

Mr/Mrs \_\_\_\_\_

<Address 1>

< Address 2>

<Address 3>

dd/mm/yyyy

## Letter of Engagement

Dear Mr/Mrs \_\_\_\_\_,

We are looking forward to working with you in designing your personal financial plan. The financial life planning process is complex. However, it is an important step towards achieving financial life goals. This letter is to confirm our mutual financial understanding of the terms and objectives of our engagement to provide you with personal financial planning services as well as the nature and limitations of the services we will provide.

### CLIENT SERVICE AGREEMENT

#### 1. Scope of Services

- 1.1. This agreement sets out the terms and conditions of our ongoing professional relationship with you and on which we will provide you with financial life planning services as agreed by both of us.
- 1.2. We will assist you to develop a financial life plan to manage your financial affairs and meet your financial life goals.
- 1.3. We will provide you with the services set out in item 3 of the Schedule 1. From time to time, we may appoint professionals to assist us in providing the services.
- 1.4. The implementation of recommendations is an additional service which you are free to take either from anyone, including us, as per your free will. Where necessary and if you accept our recommendations, we will implement the recommendations by assisting with the completion of paperwork, arranging for the investment of funds and the acquisition of appropriate insurance or loans as the case may be.
- 1.5. If you desire to get these services implemented with our assistance, we will be charging additional fees which will be communicated to you prior to the implementation.
- 1.6. We may provide you with tax (financial) advice as part of our engagement. This is done by engaging a professional from the taxation field
- 1.7. Unless we specify otherwise in item 3 of Schedule 1, neither your financial planner nor any of our employees are authorised to provide any legal or accounting advice or to prepare any legal or accounting documents or to provide tax filing services.

- 1.8. If you require us to provide other services, and we agree to provide them, these services will be provided at an additional cost to you. If you require additional services, we will provide you with an estimate of costs associated with these services prior to commencing.
- 1.9. You acknowledge that we can only provide you with the services on the basis of the information you have provided to us.

## **2. Fees**

- 2.1. Based on the scope of services mentioned above and specified in item 3 of schedule 1, we will be charging you with an annual fee of Rs xxxxxxx (Rupees xxxxxx xxxxxxx Only) per annum.
- 2.2. The renewal fees from the second year onwards will be based on the fixed fees or percentage of AUE as per slab mentioned in ITEM 3 of schedule 1 subject to minimum fees of Rs xxxxxx ( Rupees xxxxxx xxxxxx) per annum.
- 2.3. If you are willing to get the execution services from us, we will be charging a fee on increasing marginal slab basis. The slabs are given and illustrated in item 3 of schedule 1.
- 2.4. Each of the fees are payable personally by you. However, we may agree with you for our fees to be paid out of your investment funds.
- 2.5. We will not receive any commissions from any product provider or any other party in connection with our services. However, if there is any conflict on this part in the future, we will appraise you. If there are any concerns, we may mutually decide the future course of action.

## **3. Prior Agreement**

- 3.1. This agreement replaces any existing agreement which you may have entered into with us. Any prior agreement is terminated by entering into this agreement.

## **4. Instructions**

- 4.1. If we are providing services to you jointly, we accept instructions both jointly and severally from you.
- 4.2. You agree that any instructions you provide to us are subject to this agreement and any applicable laws.
- 4.3. You agree that you will be bound by any instructions provided by you, or which we reasonably believe to be provided by you.
- 4.4. You acknowledge that you are responsible for any liability arising from your instructions.
- 4.5. You can direct us to invest, vary, transfer or convert the whole or any part of your investment portfolio. All investment activity is subject to your approval.
- 4.6. You must provide us with all information requested in a clear, accurate and timely manner. Failure to do so, may contribute to delays.
- 4.7. If you do not provide us with sufficient information, there is a risk that the advice we provide will not be suitable to your circumstances.

4.8. All information supplied by you will be treated as confidential and in line with applicable privacy laws and our privacy policy. Information will only be disclosed to a third party with your consent or as permitted by law.

**5. Documents we provide to you**

5.1. It is important for you to read documents provided by us and notify us promptly of the decision taken on any recommendation or if the meaning of any information is unclear.

**6. Review Service**

6.1. During the term of this agreement (or any further term of the agreement) you are entitled to a review annually or on a frequency as agreed by you and us. The review will evaluate your current situation against the objectives, strategies and financial planning recommendations we have previously identified with you.

**7. Notice**

7.1. If you need to contact us, you may do so by using the contact details contained at item 1 of Schedule 1.

7.2. If we need to contact you, we will use the contact address you provide to us. Any communication that is posted will be deemed received the next business day following posting. Any communication sent electronically will be deemed received at the time it is sent.

7.3. You must inform us if you change your contact address. You are responsible for ensuring that we have up to date contact details for you.

7.4. If you do not respond to our communications, we will interpret this as a decision not to proceed with a recommendation. The time frame for a response before the recommendation expires is 14 days, unless we mutually agreed in writing for a different time frame.

**8. Liabilities and indemnities**

8.1. You acknowledge and agree that while we and our representatives will exercise due care and skill when recommending financial products, we do not give any assurance or warrant any particular financial product performance or rate of return.

8.2. We are not responsible for any loss incurred by you as a result of any act, omission, deceit neglect, mistake or default of any third party except to the extent that the loss is attributable to our negligence, deceit or default.

8.3. You agree to reimburse us for the costs of all actions, proceedings, claims, demands, taxes and expenses incurred by us as a result of providing services to you pursuant to this agreement. In this case, 'taxes' include all stamp duty registrations and other duties, levies, deductions and charges whatsoever.

8.4. This clause 8 shall survive termination of this agreement.

**9. Renewal of Agreement**

9.1. This agreement may be renewed by further agreement prior to the expiration of three years from the date of commencement of this agreement

**10. Amendment of Agreement**

10.1. We may amend the terms on which we provide our services (including the fees we charge for those services) by providing you 30 days' written notice

10.2. In addition to clause 10.1 this agreement may be amended by a mutual agreement of the parties.

#### **11. Term and Termination**

11.1. Unless this agreement is renewed, it commences from the date on which you sign and return this agreement to us.

11.2. This agreement may be terminated by:

11.2.1. Either party, by providing the other party with 30 days' written notice;

11.2.2. By us if you breach this agreement or any relevant law or fail to make any fee payments which are required under this agreement. If we do this, we will write to you confirming that the agreement has ceased and informing you of any outstanding fees;

11.2.3. By you failing to renew this agreement. If this occurs, we will write to you confirming that the agreement has ceased and informing you of any outstanding fees.

11.3. This agreement terminates immediately if we no longer remain as SEBI Registered Investment Advisor. Or in case your planner's firm ceases to exist legally due to death of Vivek Shah or any other reason. In such case we suggest you to approach Mr \_\_\_\_\_, RIA who will offer continuity in the planning process. In case you do not feel comfortable dealing with him you may look for another planner/advisor of your choice.

11.4. Upon termination of this agreement, you may be liable to pay us any outstanding fees and charges associated with the services we have provided.

#### **12. Complaints**

12.1. By entering into this agreement, you have access to both our internal and external complaint handling mechanisms.

#### **13. Governing laws**

13.1. This agreement shall be governed by and construed in accordance with Mumbai Jurisdiction.

I look forward to working with you and helping you reach your financial goals.

Yours sincerely,

**Vivek Shah**

SEBI IA Registration Number: INA000013660

Place: Mumbai

dd/mm/yyyy

❖ **Acceptance of Terms**

- You acknowledge that you:
  - Have received this letter and have read and understood it.
  - Understand that this client letter is not intended for any other person.
  - Understand that the execution services offered by us is optional and you are free to choose anyone based on your comfort level
  - Understand the fees that will be incurred by implementing the recommendations.

I have read, understood and accept the terms outlined in this letter of engagement

Signed at \_\_\_\_\_ on \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Signature

Client Name

Client Name

SAMPLE

## Schedule 1

### ITEM 1: Adviser Contact Details

Vivek Shah | E-mail: vivek@vivekshah.co.in | Mobile: +91 \_\_\_\_\_

SEBI IA Registration Number: INA000013660

Address: Shop No.-18, Shree Vallabh, Near Kamla Vihar Sports Club, Mahavirnagar, Kandivali West, Mumbai-67.

### ITEM 2: Services

- Dedicated Financial Planner [FP]
- Conference calls/meetings with the FP at your discretion.
- Dedicated FP will be the single point contact & will act as the Financial coach
- One-on-One Data [Financial & Personal] Collection & Goal Setting
- In-depth Analysis of the data
- Presentation & Approval should preferably be with the family as a whole
- Action Plan [Summary & Specific action points] roll out
- Access and Login credentials to Financial Planning Application of FINRISE Financial Planners
- Consolidation & Monitoring
- Goal Based reports [along with other reports]
- All documents will be scanned and uploaded Finrise Portal
- Finrise team will help you to execute or guide in action plan
- Member Update - At least once a Quarter
- Annual review [Goal Based Reports] & Rebalancing
  - Evaluating your current situation against your confirmed objectives, needs and priorities and previously implemented financial planning recommendations;
  - Confirming delivery of any previously agreed services;
  - Identifying any services previously agreed but not utilised by you; and
  - Assessing the suitability of any continuing services
- Portfolio monitoring services (in case you engage us for the execution services)
- Reporting on the portfolio performance (in case you engage with us for the execution services)
- Additional Offerings [at an extra price]
  - Estate Planning
  - Accountancy services and Income Tax Return Filing

### ITEM 3: Fees

- The fees for financial life planning is already stated in point 2.1 and 2.2 in the letter of engagement

- The fees for execution of plan (if you desire to get the plan executed by us) will be charged on increasing marginal rates. This means that as your assets keep on increasing your fees will keep on decreasing after crossing the threshold Assets under Execution (AUE)\*. The table of charges is as follows:

○ For AUE upto ₹1,00,00,000:	0.60%
○ For AUE greater than or equal to ₹1,00,00,000 and below ₹3,00,00,000:	0.50%
○ For AUE greater than or equal to ₹3,00,00,000 and below ₹6,00,00,000:	0.40%
○ For AUE greater than or equal to ₹6,00,00,000 and below ₹10,00,00,000:	0.30%
○ For AUE greater than or equal to ₹10,00,00,000:	0.25%
- \*Assets under Execution will include all investment related assets( excluding Direct Equity) wherein we are providing execution services and will not include real estate unless specifically agreed upon
- The value of AUE we have discussed and agreed to use for the calculation of above fees for execution services will be the average value of the portfolio assets on the last day of every month calculated on quarterly basis