

LARK EMPLOYEE BENEFITS LIMITED

INDIVIDUAL CLIENT AGREEMENT AND TERMS OF BUSINESS

EMPLOYEE BENEFITS
MADE TO MEASURE



LARK

INTRODUCTION

The Financial Services and Markets Act 2000 (FSMA) requires that we explain the main aspects of the way we operate, and how this affects you, the client. This Agreement will be effective from the date you request services from us, or submit an application via us to effect a contract. We reserve the right to amend this without your consent but we will give at least 10 business days notice before conducting relevant business, unless we consider it impractical to do so under the circumstances existent at that time. These are our standard terms of business 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.

OUR STATUS

Lark Employee Benefits Limited is authorised and regulated by the Financial Conduct Authority (FCA). Our Financial Services Register number is 173304. Our permitted business includes advising on and arranging investments and general insurance (e.g. pure protection) contracts. You can check this on the Financial Services register website www.register.fca.gov.uk or by contacting the FCA on 0800 111 6768

Lark is not tied to any insurer. However Hiscox Underwriting Limited holds a c20% shareholding in Lark's ultimate holding company. Lark does not have any holdings or voting rights in any insurer.

SERVICES

Our primary service is the provision of Pension and Protection broking and related advice, to businesses and individuals, and the administration of such arrangements. As such, we offer a restricted advice service in that we do not advise on all products, and for certain contracts we may only consider products from a limited number of providers. You may ask us for a list of companies and products we offer advice on.

We do not provide a holistic financial planning service, advice on tax mitigation plans nor do we arrange or advise on non-pension related investments. We are not investment managers. Since we do not offer a holistic planning service you will need to satisfy yourself in respect of protection contracts that the level of cover being arranged meets your requirements.

Our Pension service will include the establishment and running of group pension arrangements, as well as pre-retirement planning and guidance on the available pension options at and after retirement for individuals.

We will review the whole of the market in making our recommendation to you. If our service differs to this, for example if we offer products from a limited number of providers, or a single provider, we will inform you of this.

Where we provide advice to you we will ensure that it is suitable in light of your objectives, which our adviser will ascertain based on information provided by you. We will explain the main aspects of our recommendation, including any associated risks and costs involved. Where advice is not provided, we will not ascertain your objectives or give advice as to the merits of the transaction, but we may provide you with information and you will need to make your own choice about whether to proceed.

CLIENT CATEGORISATION

You will be categorised as a Retail Client unless you are a Professional Client or a Market Counterparty, as defined by the Financial Conduct Authority. By being categorised as a Retail Client you will be provided with the highest level of regulatory protection. If you are to be categorised as a Professional client or Market Counterparty we will inform you and confirm to you your right to change your categorisation and the implications of this.

RECORDS

We will, if required by you or your agent, supply copies of paper or computerised records relating to you. We may apply an administration charge for this service. We undertake to maintain such records for a period of at least six years (or indefinitely if in relation to a pension transfer, pension opt-out or Free-Standing AVC) from the date you cease to be a client of Lark Employee Benefits Limited.

CONFLICTS OF INTEREST

We undertake not to transact business for you in which we or one of our other customers or any director/partner/employee has a known interest, or we become aware that these interests conflict with yours, unless that interest is first disclosed to you and your written consent is obtained.

INSTRUCTIONS

Normally we ask clients to give instructions in writing, usually by completing the relevant application form and signing the appropriate declaration. Where exceptionally such instructions are initially given verbally, you will immediately confirm them in writing.

We are obligated not to act on any instructions where we believe that the transaction concerned would not be suitable for you. In such cases we shall immediately notify you in writing (letter, electronic mail or facsimile) of the reason for this. No action shall then be taken unless you confirm the instruction in writing.

INVESTMENTS

As intermediaries we never own the investments you buy or transact through us. All investments will be registered in the name(s) of the client(s) unless otherwise agreed in writing. We will forward to you all documents showing ownership of the investments as soon as practical after we receive them.

Where a number of documents relating to a series of transactions are involved, we may retain each document until the series is completed and then forward them to you. In some cases the documentation will be sent to you direct from the product provider.

CANCELLATION RIGHTS

Once you have submitted an application for an investment, you may have a right to cancel your purchase, and you will be given notice of this where applicable. The start of the cancellation period will normally begin when the contract has been concluded or, if later, when you receive the contractual terms and conditions.

CLAIMS

You must tell Lark as soon as reasonably possible of any event which may result in a claim under any insurance arranged by Lark and of all relevant facts relating to the event. This does not over-ride any additional obligations imposed by insurers, details of which will be set out in the policy wording. Lark will advise insurers in accordance with the circumstances notified by you. You will be required to give all necessary information and assistance required by insurers in order to deal with your claim. Failure to advise Lark promptly and fully may result in insurers refusing to pay your claim.

LANGUAGE OF COMMUNICATIONS

All communications between you and Lark including all communication of terms and conditions will be in English unless otherwise agreed in writing.

ELECTRONIC COMMUNICATIONS

Both parties may communicate with each other using electronic mail and attachments. Both parties accept the inherent risks of using such means of communication. Electronic mail will be considered to have been received by the other party when actively acknowledged by them. Both parties are responsible for checking that messages received are complete and both agree that in the event of a dispute neither will dispute the legal evidential standing of an electronic document. Any agreement reached using electronic mail will be binding on both parties.

Although We have in place virus protection software We accept no responsibility for viruses that may enter Your system or data by these or other means.

We are unable to accept instructions from You by means of text messages or messages received other than via Our corporate e-mail addresses.

TELEPHONE COMMUNICATIONS

Both parties may communicate by telephone but it is agreed that no instructions that require action will be left on any messaging service since neither party can guarantee that they will be received or actioned.

BRIBERY ACT 2010

Lark fully complies with the Bribery Act 2010, and will not accept any form of payment, gift or service, the intention of which could be considered to result in the improper performance of our obligations to you. If we reasonably believe that you have attempted to offer a bribe we will terminate our agreement with You.

SANCTIONS

Every business in the UK is subject to the provisions of Government sanctions and is therefore prohibited from dealing with 'embargoed' entities, for example certain foreign states or 'terrorist' organisations. However, where your insurer is based in the United States of America, or has an American owner, then the provisions of their insurance policies are also subject to US Government sanctions as set out by the 'Office of Foreign Assets Control' of the US Government. US sanctions are not necessarily the same as UK or EU sanctions, and any breach by you of any US sanctions would entitle insurers to avoid claims in relation to any dealing with 'embargoed entities'.

If you have any concerns about this you are advised to familiarise yourself with US sanctions by visiting the Office of Foreign Assets Control pages on www.treasury.gov.

OUR REMUNERATION

For Pensions Business our remuneration will be by way of a fee and this will be individually negotiated with you. We confirm that you will not incur a liability to pay a fee until we reach agreement with you in this regard. Unless otherwise agreed, the standard terms for payment of fees will be 14 days from receipt of our invoice, beyond which we reserve the right to charge interest at 3% above the Bank of England base Rate. You will be required to settle the payment of our fee either on completion of our work, completion of a stage of work, or at a pre-agreed billing interval (e.g. quarterly) depending on the agreement between us. We accept cheque or direct transfer payments. We do/do not accept payment by cash or card. You will be provided with a receipt upon payment.

Where we arranged a policy for you prior to 30 December 2012 we may receive commission in relation to this if there is a clear link between the payment and an investment in a retail investment product which was made by You following a personal recommendation made, or a transaction executed, on or before 30 December 2012.

For Protection business (life cover, income protection, healthcare, critical illness etc) we will normally be remunerated by commission. We will provide you with information about the commissions (where receivable) we may receive from the product provider with which the transaction is completed, so far as is relevant to a transaction entered into on your behalf and as required by FCA rules, prior to the contract being effected.

We will confirm what we will charge you in writing before beginning the work. Some types of work may be more difficult to accurately cost in advance due to factors outside of our direct control.

- Depending upon the complexity and type of work required we may agree with you an allowance for some variation of cost without having to refer to you, but this will not exceed 10% of the estimated fee.
- If material factors should arise during the course of our work due to circumstances that could not reasonably have been anticipated by us at outset of our work, we may need to review our costs with you. We will refer back to you at the earliest opportunity with an appropriate explanation, and agree with you a revised cost for our continued work and services. Examples of such circumstances might be where there has been an unexpected change to our regulatory responsibilities, a change in relevant legislation, or a structural change to your company (e.g. following a merger or acquisition) which may give rise to unexpected additional work.

Our typical charges are as follows:

PENSION TRANSFERS

CATEGORY 1: Personal pension plan, stakeholder plan (excluding with-profits).

Research and report work

£500 per plan, payable on appointment.

Transfer administration

£250 per plan, payable on completion of transfer.

CATEGORY 2: Defined Contribution Occupational pension scheme* or any plan holding 'With-profits' investments (*including s32 buy-out plans and Additional Voluntary Contribution plans).

Research and report work

£750 per plan, payable on appointment.

Transfer administration

£250 per plan, payable on completion of transfer.

PENSION DRAWDOWN

Assessing your circumstances and requirements, reviewing your existing arrangements, and providing a recommendation

1% of pensions funds (e.g. if pension funds are worth £100,000 the fee exclusive of VAT will be £1,000)

Ongoing review of drawdown plan

0.34% per annum (e.g. if pension funds worth £100,000 the fee, exclusive of VAT, will be £340 per annum)

Annual review report

£250

We will tell you if you have to pay VAT.

We will be entitled to retain all agreed fees in respect of services provided including for contracts that are cancelled after inception.

Paying by instalments through your recommended product

If you buy a financial product, we may agree that you can have our fee deducted from the product through instalments. Although you would pay nothing to us up front, that does not mean that our service is free.

You would still pay us indirectly through deductions from the amount you pay into your product. These deductions will pay towards settling our fee. These deductions could reduce the amount left for investment.

REVIEW

Once we have arranged a contract for you we will not give you any further advice unless you request it, or as otherwise agreed in writing. We will be glad to advise you at any time you ask us to, however there may be a charge for this service.

UK MONEY LAUNDERING REGULATIONS

We are obliged to comply with the UK Money Laundering Regulations 2007, and also adhere to the guidance notes issued by the Joint Money Laundering Steering Group and Senior Management responsibilities as determined by the FCA. These require financial institutions to have in place procedures for the verification of the identity and place of residence of each client, as well as the source of the relevant funds.

This process may require sight of certain documentation, and where identity cannot be verified satisfactorily, we may not proceed further with the transaction or the business relationship. We will not forward any applications or money to third parties or product providers until our verification requirements have been met, and we take no responsibility for any delay in investing where money-laundering verification is outstanding.

DATA PROTECTION

Information provided by you may be held, processed, disclosed and used by us, our professional advisers, and any associated companies in servicing our relationship with you. However, strict confidentiality will be maintained at all times. It is understood that, unless you notify us otherwise that you agree to the storage, use and disclosure of such information. This information may be disclosed to third party product providers in the course of providing our analysis and servicing of our relationship with you. No information will be passed to another party without your prior consent unless we are legally obliged to do so. You also agree for the purposes described above that your personal data may be transmitted outside the European Economic Area where this is necessary for the provision of services to you.

We may use and analyse your data, including the nature of your transactions, to provide you with information by post, telephone, fax or e-mail, in providing our service to you and informing you of opportunities that may be of interest to you. If you would prefer to be excluded from these services, please write to us at the address below.

WHAT TO DO IF YOU HAVE A COMPLAINT

It is always our intention to provide you with a quality service. However should you have cause to complain please write to the Compliance Officer;

Lark Employee Benefits Limited, Ibex House, 42-47 Minorities, London, EC3N 1DY

020 7543 2800

employeebenefits@larkinsurance.co.uk

Your complaint will be acknowledged as soon as possible advising who will be handling the complaint. We undertake to investigate your complaint promptly and fairly, and we will issue a detailed response to you when our investigations have been concluded. If our response is delayed we will provide you with regular updates. If you cannot settle your complaint with us, or we have not provided you with a response within eight weeks of us receiving your complaint, you may be entitled to refer it to the Financial Ombudsman Service. A full copy of our complaints procedure is available on request.

You acknowledge and agree that You shall only be entitled to make a claim against Lark, and not against any individual employee of Lark.

CLIENT MONEY

WE DO NOT HANDLE CLIENTS' MONEY.

We are unable to accept a cheque made out to us or electronic payments made directly into our bank account (unless it is settlement of charges for which we have sent you an invoice) or handle cash.

TERMINATION

Our authority to act on your behalf in accordance with these Terms of Business may be terminated at any time by either party without prior notice and without penalty. This will become effective from the date the notification is received, but not so as to prejudice transactions already initiated, unless otherwise agreed in writing. Any fees incurred to the date of termination will become payable immediately.

Either party may terminate this Agreement immediately, by giving notice in writing, if the other party;

- is in material, or repeated, breach of this Agreement, and if such breach is capable of remedy does not rectify such breach within 30 days of written notice of it,
- in the event, or suspicion, of fraud, non-disclosure, or misrepresentation, or dishonesty

- immediately, without notice, should either party become the subject of voluntary or involuntary liquidation or administration proceedings or (if applicable) become the subject of an action in bankruptcy or make or propose any composition with creditors or otherwise acknowledge its insolvency, suspend or a resolution being passed or an order made for its winding up

In the event that this Agreement is terminated, We will cease to be Your agent. As a consequence of this We will no longer provide you with any services, including claims handling where this service is provided to You prior to termination. Any commission or fee is considered to be fully earned when Your insurance(s) incept and any unpaid commission or fee will be due and payable to us upon termination. Any unpaid fees may also be due and payable prior to inception of Your insurance(s) subject to the terms of the relevant fee agreement.

If you still require services from Us these will be subject to a new written Agreement and We reserve the right to make an additional charge for these services, however there is no obligation on Us to agree to perform such services.

COMPENSATION AND PROFESSIONAL LIABILITY

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. Most types of investment business are covered for 100% of the first £50,000. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. Further information is available from the FSCS via its website: www.fscs.org.uk, or telephone; 0800 678 1100 or 020 7741 4100. We also have in place professional indemnity insurance at least equivalent to the minimum requirements set by the FCA.

GOVERNING LAW

This Agreement is governed by and construed in accordance with the laws of England and Wales. If there is a dispute, it will be subject to the jurisdiction of the courts of England and Wales.

No other person has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement other than other member companies of Lark Group Limited.
