



SOUTHWOOD
FINANCIAL PLANNING CC

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Authorised Financial Services Provider (FSP licence number 13566)

SERVICE LEVEL AGREEMENT

BETWEEN

SOUTHWOOD FINANCIAL PLANNING CC

AND

CLIENT: _____

ID NUMBER: _____



APPOINTMENT

I, the undersigned, appoint Southwood Financial Planning and its representatives as my financial planners. This appointment is effective as of the date of signature of this agreement.

REPRESENTATIVES

The Client acknowledges that different Representatives may, from time to time, be required to deal with and render services to the Client on behalf of Southwood Financial Planning. In the event that the Client does not wish to have further dealings with the allocated Representative/s, Southwood Financial Planning shall, in consultation with the Client, allocate another/other Representative/s to render the services to the Client on behalf of Southwood Financial Planning.

CONFIDENTIALITY

All information obtained or acquired by Southwood Financial Planning cc about its clients shall remain confidential unless the client provides written consent to disclose, or unless required by any law to disclose such information.

REMUNERATION

Southwood Financial Planning's (SFP) representatives are remunerated for their services via advice fees and sometimes commissions as dictated by the needs and circumstances of our clients. The degree of complexity of the planning process and associated service levels also play a part in the decision. In all cases, compensation payable will be detailed and transparent to the client.

All prospective clients are entitled to an initial meeting, on risk (i.e. free of charge) during which time the remuneration structure may be discussed.

The fee structures that are available to our clients are as follows:

Asset-Based Fee Structure

Our advice fee structure has two components that relate to the initial establishment and on-going administration stages of SFP's value proposition to its clients.

1. **Initial fees** are charged at a rate of -
 - 1% (ex VAT) of the value of your domestic / offshore portfolio

For new clients with accumulated assets of less than R500,000 under advice, an **establishment fee** of R1,500 is also charged.



Initial fees remunerate SFP for :-

- time spent in consolidating the client's personal information,
- drawing initial product reports,
- meeting time,
- drafting of the initial proposal and
- the paperwork required to facilitate the recommendations contained therein.

For example: On a lump sum investment of R100 000

1%	=	R1 000
VAT @ 15%	=	<u>R 150</u>
Total	=	R1 150

2. **Annual advice fees** are charged at –

- 0.85% (ex VAT) of the value of your domestic portfolio under advice
- 0.70% (ex VAT) of the value of your offshore portfolio under advice

An **annual review fee** of R1,000 (ex VAT) is also charged for clients with accumulated assets under advice of less than R500,000.

Annual advice fees remunerate SFP for :-

- regular pro-active communication of pertinent industry news and issues throughout the year,
- an annual review and update of a client's Financial Plan taking into account changes in circumstances since the last review,
- an annual review and update of the client's Last Will and Testament taking into account any changes in circumstances since the last review,
- safe-keeping of FICA and other relevant documentation.
- incorporation of any legislative or fiscal changes throughout the year.

For example: On a fund value of R100 000

0.85%	=	R 850
VAT @ 15%	=	<u>R 127,50</u>
Total	=	R 977,50 (pa)

Time-Based Fee Structure

A time-based fee structure for consultations and advice is available for clients with an asset base in excess of R10 million. A fee based remuneration structure is often most suitable for the provision of a specific outcome-based solution or financial plan.



Time-based fees for consultations and advice are billed at an hourly rate, being R1 500 per hour plus VAT for Certified Financial Planner Professional® (Executive) time, and R750 per hour plus VAT for Certified Financial Planner Professional® (Para-Planner) time.

Please note that should a client request consultation and advice from Southwood Financial Planning on an hourly rate and, should it be related to the drafting of a bespoke financial plan, the fee is payable in full irrespective of the client's decision to implement all or part of the recommendation.

Commission Based Fee Structure

This is the most widespread form of remuneration structure on products that fall within the ambit of the Long-Term Insurance Act. Such fees are usually negotiable depending on size and complexity of the portfolio and the service provider appointed.

Combination of Fee Structures

Under certain circumstances it may be necessary to implement a combination compensation structure.

- Investment business (including retirement annuities, endowments etc) is most suited to asset-based and time-based fee structures.
- Pure risk business is most suited to a commission-based fee structures.

Note

Southwood Financial Planning CC may revise the fees on an annual basis. Fee revisions shall take into account increases in the consumer price index and the cost of providing the Services. These increases will be discussed with impacted clients well in advance of implementation.

TERMINATION

The Southwood Financial Planning appointment shall remain in force until terminated by either party on giving the other party 30 days' written notice of termination. It shall not be required of such party to furnish reasons for the termination.

REVIEW

The parties agree that the Client's financial planning portfolio shall be reviewed annually, unless a more regular review is specifically requested by the Client.



UNDERTAKING

Southwood Financial Planning undertakes the following:

1. To comply with all legislation as envisaged by FAIS, FICA and any other legislation that comes into effect.
2. To deliver any financial plan or other advice as agreed on with the client within seven working days in writing.
3. To act on client instructions within 24 hours when placing business or switching portfolios and assume that the relevant companies will treat all instructions with the same level of urgency.
4. To effect no restructuring/switches without clients' prior consent, in writing, if so required by the relevant companies
5. Disclose all costs and fees associated with the services rendered.
6. Southwood Financial Planning CC shall have no authority to enter into contractual obligations on behalf of the client; incur any liability on behalf of the client; settle or waive any claim against or by the client.

The client undertakes to:

1. Furnish Southwood Financial Planning with all information required to advise me in a professional manner within 72 hours of being requested;
2. Give written consent when restructuring or switching within my portfolio is required;
3. Convey information of any change in my personal circumstances, which might necessitate a change in my financial plan or portfolio.
4. To inform Southwood Financial Planning should I wish to discontinue our working relationship.

Signed at on2020

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Client

.....
Financial Advisor

.....
Print Name (Client)

.....
Print Name (Financial Advisor)

**FICA Requirements:**

- Certified copy of ID
- Proof of residential address (not older than three months)
- Proof of Bank Account (statements to be not older than three months)
- Copy of last tax return
- Copy of Will
- Salary slip or similar