pension Commencement Lump Sum (tax free cash) amount taken of up to 2% of initial investment amount, on the first £1M, then 1% on the remainder, up to a maximum of £30K.

For example, for an amount of £500000 under review the Investment Implementation Fee could be £10000.

There are instances where our advice will not result in a lump sum investment, for example tax planning or regular premium contracts, in such a case we would charge by an hourly rate (see section of Hourly Rates)

Hourly Rates

Our typical charges are:

Financial Adviser:	£200 per hour
Administration	£45 per hour

We will confirm the rate we will charge in writing before beginning work and we will tell you if you have to pay VAT. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed an amount without checking with you first.

We will confirm the areas we are to advise you on and will provide you with an itemised schedule of the fees payable. For example this could cover an initial review, specific recommendations, implementation of recommendations, annual or more frequent reviews of plans and recommendations.

Our fees will become payable on the presentation of an invoice.

Ongoing Reviews

Ongoing review fees are paid by clients requiring our ongoing service, which aims to ensure the continuing suitability of the client's initial strategy, through regular contact and/or meetings.

The fees, which we charge annually, to provide the ongoing service, are dependent on the service proposition agreed with you. Details of this will be discussed with you and confirmed in writing.

The fee will be generally expressed as a percentage of the ongoing funds under review for Investment Business of up to 1% of assets under review for ongoing support and advice. In certain circumstances this may be paid by the investment manager and in this instance the 1% would be waived.

For example, for an amount of £100000 the fee could be £1000 per annum for the ongoing support and advice (the actual amount may vary in later years dependent on the fund value).

Paying by commission (through product charges)

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing to us up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower.

The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest and / or your age. For example:-

If you invest £10000 lump sum into a unit trust or pension we would receive 3% plus 1% of your fund from year 2 i.e. £300 plus £100 each year from year 2.

If you invest £10000 lump sum into an investment bond we would receive 3% plus 1% of your fund from year 2 i.e. £300 plus £100 each year from year 2.

If you invest £100 per month into a pension for 25 years we would receive 3% of all payments plus 1.0% of the fund from year 2 i.e. £36 each year plus £24 in year 2, £36 in year 3, and so on.

If you purchase an annuity for £10000 we would receive 1% i.e. £100

The commission received may not include payment for any ongoing services such as periodic or ongoing reviews, unless previously agreed with you.

We will tell you how much the commission will be before you complete an investment but you may ask for this information earlier.

Non-Investment Insurance

We do not charge a fee but we may be paid for this business by way of commission by the provider recommended.

Information about other costs and charges

There may be other costs, including taxes, that are payable through other parties (such as the product provider) that we may not be party to. Such charges are normally disclosed in relevant third party documentation, for example a Key Features Document.

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.

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, BALPA Financial Solutions Ltd 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 may 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: The Complaints Officer, BALPA Financial Solutions Ltd, BALPA House, 5 Heathrow Boulevard, 278 Bath Road, West Drayton, UB7 0DQ or by telephone on 020 8476 4056.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

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.

Further information about compensation scheme arrangements is available from the FSCS

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 are 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. If you do not understand any point please ask for further information.

By accepting this agreement you hereby authorise the transfer of information, as described above on a confidential basis when warranted between such third parties.

We agree that this client agreement will come into effect from the date of receipt by you.