SOUTHWOOD
FINANCIAL PLANNING CC

FOR MORE INFORMATION

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SERVICE LEVEL AGREEMENT

BETWEEN

SOUTHWOOD FINANCIAL PLANNING CC

AND

_____

(CLIENT)

_____

(ID NUMBER)

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

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APPOINTMENT

I, the undersigned, appoint ***Southwood Financial Planning***, an authorised financial service provider (FSP), and its representatives to render financial advice and/or intermediary services as listed in the table below. This appointment is effective as of the date of signature of this agreement.

The Client acknowledges that a Disclosure Letter, setting out the particulars of ***Southwood Financial Planning*** and its Representatives as required by the FAIS Act, has been made available to him or her.

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

Southwood Financial Planning acknowledges that in the course of rendering services to the Client in terms of this authority, it shall come into possession of information of a confidential nature. ***Southwood Financial Planning*** shall not, whether during the course of this Agreement or at any time thereafter, use or disclose or allow third parties to use or disclose any of the confidential information except to the extent permitted by the Client in writing or as required by law.

COMMUNICATION CONSENT

From time to time we email our clients communications in the form of newsletters (industry views, changes to tax legislation, interesting articles etc) and invitations to financial planning events. In order to comply with the requirements of POPI Act and respect your choices, Southwood Financial Planning requires your consent to receive these communications. Please initial this box if you are happy to receive these communications

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UNDERTAKINGS

- ***Southwood Financial Planning*** undertakes to abide by the FPI Code of Ethics and Practice Standards incorporating The FPI Rules of Professional Conduct. CLICK HERE

- ***Southwood Financial Planning*** undertakes, in accordance with the Financial Advisory and Intermediary Services Act and the General Code of Conduct for Authorised FSPs and Representatives, to:
    - Have and employ effective resources, procedures and appropriate technological systems for the proper performance of the agreed financial services.
    - Make adequate disclosures of relevant material information, including disclosures of costs and fees associated with the services rendered or products sold to the client and actual or potential own interests, in relation to dealings with the Client.
    - Be responsible for adequate and appropriate record-keeping.
    - Avoid fraudulent and misleading advertising, canvassing and marketing.

- Comply with all relevant regulatory and statutory requirements, codes of conduct and common law requirements that have an impact on the FSP, including but not limited to, the FAIS Act and FIC Act.

- ***Southwood Financial Planning*** 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;
  - Effect portfolio restructuring, switches or replacements without the Clients prior written consent.

As an authorised FSP we are compelled to render financial services honestly, fairly and with the necessary due skill, care and diligence and to then, in consultation with you, prioritise your needs and objectives and to provide you with appropriate advice to address these needs based on the information which you have provided.

- ***The Client*** agrees:
  - To furnish the FSP with written consent and/or completed application forms and/or transaction documentation where required.
  - To inform the FSP if he/she wishes to discontinue the relationship.
  - That you have been informed of ***Southwood Financial Planning's*** status as an accountable institution in terms of the Financial Intelligence Centre Act and its responsibilities in terms of this Act.
  - That you hereby certify that any funds that ***Southwood Financial Planning*** is required to deal with on your behalf have not been obtained from an illegal source and that you are not involved in any money laundering or other unlawful activities. That you understand that it is your duty to inform ***Southwood Financial Planning*** of any changes to your factual circumstances as and when they occur.
  - As a client of the financial services industry you have a right to an analysis of your circumstances, financial situation and objectives before entering into any financial services related transaction.

SCOPE OF ADVICE

Southwood Financial Planning endeavours to provide our clients with appropriate financial advice, therefore, before we conduct a financial needs analysis and provide you with advice, we will obtain from you such necessary information regarding your needs and objectives, financial situation, risk profile and financial product knowledge and experience to ensure that we provide you with appropriate advice, which takes into account

- Your ability to financially bear any costs or risks associated with the financial product;
- The extent to which you have the necessary experience and knowledge in order to understand the risks involved in the transaction; and
- Where you are a pension fund, employer or any other entity that is being advised on entering into a financial product or transaction aimed at providing benefits for your members, employees or other underlying natural persons, we will take into account the reasonably identified collective needs and circumstances of such members, employees or other natural persons.

In determining the extent of information necessary to provide appropriate advice, ***Southwood Financial Planning*** may take into account:

- Any specific objectives or needs that you have explicitly requested that we focus on, or not to focus on, in performing the analysis;
- Any specific objectives or needs that we both explicitly agreed to focus on or not to focus on in performing the analysis;
- Any applicable surrounding circumstances that makes it clear that the analysis can be reasonably expected to focus only on specific objectives or needs;
- The fact that you have explicitly declined to provide any information requested by ***Southwood Financial Planning.***

In line with the above, you do have the right to specify those needs or objectives which you wish to be addressed and/or focused on, as well as decline to provide certain of the information requested by ***Southwood Financial Planning***. We respect this right, but should you decide to consult with us only regarding certain needs or objectives, or decline to provide certain of the information requested by ***Southwood Financial Planning***, and an analysis was therefore performed on limited information, we require that you take full cognisance of and responsibility for the following:

- When providing focused advice there may be needs in your personal financial planning which require more urgent attention than the specific need or needs being addressed at your request;
- There may be limitations in the appropriateness of the advice provided; and
- It is your explicit responsibility to take particular care to consider on your own whether the advice provided is appropriate considering your objectives, financial situation and particular needs, particularly any aspects of such objectives, situation or needs that were not considered in light of the aforementioned circumstances.

At ***Southwood Financial Planning***, we provide financial advice and intermediary services regarding the aspects of financial planning set out in the table below:

SERVICES	**Client agrees that Southwood Financial Planning may review.**	**Client agrees to furnish Southwood Financial Planning with all the necessary information for a full analysis.**
1) Risk Planning		
2) Retirement Planning a. Pre-retirement investment planning b. Post-retirement investment planning		
3) Investment Planning a. Recurring / monthly investments b. Single/ lump sum investments		
4) Offshore Investments		
5) Estate Planning/ Will Review		
6) Business Assurance		
7) Employee Benefits		
8) Share Portfolio (Advice only)		

If you have indicated in the table above that you ***do not*** wish to provide us with information relevant to the areas that you would like us to address, we will not be able to conduct a comprehensive financial needs analysis, and you accept the responsibilities and risks associated with focused advice, as set out above, as well as the following:

- You acknowledge that you have been made aware of the services provided by ***Southwood Financial Planning*** and have declined advice regarding the other planning services offered by ***Southwood Financial Planning***. You acknowledge that due to you exercising your rights as a client, you might well have needs that require urgent addressing, but have chosen not to have them addressed at this stage.
- That you have voluntarily exercised your right and have not been unduly influenced by ***Southwood Financial Planning*** to do so and are aware of your right to a full needs analysis and that ***Southwood Financial Planning*** has encouraged you to have such an analysis performed.
- In all instances, you as the client, have been informed and have acknowledged that any analysis of your personal financial situation can only be performed if you, as the client, provide all relevant and appropriate information to ***Southwood Financial Planning.***
- In all instances you have been informed and are aware that the accuracy of any analysis is critically dependent on the information provided by you to ***Southwood Financial Planning***.

As an authorised FSP we are compelled to decline to recommend a product or transaction where ***Southwood Financial Planning*** is not able to identify a suitable financial product or products that will be appropriate to your needs and objectives, risk profile, financial situation and product knowledge and experience. This may be due to limitations placed on ***Southwood Financial Planning*** by way of contractual arrangements or any provision in terms of the FAIS Act. Where such circumstances exist, ***Southwood Financial Planning*** will disclose this clearly to you and suggest that you should seek advice from another appropriately authorised FSP.

THE VALUE OF ADVICE

The value of our advice process lies in its holistic nature. We provide advice, facilitation, implementation and recommendations on your total portfolio through all stages of your financial journey

- We are wholly independent and have access to a wide range of product providers and services.
- We provide initial and ongoing review of your current policies and investments and provide recommendations on the appropriateness of current allocations and current and future contributions to savings or if post-retirement, the structuring of drawdowns.
- We ensure that your investments are appropriately diversified across asset classes, investment philosophy's, currencies and geographical locations.
- We look at reducing costs wherever possible and ensuring tax efficiency.
- We look at protecting yourself and your family through appropriate risk and estate planning

There is no "one-size-fits-all" solution to financial planning and we believe that it is the 100 small decisions and adjustments that we make to your overall financial plan over time, together with the prevention of mistakes, that adds value over time.

REMUNERATION

The determination of ***Southwood Financial Planning's*** representative's entitlement to a financial interest, considers measurable indicators, relating to:

- the achievement of minimum service level standards in respect of clients;
- the delivery of fair outcomes for clients;
- and the quality of the representative's compliance with the FAIS Act.

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:

Initial advice/planning fees remunerate ***Southwood Financial Planning*** for the initial consultation/financial planning process, as prescribed in the first four steps of the FPI's recognised financial planning process:

- Establishing and defining the client-planner relationship.
- Data gathering including:
  - Personal details to allow for a deep understanding of your needs and objectives, aspirations and fears.
  - Obtaining information on a client's current financial planning portfolio.
- Analysing and evaluating the current financial situation.
  - Goal Setting
- Developing and presenting recommendations and/or alternatives in the form of a Financial Plan to achieve the goals.

Ongoing planning (advice) fees are transparent and charged as a % of your investment portfolio for the ongoing management of your broader financial planning portfolio. We can oversee and advise on your portfolio over the lifetime of your investments and through to the next generation. Through regular reviews we:

- modify your financial plan as you enter new stages of your life or as your circumstances change;
- rebalance your portfolio to keep it in line with your plan;
- monitor and evaluate investments and introduce you to new investment products and structures, ensuring flexibility and tax efficiency;
- assist with decisions on which investments to draw on in the event that large expenses need to be covered;
- ensure that you contribute the maximum to tax-efficient products as tax laws change;
- assist with other financial decisions.

A client's individual fee structure will be discussed during our initial meeting.

ASSET-BASED FEE STRUCTURE

The fee is based on the size of the investment, and comprises of an initial fee and an ongoing fee, expressed as a percentage of the assets invested or as a percentage of the contribution.

The two components of the asset-based fee relate to the initial establishment and on-going administration stages of ***Southwood Financial Planning'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 R1,000,000 under advice, an **establishment fee** of R5,000 (ex VAT) is also charged.

For example:	On a lump sum investment of R100 000		
	1%	=	R1 000
	VAT @ 15%	=	R 150
	Total	=	R1 150

2. **Annual advice fees** are charged on the value of the portfolio for ongoing advice, reporting, monitoring and administrative duties at the following rate:

    - 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 R1,500 (ex VAT) is also charged for clients with accumulated assets under advice of less than R1,000,000.

For example:	On a fund value of R100 000		
	0.85%	=	R 850
	VAT @ 15%	=	R 127,50
	Total	=	R 977,50 (pa)

TIME-BASED FEE STRUCTURE

A time-based fee structure for consultations and advice is available for clients. A fee based remuneration structure is often most suitable for the provision of a specific outcome-based solution or financial plan.

The fee will be charged by way of invoice in respect of the services and/or advice rendered and will be based on the amount of time spent by ***Southwood Financial Planning*** in providing the services and/or advice.

Time-based fees for consultations and advice are billed at an hourly rate of 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*** 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 ***Southwood Financial Planning*** will receive payment from the product provider as compensation for the introduction of the Client to purchase a financial product. Such commission will be payable in accordance with product rules of the particular product provider. Any reduction in the percentage of commission negotiated between the parties shall be recorded on the application form for the purchase of such financial product and subject to regulatory legislation where applicable, for example the Long-Term Insurance Act.

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 these 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 and ***Southwood Financial Planning*** will give the Client at least 1 month's written notice of the revised fees.

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.

Review time frame: *Monthly / Quarterly / Half Yearly / Annually / Other*

Signed at _____ on _____ 20____

_____ _____

Client Financial Planner

_____ _____

Print Name (Client) Print Name (Financial Planner)