



Ethical Investors



Client Agreement

Retail Client Agreement – Investment and Insurance Services

Ethical Investors (UK) Ltd, trading as Ethical Investors Group

Head Office

3rd Floor, Formal House 60 St George's Place Cheltenham

GL50 3PN

This document sets out the basis on which we will conduct business with you and act on your behalf. It is a very important document that we would ask you to read carefully. If you are unsure of any of its terms please ask.

Ethical Investors (UK) Ltd is authorised and regulated by the Financial Conduct Authority. This document has been produced for prospective, new and existing clients who are seeking financial advice/financial planning. In this document we explain the services being offered and how the services are paid for.

1. Introduction

The purpose of this agreement is to set out the basis on which we will act for you and to clarify our respective responsibilities. As it sets out the detailed terms of a legal contract between us, please do not hesitate to contact us if anything is unclear, or you would like further explanation of any of the terms used.

2. Regulatory Obligations

Ethical Investors (UK) Ltd is authorised and regulated by the Financial Conduct Authority (FCA). Our Financial Services Register number is 165222.

Our permitted business is advising on and arranging investments and insurance contracts. You can check this on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.

We will observe and act in accordance with the principles, rules and guidelines of the FCA. We accept instructions to act for you on this basis.

Unless we notify you in writing to the contrary, we will treat you as a retail client, which means you will receive the highest level of protection afforded by the UK regulatory system.

You should note that certain financial products and services are not regulated by the FCA, which means clients purchasing them may not be entitled to the protection of the UK regulatory system.

We will notify you in writing if this applies to any of the products or services we recommend to you, before you decide whether or not to proceed with their purchase.



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3. Our Products and Services Investment and Pensions

Independent advice – we will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a sufficient range of relevant financial products from across the market to meet your investment objectives. Our relevant market does not include single shares (excluding collective investment shares), derivatives or higher-risk leveraged financial instruments.

- Derivatives are financial contracts between two or more parties that take their value from their chosen asset or group of assets.
- Higher-risk leveraged financial instruments are assets that borrow money when investing to expand their buying power.

Insurance

We offer products from a range of insurers for: Critical Illness Insurance, Income Protection Insurance, Mortgage Protection Assurance, Term Assurance, and Whole of Life Assurance. We will advise and make a recommendation for you after we have assessed your needs for: Critical Illness Insurance, Income Protection Insurance, Mortgage Protection Assurance, Term Assurance, and Whole of Life Assurance.

All advice will be confirmed to you in writing via letter, email or other electronic means.

4. Product Provider Security

We use all reasonable skill and care to protect your interests and monitor the security of the product providers with which we transact business using information available in the public domain. However, we can give no guarantee of the financial stability of a product provider and we accept no liability for any financial losses or increased costs suffered by you arising from their financial insecurity.

5. Payment for our Services

The following information explains how we charge for our services and your payment options in general terms. Full details of the actual fees and charges are contained in a separate document—Client Charter.

Investment

You will pay for our services on the basis of a fee, adviser charge, or a combination. In this agreement we refer to these as 'charge' or 'charges'.

You will receive a separate Service Proposition and Retail Client Services Fee Agreement which sets-out the investment services you require from us and the specific charges we will make for providing these. We will discuss your payment options with you and answer any questions you may have.

Initial consultation. We may provide you with an initial consultation with an adviser of up to 1 hour. This helps us to understand your financial circumstances, objectives and priorities and establish how we can help you. We do not charge for this service.

Financial review, advice and recommendations. We will carry out a financial review, provide advice and make recommendations to you in line with your requirements.



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For example, some clients could require a full review, whereas others might want us to limit our advice and recommendations towards addressing a specific financial need.

As part of this process, we will:

- Gather relevant information about your circumstances, objectives and priorities.
- Establish your capacity for loss and the investment risk you are willing and able to take and recommend investment products that are appropriate to this.
- Provide a concise and clear explanation of any costs, charges and potential penalties involved.
- Explain clearly why & how our recommendations are suitable to meet your needs.
- Prepare and issue a letter or report to you presenting our recommendations.
- All fees and charges (initial and any ongoing) you may pay will be detailed in the advice letter or report.

If you proceed with any advice offered by the firm we will:

- Arrange the purchase of the financial product on your behalf.
- Handle all the associated documentation and administration.
- Deal with any queries you might have, or which are raised by the product provider and/or third parties (in the case of transfers).
- Ensure the final product documentation (where issued) is prepared in accordance with your instructions and is issued in a timely fashion; and
- Keep you appropriately informed throughout the process.

Your Payment Options

Charges for our service can be settled through a single payment, or you can pay these through your recommended investment product(s) via an 'adviser charge'.

Settling Your Charge through a Single Payment

Whether you buy a product or not, you may be required to pay us a charge for our financial review, advice and recommendations service, which is payable on the completion of our work. Normally, this is when we issue a letter or report to you presenting our recommendations.

You will be required to settle the payment of your charge through a single payment within 30 days of receiving our bill. We accept cheque or direct bank transfer payments. We do not accept payment by cash.

Paying Your Charge through a Recommended Product

If you buy an investment product, you can choose to have your charge deducted from the product via an 'adviser charge'. Although you pay nothing to us up front, this does not mean that our services are free. You still pay us indirectly through a deduction from the amount you pay into your product. This deduction settles the charge, but could reduce the amount left for investment.



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Insurance

Unlike investment advice, it is still possible to pay for insurance advice via a commission payment built into the product. We offer protection clients the choice to pay via:

- A fixed fee for assessing your needs, advising and making a recommendation for you on Critical Illness Insurance, Income Protection Insurance, Mortgage Protection Assurance, Term Assurance, and Whole of Life Assurance.

OR

- No fee for assessing your needs, advising and making a recommendation for you on Critical Illness Insurance, Income Protection Insurance, Mortgage Protection Assurance, Term Assurance, Whole of Life Assurance. We will be paid by commission from the insurer. The cost of the commission payment is built into the premiums payable by you to the insurer.

- You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

6. Instructions

We require clients to give us instructions in writing (this includes email, from an email account recorded on our files), to avoid the risk of errors and omissions. Upon receipt of your clear instructions, we will deal with any such instructions/orders promptly and pass this to the product provider in a timely manner. We do not accept oral instructions.

7. Cancellation Rights

In most cases you can exercise a right to cancel by withdrawing from the contract. In general terms you will normally have a thirty-day cancellation period for a life, pure protection, payment protection or pension product and a fourteen-day cancellation period for all other products.

Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

If you cancel a single premium product, you may be required to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the contract.

If you wish to cancel a contract, please contact us immediately.

Cancellation of our services - if we are notified by you that you no longer wish to use our services, we will cease the collection of fees and notify any financial institutions paying us that we are no longer the authorised adviser. Unless advised otherwise, no cancellation fees will apply. Please confirm your intention to cancel services in writing (letter/ email)

8. Communications and Documentation

Unless agreed otherwise, all our communications with you will be in English. All product documentation will also be in English – this will be prepared in accordance with your instructions and issued to you in a timely fashion.

You should always check documentation to ensure all the details are correct – if this is not the case, please contact us immediately.



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Documentation will confirm the basis of your investment or insurance contract and include details of the relevant provider. It is important that this is kept in a safe place as you may need to refer to your documentation (for example, in the event of a claim).

9. Retention of and Access to Records

During the course of our work, we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of our recommendations.

Unless you tell us not to, we intend to destroy correspondence and other papers that we store that are more than five years old, other than those records which the Financial Conduct Authority require us to retain indefinitely, those which we consider to be of continuing significance or those which are linked to the provision of advice and which may be needed in the future in the event of queries or questions relating to our advice.

If you require us to retain any particular item you must notify us of that fact in writing. However, please be aware that we cannot hold original documents – such as birth certificates or policy schedules – on your behalf.

10. Client Money

Ethical Investors (UK) Ltd is not permitted to handle client money. This means we cannot accept a cheque made out to us, or handle cash in connection with the purchase of an investment or insurance product or service. Payment should be made to the relevant product provider and we will supply you with appropriate details at the time of purchase. The only exception relates to our own charges.

11. Code of Ethics

We are committed to setting, maintaining and supporting the highest professional standards in financial services. As such, our code of ethics requires our directors and staff to:

- Comply with the code and all relevant laws and regulations.
- Act with the highest ethical standards and integrity.
- Act in the best interests of each client.
- Provide a high standard of service and treat clients fairly.
- Operate in a way which respects the personal ethical values of our clients, our planet and the wider human community.

12. Conflicts of Interest

We reserve the right during our dealings with you to deliver services to other clients whose interests might compete with yours or are/may be averse to yours, subject to our normal confidentiality terms (see section 13 below).

We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you, unless we are unable to do so because of our confidentiality obligations.

If a conflict of interest should arise, either between two or more of our clients or in the provision of multiple services to a single client, we will take such steps as necessary to deal with the conflict. We have safeguards in place to protect the interests of different clients if a conflict arises.



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The rules of our regulator – the Financial Conduct Authority – prohibit us from accepting any payment (such as a commission or a non-monetary benefits) which is likely to conflict with our duty to our clients.

13. Confidentiality

We confirm that where you give us confidential information, we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.

We may, on occasions, sub-contract work on your affairs to other financial professionals. The sub-contractors will be bound by our customer confidentiality rules.

14. Taxation

We cannot accept responsibility for taxation advice. Clients must be responsible for their own taxation position and we strongly recommend that clients take advice on taxation matters from a qualified accountant, where appropriate. We may, on occasions, sub-contract work on your affairs to other financial professionals. The sub-contractors will be bound by our customer confidentiality rules.

15. Complaints

If you wish to register a complaint, please contact us:

Write to: Michael Head, Director, Ethical Investors (UK) Ltd, 3rd Floor, Formal House, 60 St George's Place, Cheltenham, GL50 3PN.

OR

Telephone: 01242 539848.

Our internal complaints handling procedures for the reasonable and prompt handling of complaints is available upon request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service: www.financial-ombudsman.org.uk or by contacting them on 0800 0234567.

16. Financial Services Compensation Scheme (FSCS)

If you make a valid claim against us in respect of the investments we arrange for you, and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme (FSCS). This depends on the type of business and the circumstances of the claim. Most types of investments & pensions are covered up to a maximum limit of £85,000 (if the business failed after 1/4/19). Further information about compensation arrangements is available from the Financial Services Compensation Scheme. www.fscs.org.uk.

Please note that different levels of FSCS cover may apply in the event of the default of the Insurance company or the product provider. For Long-term insurance (e.g. annuities and life assurance) the maximum level of compensation for claims against provider firms declared in default on or after 3 July 2015 is 100% of the claim with no upper limit. Further information about compensation arrangements is available from the Financial Services Compensation Scheme. www.fscs.org.uk.



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Please note that different levels of FSCS cover may apply in the event of the default of the Insurance company or the product provider.

17. Applicable Law

This agreement is governed by, and construed in accordance with English law. The courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this agreement and any matter arising from it.

Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

If any provision in this standard agreement – or its application – are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

18. Changes in the Law

We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law or your circumstances.

19. Force Majeure

Ethical Investors (UK) Ltd shall not be in breach of this agreement and shall not incur any liability to you if there is any failure to perform its duties due to any circumstances reasonably beyond its control.

20. Internet Communication

Unless you instruct us otherwise, we may, where appropriate, communicate with you and with third parties via e-mail or other electronic means. However, internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their dispatch.

We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending sensitive information relating to your financial affairs are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

It is the responsibility of the recipient to carry out a virus check on any attachments received.

21. Contracts (Right of Third Parties) Act 1999

Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.



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The advice that we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

22. Benefits we May Receive

We may be provided with benefits and services by product providers, fund managers and platforms (for example, training events, seminars and technical support) to help enhance the quality of our service. If you would like details of any benefits and services that we have been provided with, please contact us. Our contact details are at the end of this document.

23. Your Responsibility

To allow us to provide you with the best possible service. It is important that you provide us with the information we request. Please do not withhold relevant information and let us know if we have misinterpreted anything you have told us. Any information, recommendations or advice that we provide to you will be based on the information you provide. Under the FCA rules, we are required to consider whether it is in your best interests for us to act for you if you refuse to provide the information necessary for us to provide you with suitable advice. We can decline to act for you if we believe that you have not provided adequate information. We may refuse to act on your instructions where we cannot verify these or where these are unclear or ambiguous. If this happens, we will contact you to try to clarify/ confirm your instructions.

24. Offshore Holdings & Advice

We may be required to share information about your holdings with the UK's tax authorities and possibly those from other countries. HMRC are now obtaining significant amounts of information from various jurisdictions across the globe. It is important that you declare such income and/or gains to HMRC. Further information is available from <https://www.gov.uk/government/publications/client-notification-income-or-assets-abroad>.

25. VAT

Currently, it is our belief that the majority of services provided to you by us, as an IFA, are exempt from VAT. We therefore will not typically charge you initially for VAT in addition to the fees payable under the terms of this agreement. If it is confirmed by HM Revenue & Customs at some point in the future that any aspect of our service is subject to VAT, then VAT may retrospectively be charged to you in addition to the fees payable under the terms of this agreement.

26. The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007

In common with all financial businesses, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:

- Maintain identification procedures for clients and beneficial owners of clients.
- Maintain records of identification evidence and the work undertaken for the client.
- Report, in accordance with the relevant legislation and regulations.



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Where we are required to verify your identity in accordance with the JMLSG (Joint Money Laundering Steering Group) rules & guidance, no investment will be made until all such documents & verification has been obtained. We may use the services of an electronic identity verification service (including credit reference agencies & fraud prevention agencies) to assist us in satisfying the Anti-money laundering regulations. Such searches will not affect your credit rating. We may still require to see original documents.

We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act 2002 and includes concealing, converting, using or possessing the benefit of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit. We are obliged by law to report any instances of money laundering to the National Crime Agency without your knowledge or consent. In consequence, the firm's directors or staff will not enter into any correspondence or discussions with you regarding such matters.

We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the principles, rules and guidance.

27. Liability

Nothing in these terms detracts from or avoids our responsibility to provide you with suitable advice and service, nor from your right to complain to the Financial Ombudsman Service (FOS). Subject to any of our duties or liabilities under the Financial Services and Markets Act and the other provisions of these terms, we shall only be liable to you for any loss or damage you may suffer as a direct result of any services which we provide to you to the extent that such loss or damage arises as a result of fraud, negligence or wilful default by us.

We will not be liable for any losses, damages, liabilities or claims incurred due to:

- The fall in value of any investments held by you.
- Any service-related issues or delays caused by third parties which are beyond our control.
- The completeness or accuracy of the information prepared by a third party.
- The loss of any documentation (including without limitation share certificates or other documents of title) in the UK postal system.
- The alteration or loss of confidentiality of any emailed information or electronic message.
- Penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or from your failure to act on our advice or to respond promptly to communications from us or the tax authorities.
- The reliance on any information we provide by persons who are not UK resident or nominees for persons who are not UK resident.
- Reliance by any third party on our advice or work, unless we have consented in writing to it being passed to them.



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A failure or delay in implementing instructions as a result of our inability to verify the authenticity of the instruction or where we consider the instruction to be unclear or ambiguous.

Nothing in these terms will exclude or limit our liability:

- For death or personal injury caused by negligence;
- For fraud or misrepresentation as to a fundamental matter; or
- For any other liability which cannot be excluded or limited under FCA Rules or applicable laws.

28. Market timing

We will not offer advice on market timing or any matter involving an assessment of the likelihood, or not, of a future event or future movement of markets.

29. Agreement to our Appointment and Terms

Our appointment will start once you inform us that you want Ethical Investors (UK) Ltd to act on your behalf. This agreement supersedes any previous agreement for the period covered. The terms it contains take effect immediately unless we hear from you to the contrary within 30 days of you giving us that instruction. This agreement will remain effective until it is replaced.

You or we may agree to vary or terminate our authority to act on your behalf at any time without penalty. Notice of variation or termination must be given in writing.

V.5.2024