

DATED _____ **20[]**

(1) [PARTNER]

(2) [ADVISER]

ADVISER AGREEMENT

Legal Department
St. James's Place Wealth Management Group
St. James's Place House
1 Tetbury Road
Cirencester
Glos GL7 1FP

(c) The headings in this document are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

(d) In the event of a conflict between any provision of this Agreement and a provision of the SJP Handbook and the Letter of Appointment, the SJP Handbook and the Letter of Appointment shall prevail.

1.3 It is a condition precedent of this Agreement that the Adviser has an executed Letter of Appointment.

2. **Appointment**

2.1 The Adviser is hereby appointed, and the Adviser agrees to act, as an Adviser of the Appointor subject to the terms of this Agreement for the purpose of procuring applications for contracts offered by SJP with a view to such contracts being introduced to SJP through the Appointor.

2.2 The Adviser shall at all times exercise skill and care and act in good faith in the performance of his obligations under this Agreement. The Adviser shall not do any act or thing which adversely affects the name and/or reputation of either the Appointor or SJP.

2.3 Nothing in this Agreement shall be taken as giving the Adviser authority to act for or in the name of the Appointor or to bind the Appointor unless expressly authorised to do so in writing. The Adviser shall not act as an agent of the Appointor or perform any act or carry on any activity except as expressly authorised by this Agreement.

2.4 The Adviser is a self-employed person and not an employee or officer of the Appointor. The Adviser agrees that this Agreement does not give rise to a contract of employment between himself and the Appointor. As a self-employed person the Adviser may work whatever hours and days he considers appropriate and acknowledges that he has no entitlement hereunder to holiday or holiday pay, pension rights, sick pay or any other benefits.

2.5 The Adviser acknowledges that no legal partnership is hereby created or implied and that he is not in any way in partnership with the Appointor.

2.6 The Adviser acknowledges that he is in business on his own account, and is accountable as a self employed person in respect of all taxation liabilities (including where applicable any value added tax and National Insurance Contributions) falling due in the course of his business. Except where expressly agreed in writing all costs and expenses incurred by the Adviser in connection with the performance by the Adviser of his obligations under this Agreement are for the Adviser's account and shall be paid for in full by the Adviser. For the avoidance of doubt, this includes any expenses incurred in relation to equipment provided to the Adviser by the Appointor for the purpose of the activities of the Adviser under this Agreement.

2.7 The Adviser undertakes to the Appointor at all times to comply with his Letter of Appointment and with all relevant provisions of the SJP Handbook in the same way as

if the Adviser was a Partner of the St. James's Place Partnership and any other guidelines issued by the Appointor or SJP from time to time.

- 2.8 The Appointor is entitled to recover in full from the Adviser and the Adviser will indemnify and hold harmless the Appointor against all liabilities, costs, expenses, damages and losses (including but not limited to any direct losses, loss of profit, loss of reputation) and all interest, penalties and legal costs and all other reasonable professional costs and expenses) suffered or incurred by the Appointor arising out of or in connection with any breach by the Adviser of the SJP Handbook or any claim made against the Appointor by SJP or a third party arising out of or in connection with the provision by the Adviser of the services envisaged by this Agreement to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this Agreement by the Adviser, its employees, agents or subcontractors.
- 2.9 The Adviser may be engaged, employed or concerned in any other business, trade, profession or other activity which does not place him in a conflict of interest with the Appointor. The Adviser may not be involved in any capacity with a business which does or could compete with the business of the Appointor without the Appointor's prior written consent.
- 2.10 [For the duration of this Agreement the Adviser will pay the Appointor [£] in respect of the monthly complaints cost charge payable by the Appointor under the terms of the SJP Handbook.]*

**delete if not applicable.*

3. **Fees**

[EITHER]

- 3.1* The Appointor will establish a notional account in respect of the Adviser (the "Financing Account"). The Financing Account will be credited with [%] of the Initial Advice Fee (as defined in the SJP Handbook) payable by SJP to the Appointor in respect of the business introduced to the Appointor by the Adviser.

[OR]

- 3.1* The Appointor will establish a notional account in respect of the Adviser (the "Financing Account"). The Financing Account will be credited with:

[3.1.1 the sums set out and defined in Schedule 1 to this Agreement.]

[3.1.2][%] of the Initial Advice Fee (as defined in the SJP Handbook) payable by SJP to the Appointor in respect of the business introduced to the Appointor by the Adviser [*subject to Schedule 2]; and

- 3.2 The Initial Advice Fee due in accordance with clause 3.1.2 shall be credited to the Financing Account at the date of [submission of the relevant business]* / [issue of the relevant business]* / [payment of Initial Advice Fee to the Appointor by SJP of the amount due in respect of the relevant business]*.

**delete if not applicable*

- 3.3 Where business for which the Adviser has been remunerated pursuant to this clause 3 is subject to a clawback of Initial Advice Fee by SJP, an amount equal to that clawback shall be deducted from the Financing Account and such deduction together with interest thereon shall be payable on any debit balance to the Financing Account at a rate of 1% above the base rate of the Bank of England from time to time. Upon termination of the Letter of Appointment the interest payable on any debit balance to the Financing Account will increase to 2.75% above the base rate of the Bank of England from time to time.

Additional options (delete as appropriate):

- 3.4 The Appointor will also :

[3.4.1 pay to the Adviser []% of the Ongoing Advice Fee(as defined in the SJP Handbook) received by the Appointor in respect of the business referred to in Clauses 3.1 and 3.2 above.

[3.4.2 pay to the Adviser []% of any fees received by the Appointor in respect of any business introduced to the Appointor by the Adviser which are paid to the Appointor as cash (for example, mortgage fees) (“Miscellaneous Fees”)[*subject to Schedule 2].

[3.4.3 if the Adviser is still an Adviser of the Appointor at the date when the Appointor takes Business Sale and Purchase (“BSP”) pursuant to SJP’s BSP policy from time to time in force, the Adviser shall be entitled to receive from the Appointor []% of the BSP value received by the Appointor in respect of the transfer of his business pursuant to BSP.]

- 3.5 Any payments due to the Adviser pursuant to Clauses 3.1 [and 3.4] above are inclusive of VAT, if applicable. Based on SJP’s interpretation of the law and the practice of the Commissioners of HM Revenue & Customs as at the date of this Agreement it is understood that payments of Initial Advice Fees/Ongoing Advice Fees and fees made by the Appointor to the Adviser are exempt from VAT where such payments relate to life assurance, pensions (including stakeholder), unit trust, general insurance and mortgage business. However where such payments relate to the St. James’s Place Bank, Portfolio Management, Trusts and Estate Planning Services or SIPP fees and legal services, it is understood that the payments made by the Appointor to the Adviser are subject to VAT and must be treated accordingly. Whilst this interpretation is believed to be correct as at the date of drafting this Agreement, SJP and the Appointor give no guarantee in this respect or that the VAT treatment of such payments will remain the same in the future. If in any doubt as to whether VAT registration is required, the Adviser should consult their own adviser. SJP and the Appointor accept no liability or responsibility whatsoever for the VAT consequences of any payments made by the Appointor to the Adviser pursuant to this Agreement.

- 3.6 Any amounts debited to the Financing Account pursuant to Clause 3.3 plus interest thereon shall be immediately repayable by the Adviser to the Appointor either upon written notice to the Adviser or upon the termination of this Agreement for any reason, whichever is the earlier.

3.7 During the term of this Agreement or at any time after its termination (for any reason), the provisions relating to clawback of Initial Advice Fee, Ongoing Advice Fees and fees set out in the SJP Handbook shall apply to the Adviser. For the avoidance of doubt, the Appointor shall be entitled to clawback, Initial Advice Fees, Ongoing Advice Fees and fees payable to the Adviser in accordance with this Clause 3 from the Adviser (in respect of clawbacks by SJP from the Appointor in connection with business written by the Adviser during the term of this Agreement) whether or not this Agreement has terminated.

3.8 The Appointor may at any time (including for the avoidance of doubt following termination of this Agreement) set off any amounts owed to the Appointor by the Adviser against any sums owing by the Appointor to the Adviser so as to reduce any debt owed to the Appointor under this Agreement or otherwise.

4. **Termination**

4.1 Either party may terminate this Agreement on giving one month's prior written notice to the other.

4.2 The Appointor may terminate this Agreement immediately if:

- (a) the Appointor has determined in his absolute discretion that the Adviser has not complied in all respects with the SJP Handbook or other guidelines issued by the Appointor or SJP from time to time; or
- (b) the Letter of Appointment has been terminated for any reason; or
- (c) the Adviser becomes insolvent or enters into or proposes to enter into a composition or arrangement with his creditors or has a bankruptcy order made against him or, in the case of a company controlled by the Adviser, any insolvency proceedings are commenced against it, or the Adviser's level of indebtedness is such as to affect his fit and properness in the reasonable opinion of the Appointor; or
- (d) the Adviser does (or omits to do) any act or thing which, in the reasonable opinion of the Appointor, affects his position as an Adviser of the Appointor or prejudices the interests of the Appointor or any of its other Advisers, representatives, clients or that of SJP; or
- (e) there has been a material breach of this Agreement, or repeated breaches (whether or not material) after written warnings from the Appointor; or
- (f) the Adviser has acted negligently or in bad faith; or
- (g) the Adviser is the subject of an investigation by the Regulator; or
- (h) the Adviser fails to comply with any provision of the FSMA 2000 or any applicable regulation or other relevant legislation or regulation.

4.3 Upon termination of this Agreement for any reason:

- (a) the provisions of Clauses 2.8, 5 and 6 shall continue in force and without limit of time;
- (b) the Adviser shall return to the Appointor immediately any documents in his possession or control which contain or record any confidential information of the Appointor or any information relating to clients of the Appointor; and
- (c) subject as provided in this Clause, and except in respect of any accrued rights, neither party shall be under any further obligation to the other.

4.4 If this Agreement terminates for any reason the Adviser will remain entitled to any amount in credit outstanding on the Financing Account and the Appointor shall continue to credit to the Financing Account any Initial Advice Fee (excluding any Initial Advice Fee in respect of indexation increases) earned pursuant to Clause 3.1 but any right to [Ongoing Advice Fee, fees, share options and Business Sale and Purchase pursuant to sub-Clauses 3.4.1 to ~~3.4.3~~ inclusive]* shall immediately cease on termination unless the Appointor shall otherwise agree in writing.

** delete as appropriate*

4.5 The Adviser shall not apply to SJPWM to become an Associate Partner or Partner of the St. James's Place Partnership without the prior written consent of the Appointor. In the event that such consent is given, the Adviser shall be deemed to have given to the Appointor notice to terminate this Agreement pursuant to Clause 4.1, such notice to expire one month after the date of the Appointor's written consent. The provisions in Clauses 3.6, 3.7, 3.8, 4.3, 4.4, 5.4 and 7 shall apply to any such termination.

5. Consequences of Termination

5.1 The Adviser shall not within 12 months after termination of this Agreement, either alone or with others, directly or indirectly attempt to persuade or induce any client with whom the Adviser had dealings in the 12 months prior to the termination of this Agreement to:

5.1.1 purchase or invest in a financial product which is of the same type as and/or substantially similar to one available from SJP in the 12 months prior to the termination of this Agreement, or

5.1.2 cancel, surrender or terminate any financial product issued by SJP to the client.

5.2 The Adviser shall not within 12 months after termination of this Agreement:

5.2.1 make contact with any person who was a client or prospective client of the Appointor during the 12 month period ending on the date of termination of this Agreement with a view to dealing with such a person in competition with the business of the Appointor, or

5.2.2 solicit, interfere with or endeavour to entice away from the Appointor or employ any person who was an employee or Adviser of the Appointor during the period of 12 months ending on the date of termination of this Agreement.

5.3 The parties agree that the terms set out in Clauses 5.1 and 5.2 are for the protection of the legitimate business interests of the Appointor and are reasonable in all the circumstances. Each of the said terms are separate and severable and in the event of any of them being determined to be unenforceable in whole or in part for any reason, its unenforceability shall not affect the enforceability of the remaining terms or (in the case of terms unenforceable in part) the remainder of that term.

5.4 If the Adviser becomes a Partner or Associate Partner of the St. James's Place Partnership pursuant to Clause 4.5 above, then the provisions of this Clause 5 shall not prevent the Adviser from dealing with any clients introduced to the Appointor by the Adviser during the term of this Agreement, subject to the Appointor's prior written consent.

6. **Confidentiality**

6.1 The Adviser shall keep confidential any and all confidential information that he may acquire in relation to the business or affairs of the Appointor or the Appointor's clients including (without limitation) the names and addresses and personal information of clients of the Appointor, fact finds, reasons why letters, details of policies and any correspondence with clients.

The Adviser shall not use the Appointor's confidential information for any purpose other than to perform his obligations under this Agreement.

6.2 The obligations of the Adviser set out in Clause 6.1 above shall not apply to any information which:

- (a) is publicly available or becomes publicly available through no act or omission of the Adviser; or
- (b) the Adviser is required to disclose by order of a court of competent jurisdiction or any regulatory body.

7. **Appointor's Property**

All documents, papers and records relating to the business of the Appointor or his clients including without limitation fact finds, "reasons why" letters, correspondence with clients, details of policies, files, sales literature and publicity material (in whatever form, including for the avoidance of doubt those held on computer) and all equipment provided to the Adviser by the Appointor for use in connection with this Agreement are the property of the Appointor (the "Appointor's Property"). The Adviser agrees to take all due care of and to use the Appointor's Property solely for the purposes set out in this Agreement and to hold the Appointor's Property to the Appointor's order at all times. The Appointor's Property will be returned to the Appointor in good order and condition immediately on demand and will in any event be returned to the Appointor promptly upon termination of this Agreement for any reason.

8. **Data Protection**

8.1 The Adviser consents to the Appointor:-

- (a) holding and processing personal data as defined in the Data Protection Act 1998 (the "Act") relating to him for legal, personnel, administrative and management purposes; and
- (b) making such information available to SJP, those who provide products or services to the Appointor, regulatory authorities, governmental or quasi governmental organisations and potential purchasers of the Appointor or any part of its business.

8.2 The Adviser will abide by his/her obligations under the Act, (including if applicable any necessary notifications under the Act) in respect of the personal data held and processed by the Adviser on behalf of the Appointor, at the Adviser's own cost.

8.3 The Adviser undertakes:

- (a) to process any personal data (as defined in the Act) only for the purposes of carrying out the Adviser's obligations to the Appointor under this Agreement in connection with the processing of data on the Appointor's behalf, or otherwise in accordance with the Appointor's written instructions from time to time;
- (b) to maintain at all times appropriate technical and organisational measures to protect personal data from unauthorised or unlawful processing, accidental loss or destruction of or damage to that personal data;
- (c) to promptly refer to the Appointor any requests, notices or other communication from data subjects or any authority (such as the Information Commissioner); and
- (d) at no additional cost, to provide such information to the Appointor as the Appointor may reasonably require to allow the Appointor to comply with the Act, such as subject access requests or notices served by the Information Commissioner.

8.4 The Adviser will, at no additional cost, keep full and accurate records relating to all processing of personal data on behalf of the Appointor and upon reasonable notice allow the Appointor access to such records to take copies in order to assess whether the Appointor has complied with the Act. The Adviser's obligations under this clause will continue for so long as the Adviser processes data for the Appointor and such records will be returned to the Appointor upon termination of this Agreement.

9. **Indemnity**

On account of the Adviser's status as a self-employed person as set out in Clause 2.4 above, the Adviser shall be fully responsible for and indemnify the Appointor against any liability, assessment or claim for:-

- (a) taxation whatsoever arising from or made in connection with the performance of his obligations under this Agreement, where such recovery is not prohibited by law;

- (b) any employment related claim or any claim based on worker status (including reasonable costs and expenses) brought by the Adviser or any substitute against the Appointor arising out of or in connection with the performance of the Adviser's obligations under this Agreement.

The Appointor may satisfy such indemnity (in whole or in part) by way of deduction from any payment due to the Adviser.

10. **General**

- 10.1 This Agreement contains the whole agreement between the parties and supersedes and replaces any prior written or oral agreements, representations or understandings between them. The parties confirm that they have not entered into this Agreement on the basis of any representation that is not expressly incorporated into this Agreement.
- 10.2 If any provision in this Agreement is prohibited or unenforceable, such prohibition or unenforceability shall not invalidate the remaining provisions of this Agreement or affect the validity or enforceability of the same.
- 10.3 No forbearance, delay or indulgence by the Appointor in enforcing his rights under this Agreement shall prejudice or restrict such rights nor shall any waiver of its rights operate as a waiver of any subsequent breach and all rights, powers or remedies conferred upon or reserved for the Appointor are cumulative and do not exclude any other right or remedy available to the Appointor.
- 10.4 No addition, variation or modification of this Agreement shall be binding unless recorded in writing and signed by the Appointor.
- 10.5 Any notice to be given to the Adviser under this Agreement shall be given to the Adviser by hand or sent by first class post to the Adviser's last known address and shall be deemed for the purposes of this Agreement to have been received by him 24 hours after posting. Any notice to be given to the Appointor shall be sent by first class post to the Appointor's principal place of business and shall be deemed for the purposes of this Agreement to have been received by him 24 hours after posting.
- 10.6 Nothing in this Agreement creates any right enforceable by anyone who is not a party to it.
- 10.7 This Agreement is made in England and shall be governed and construed in accordance with English Law and any dispute arising under or in connection with this Agreement shall be submitted to the exclusive jurisdiction of the English Courts.

IN WITNESS whereof the parties have executed this Agreement on the day and year first above written.

SIGNED by
THE APPOINTOR

SIGNED by
THE ADVISER

[SCHEDULE 1 – delete if not applicable]

Transitional monthly advance

Further to clause 3.1.1, this Schedule sets out the basis on which the Adviser will be paid a transitional monthly advance by the Appointor:

1. The Appointor shall pay the Adviser the sum of £[] per month for the first [six] months of this Agreement by way of an advance of IAF, OAF and Miscellaneous Fees anticipated to be due to the Adviser pursuant to this Agreement (“Advances”).
2. During this Agreement, the Appointor shall be entitled to retain the IAF, OAF and Miscellaneous Fees earned by the Adviser pursuant to clauses 3.1.2, 3.4.1 and 3.4.2 respectively up to the total of the Advances as follows:
 - a. During the first six months of this Agreement, 100% of the IAF and any Miscellaneous Fees due to the Adviser shall be retained by the Appointor until the Advances are repaid;
 - b. After the first six months of this Agreement, 25% of the IAF, OAF and Miscellaneous Fees due to the Adviser shall be retained by the Appointor until the Advances are repaid.
3. In the event this Agreement terminates for any reason prior to the Adviser earning sufficient IAF, OAF and Miscellaneous Fees to repay the Advances, the shortfall between the total of the Advances received by the Adviser and the total IAF, OAF and Miscellaneous Fees retained by the Appointor in accordance with paragraph 2 above shall immediately be repaid in full by the Adviser together with interest of 2.75% above the base rate of the Bank of England from time to time.

OR

[SCHEDULE 1 – delete if not applicable]

Transition Payments

Further to clause 3.1.1, this Schedule sets out the basis on which the Adviser will be entitled to retain transition payments from the Appointor.

- 1 During the first six months’ of this Agreement, the Adviser shall receive a payment of £[] per month (the “Transition Payments”) from the Appointor which will be paid into the Financing Account as an uplift to the Adviser’s monthly IAF accruals.

[EITHER]

- 2 The Adviser shall be entitled to retain the Transition Payments subject to achieving [62,500] Total Credit by the anniversary of this Agreement and this Agreement remaining in force on that date. In the event the Adviser does not achieve the Total Credit required under paragraph 2 above by the anniversary of this Agreement or if the Agreement terminates for any reason prior to the anniversary of this Agreement, the

total amount of Transition Payments advanced to the Adviser under paragraph 1 above are repayable in full by the Adviser to the Appointor.

[Or]

2. The Adviser shall be entitled to retain the Transition Payments subject to achieving [62,500] Total Credit by the anniversary of this Agreement and this Agreement remaining in force for a further [2] years. In the event the Adviser does not achieve the Total Credit required under paragraph 2 above by the anniversary of this Agreement or if the Agreement terminates for any reason prior to the third anniversary of this Agreement, the Advisor shall repay a percentage of the Transition Payments as follows:
 - 2.1 Termination of Agreement or failure to achieve required Total Credit prior to the first anniversary – 100%;
 - 2.2 Termination of Agreement prior to the second anniversary – 66%;
 - 2.3 Termination of Agreement prior to the third anniversary – 33%.
- 3 Any repayment due shall be made immediately by the Adviser to the Appointor together with interest of 2.75% above the base rate of the Bank of England from time to time.

[SCHEDULE 2 – delete if not applicable]

Initial Advice Fee (“IAF”)

1. Further to clause 3.1.2, Table 1 sets out the applicable IAF payable to the Adviser subject to paragraph 2 of this Schedule.

Table 1

Production Level	IAF
Adviser	70%
Associate Partner	80%
Partner	90%
Partner Plus and above	100%

2. For the [first six months] of this Agreement, production shall be assumed to be at the level of [Adviser] and IAF shall be paid on this basis. Thereafter, the IAF will be reviewed quarterly (on or around 1 January, 1 April, 1 July and 1 October) each year. In the event the Adviser either attains a higher production level or falls short of the production level attained for the previous quarter, the IAF will be increased or decreased by one level at each review until IAF reflects the Adviser’s appropriate production level.
3. The Adviser may undertake para-planning work for other Partners and any income derived will be retained at 100% by the Adviser. Other income from Fees will be split with the Practice at the level appropriate at that time in accordance with paragraph 2 above.