

For financial advisers only

Terms of business

These terms of business apply to financial advisers only and must not be distributed to, or relied upon by, retail customers.

These terms of business apply with effect from 24 October 2022. By submitting business to us on or after that date, you agree to these terms. If you submit business to us via the Aegon Retirement Choices Platform or the Aegon Platform, separate terms of business apply.

1. Definitions

- **Act** means the Financial Services and Markets Act 2000, as amended or re-enacted from time to time
- **adviser/you/your** refers to the **authorised person** to whom these terms of business apply. Where the **adviser** is a firm, partnership, limited liability partnership or limited company, '**you**' includes principals, directors and partners, as appropriate
- **adviser charge** means the fee agreed between the **adviser** and the **plan holder** for the **advice** and/or services, payable by the **plan holder** and called initial **adviser charge** and/or ongoing **adviser charge** and/or ad hoc **adviser charge**
- **adviser/consultancy charge terms and conditions** means the document that sets out the terms and conditions governing how we facilitate the payment of **adviser charge** and **consultancy charge**
- **Aegon Group** means Aegon UK plc and/or any of its subsidiary companies, holding companies, or any subsidiary of any such holding company
- **appointed representative** has the meaning given to it in section 39(2) of the Act
- **authorised person** has the meaning set out in section 31 of the Act
- **business** means business that is, or relates to, all long-term insurance business (as defined in Schedule 1 Part II of The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI 2001/544), collective investment scheme business (as defined in Section 235 of the Act), individual savings account business (as defined in the Individual Savings Account Regulations 1998 – SI 1998/1870) and any other **products** and services offered by **us** at any time
- **Capita** means Capita Life & Pensions Regulated Services Limited, who act as our agent in the administration of the **SIPP**
- **cash account** means the account that is set up with **Capita** for the movement of money within a **SIPP**, payments out of the **SIPP**, and movement of sums between the insured funds within a **product** and the **SIPP**
- **charge deduction instruction** means the Aegon form signed by the **client** (where their **product** is a personal pension plan) or by **you** and the **employer** (where the **product** is a group pension scheme), telling **us** the amount of the **adviser charge** or **consultancy charge**, and authorising **us** to deduct the **adviser charge** or **consultancy charge** from the **product**
- **client** means the applicant for **business** (or any other person or persons to whom their **product** is transferred in accordance with these terms and conditions) and, where appropriate, will also mean the **plan holder**
- **close family or associates** means:
 - spouse;
 - children and step-children, parents and step-parents, brothers and sisters, step-brothers and step-sisters, and the spouse of any of these;
 - appointed representative**; and
 - employees
- **COBS** means the FCA's Conduct of Business Sourcebook
- **company** means Scottish Equitable plc.
- **consultancy charge** means the charge agreed between **you** and the **employer** and payable by the **plan holder** for advice given or services provided in relation to a group pension scheme with **us**, and called initial **consultancy charge**, ad-hoc **consultancy charge** and/or ongoing **consultancy charge**
- **data controller** has the same meaning as set out in **Data Protection Legislation**
- **Data Protection Legislation** means (a) any applicable law which relates to the protection of individuals with regards to

the processing of data (including Personal Data) and privacy to which a party (or a third party that it represents) is subject, including GDPR or, in the event that the UK leaves the European Union, all legislation enacted in the UK in respect of the protection of personal data; and (b) any code of practice or guidance published by the ICO from time to time;

- **employer** means the person (including a company or other legal entity) that employs the **plan holder**, and through whom the **plan holder** applies for a group pension scheme with **us**
- **FCA** means the Financial Conduct Authority and any regulator that replaces it
- **GDPR** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and repealing Directive 95/46/EC (General Data Protection Regulation) OJ L 119/1, 4.5.2016
- **insured person** means the life or lives assured named in the application.
- **Money laundering regulations** means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended or re-enacted from time to time.
- **personal recommendation** has the meaning given to it in the **FCA** rules
- **plan holder** means the owner of a **product**, and, where applicable, is the person who has an obligation to pay the **adviser charge** or **consultancy charge**
- **platform** means the Aegon Retirement Choices platform
- **policy conditions** means the terms and conditions for each of **our products**
- **premium** means any payment to any product, and includes movement of any amounts between the **SIPP** and the insured part of a **product**
- **product** means a product provided by **us**,

excluding **products** which are available only via **our platform**

- **property cash account** means the account that is set up to settle all payments associated with the purchase and maintenance of a property within the **SIPP**, and from which loan repayments are deducted and rental income received
- **SIPP** means the self invested part of a **product**
- **we, us, our** refers to the **company**

- 1.1 **We** have inserted clause and paragraph headings and numbering for convenience only, and they will not affect the interpretation of these terms of business.
 - 1.2 If there is any conflict or inconsistency between these terms of business and the terms set out in the **adviser charges/ consultancy charges terms and conditions**, these terms of business will prevail.
 - 1.3 Words in the singular include the plural. The opposite also applies.
 - 1.4 A reference to one gender includes a reference to the other genders.
 - 1.5 A reference to any statute or statutory provision includes a reference to any amendment, extension or re-enactment of that statute or statutory provision, and to any regulations made under it or them, and to any Northern Ireland equivalent legislation.
- ## 2 Scope
- 2.1 These terms of business set out the conditions upon which **we** will normally accept **business you** place with **us**. They replace previous versions of **our** terms of business, but if **you** place **business** with **us** via **our platform**, that **business** will be covered by the **platform's** terms of business, and not by these terms of business.
 - 2.1.1 Some **business** that **you** place with **us** will be accepted under the conditions detailed in Appendix 1 to these terms of business. Where this is the case, **we** will tell **you** which **products** are covered by Appendix 1.
 - 2.1.2 Where Appendix 1 applies to **business** placed with **us**, the terms of Appendix 1 will take precedence where there is any conflict with the rest of the terms of business. For the avoidance of doubt, for any **business** placed with **us** that is covered by Appendix 1, no commission is payable and **adviser charge** will be payable in accordance with the terms of Appendix 1.
 - 2.2 **You** are the agent of the **client** and not of **us** in relation to all aspects of any **business** placed or serviced by **you**. This does not detract from the obligations of **you** and **us** to each other assumed in these terms of business. Nothing in these terms of business should be construed as indicating or giving rise to a joint venture, agency or partnership.
 - 2.3 **We** reserve the right, at **our** discretion, not to accept any item of **business** from **you**.
 - 2.4 Every time **you** submit **business** to **us**, **you** are confirming that **you** are authorised in that jurisdiction to provide advice to the **client** relating to that **business**.
 - 2.5 In the event of a **client** becoming habitually resident outside of the United Kingdom **you** must advise **us** of this as soon as becoming aware of it, and no new investments must be acquired for the **product** without **our** prior written approval.
 - 2.6 **We** reserve the right to make direct contact with **your client** where considered appropriate. This could be because **we** have to, in order to comply with legislation or **FCA** rules, or for some other reason. **We** also reserve the right to send, direct to the **plan holder**, information regarding their **product**. If **we** do this, **we** will send, where appropriate, a copy of the information to **you**.
 - 2.7 **We** will not accept liability for any monies paid to **us** until **we** have received them.
 - 2.8 For group personal pension (including group self invested personal pension), and group stakeholder policies:
 - 2.8.1 **We** will accept the **employer's** instruction to appoint an **adviser** in respect of all the **plan holders** and to give and receive information in relation to the **products** that form part of the group arrangement, as if they were the **plan holder**.
 - 2.8.2 Where **employer** contributions are being paid into employees' **products**, or **employer** contributions have stopped being paid into an employee's **product**, but the employee is still employed by that **employer**, **we** will be entitled to accept a letter of authority from the **employer** to change the scheme adviser acting under all such employees' **products**. This letter of authority should be on company headed paper and signed for and on behalf of the **employer**. **We** will not be required to seek any further authority from the individual employee. **We** will assume that the **employer** has obtained the consent of all relevant employees to

the change of scheme adviser.

- 2.8.3 In addition to having the scheme adviser, an individual employee may give **us** an instruction to appoint his own adviser for his or her own **product**.
- 2.8.4 An **employer** may give **us** a letter of authority to release information to another adviser for employees where:
- a. **employer** contributions are being paid into an employee's **product**; or
 - b. contributions have stopped being paid into an employee's **product** but the employee is still employed by that **employer**.
- 2.9 **You** are not authorised to:
- 2.9.1 incur any expenditure or liability on **our** behalf;
 - 2.9.2 give cover on **our** behalf for any **product**;
 - 2.9.3 collect **premiums** for a **product**, or issue receipts on **our** behalf;
 - 2.9.4 sign or amend any documents or policies on **our** behalf; or
 - 2.9.5 make any statements, promises or representations which bind or purport to bind **us**, and **you** will not hold yourself out as having authority to make any such representation.

3 Your obligations

3.1 **You** warrant that **you** will:

- 3.1.1 ensure that all **your** employees, agents and subcontractors are aware of and comply with these terms of business;
- 3.1.2 perform **your** obligations under these terms of business in line with industry standards of best practice;
- 3.1.3 ensure all actions taken on behalf of the **client** are taken, where acting on an advisory basis, in accordance with the **client's** instructions, and all information **you** submit to **us** is true, accurate and complete;
- 3.1.4 ensure that the **client** has read the **policy conditions** for the relevant **product** before they apply for the **product**;

3.1.5 ensure that:

- a. the information supplied in any application for a **product** has been supplied by the **client**;
- b. where this is passed to **us** electronically, the **client's** authority to send it electronically has been obtained; and
- c. **you** and any of **your** employees, agents and subcontractors are appropriately authorised to submit any application to **us**, including but not limited to the electronic submission of details relating to a signature-free trust;

3.1.6 comply with all legal and regulatory requirements that apply to **you** in the performance of **your** obligations under or in connection with these terms of business, and, in particular, with all **FCA** rules regarding commission and **adviser charge/consultancy charge** disclosure;

3.1.7 comply with all reasonable directions, instructions and requests from **us**;

3.1.8 provide **us** with all relevant **FCA** authorisation numbers, agency codes or other identification as **we** reasonably request, when submitting each application for **business**, including additional **premiums**, so **we** can promptly process the **client's** application, and accurately pay commission or pass across **adviser charge** and/or **consultancy charge** to **you** in accordance with **FCA** rules;

3.1.9 tell **us** immediately of any changes to **your** business details, including email addresses for each agent;

3.1.10 tell **us** immediately of any material change to **your** legal constitution;

3.1.11 pass on any documentation immediately, without amendment: (a) that **we** supply to **you** for the benefit of, or completion by, the **client**, or (b) that the **client** provides to **you** in relation to the **product**;

3.1.12 only issue **our** current **product** documentation and destroy all out-of-date **product** documentation;

- 3.1.13 provide **us** with all necessary information available to **you** regarding the **client** as **we** may reasonably require for the prompt, accurate and equitable handling of transactions relating to the **products**;
- 3.1.14 provide **us** with all necessary information available to **you** regarding the **client** as **we** may reasonably require to enable **us** to fulfil **our** obligations under **FCA** rules, including the **FCA's** 'Treating Customers Fairly' principles, **Data Protection Legislation** and the Bribery Act 2010;
- 3.1.15 comply with all relevant regulatory and legislative requirements relating to bribery, corruption and fraud, including those covered by the Bribery Act 2010;
- 3.1.16 comply with all relevant regulatory and legislative requirements relating to **business** submitted to **us**, including compliance with **your** obligations under **Data Protection Legislation**; and
- 3.1.17 where **you** have undertaken to the **client** to send monies to **us** on their behalf, comply with the **FCA's** rules on client money and remit such monies promptly to **us** without deduction of commission, **adviser charge** or **consultancy charge**;
- 3.1.18 treat all confidential information received from **us** as confidential;
- 3.1.19 keep **us** promptly informed in writing of any of the circumstances known to **you** within the scope of sub clause 4.10;
- 3.1.20 tell **us** immediately if an **authorised person** ceases to be entitled to access any of **our**, or a third party's, systems, for example, due to termination of employment or contract; and
- 3.1.21 provide a copy of **our adviser charge/ consultancy charge** terms and conditions to the **client**, and ensure that they understand them before they agree to the facilitation of **adviser charge** and/or **consultancy charge** through a **product**.
- 3.2 **Access to Medical Reports Act 1988**
- 3.2.1 Where we require an **insured person's** consent for the purposes of complying with **our** obligations under the Access to Medical Reports Act 1988 or the Access to Personal Files and Medical Reports (Northern Ireland) Order 1991 and **you** provide consent on behalf of the **insured person** as part of an online application for protection cover, the following clauses will apply.
- 3.2.2 When you provide the **insured person's** consent under clause 3.2.1, **you** warrant that **you** will:
- comply with all instructions (written, including as part of an online journey, or oral) received from **us** regarding the process for obtaining and providing the **insured person's** consent;
 - without prejudice to the generality of clause 5, pass on all information that **we** require **you** to make available to the **insured person** before **you** ask the **insured person** to provide their consent;
 - only provide consent on behalf of the **insured person** where not more than 3 months have passed since the **insured person** authorised **you** to provide their consent; and
 - inform **us** immediately if the **insured person** withdraws their consent, **you** receive information suggesting that the **insured person** may wish to withdraw their consent or if **you** receive a complaint or become aware of any issue in relation the consent.
- 3.2.3 Where **you** provide consent under clause 3.2.1, **you** warrant that **you** will retain evidence of the **insured person's** consent and how it was obtained and that **you** will provide such evidence to **us**, the doctor who has been asked to complete the medical report or the **insured person** within 5 business days of request for any reason, including to allow **us** to respond to complaints that **we** receive or to satisfy ourselves that **your** procedures are sufficiently robust.
- 3.2.4 In the event that **you** receive a complaint or claim relating to consent provided under clause 3.2.1, **you** will:

- a. as soon as reasonably practicable give written notice to **us**, specifying in reasonable detail the nature of the claim or the complaint;
- b. keep **us** informed of the progress of the claim or complaint and of any material developments; and
- c. if requested by **us**, provide to **us** copies of any material correspondence or other documents relating to the claim or complaint.

3.2.5 **We** retain the right at our sole discretion to withdraw **your** authority to use the process described in clause 3.2.1 at any time.

3.2.6 In addition to any other obligations in these terms of business, in respect of any consent submitted via the process described in clause 3.2.1, **you** will indemnify **us** against any loss suffered or incurred, directly or indirectly, as a result of the consent of the **insured person** not being properly obtained or provided or evidence not being properly retained, along with any reasonable costs or expenses which **we** may incur in relation thereto. The provisions of clause 4.17 will also apply.

4 Remuneration

4.1 Commission payment

4.1.1 Subject always to these terms of business, applicable **FCA** disclosure requirements and to the extent permitted by **FCA** rules (particularly regarding **adviser charge/consultancy charge** and remuneration in **COBS** Chapter 6), **we** will credit or pay commission on **business** **you** submit to **us**, and which **we** accept, except where **you** have told **us** that **you** do not require commission to be paid.

4.1.2 **We** may publish detailed commission terms at any time, which will apply to all **business** placed after publication, and which are available on request. This will not prevent **us** from providing bespoke commission terms in any circumstances that **we** deem appropriate.

4.1.3 **We** may vary such commission terms and any discount rate applicable to commission payable on indemnity terms

as **we** see fit without notice of any such variation to **you**.

4.1.4 Where **our** commission terms provide for a choice of different commission options, when **you** submit an item of **business**, **you** must tell **us** the basis on which **you** require commission to be paid for that item of **business**. If **you** don't, **we** will pay commission on such basis as **we** consider appropriate in the circumstances.

4.1.5 **We** will only pay initial commission once in respect of any **business** submitted and accepted. If two or more advisers claim commission in respect of the same piece of **business**, the commission will normally be paid to the adviser recognised by the **client** as their agent at the time when the application for **business** is completed or the increment to the **product** is submitted to **us**.

4.1.6 Where **we** consider that it is appropriate to pay commission to an adviser who **we** believe is providing advice or services to the **client**, **we** may do so, at **our** sole discretion, based on such terms and conditions as **we** will deem appropriate at the time.

4.2 Own life business

4.2.1 **We** reserve the right not to pay commission, or to restrict the amount of commission **we** pay to **you** in the following circumstances:

- a. where **you** or any of **your close family** or **associates** are the applicant for **business** or the **plan holder**; or
- b. where the applicant for **business** or the **plan holder** is **close family** or **associate** of an employee of **your** firm, or where such similar relationship as **we** may determine, falls within this category from time to time.

4.2.2 If **you** are a firm, **we** reserve the right not to pay **you** indemnity commission on the lives of any of the principals of the firm or on the lives of **close family** or **associates** of the principals of the firm.

4.2.3 **We** will not pay commission for any other **business** where **we** reasonably believe that the primary purpose for

it is to generate commission and is not a genuine long-term investment. If **we** reasonably believe that commission has been paid or credited to **you** on any such **business** it will be immediately repayable.

- 4.2.4 **We** will pay only non-indemnity or level commission on protection business on **your** life.
 - 4.2.5 **You** must tell **us** at the time of applying for **business** whether **you** or any of the people mentioned at sub clause 4.2.1 are the applicant or **plan holder** in respect of the **business**.
 - 4.2.6 Where **you** are the applicant for **business** or **plan holder** under sub clause 4.2.1a, **we** will not facilitate the payment of **adviser charge** or **consultancy charge** to **you** through the **product**.
- 4.3 **Indemnity commission terms**
- 4.3.1 When **you** and **we** agree in writing, **we** will pay initial commission on indemnity terms for each piece of **business** **you** submit, in accordance with **our** indemnity terms applicable from time to time, details of which are available on request.
 - 4.3.2 **Our** practice as to whether to pay indemnity commission for **business** will depend on the **product**. Please contact **your** usual Aegon representative if **you** want to know what **our** normal practice is for any particular **product**. Where **we** have granted indemnity terms to **you**, if **you** ask for it, **we** will pay the total amount of initial commission, discounted in accordance with **our** indemnity terms applicable from time to time, on acceptance of the **business** and on receipt of the first **premium** and when **premiums** are increased to a level higher than ever previously paid.
 - 4.3.3 Where **we** pay commission on indemnity terms, it is conditional upon it being earned. If **premiums** stop (other than on death) or the **premium** reduces during an initial period relating to the whole or part of the **premium** then that commission will, in whole or in part, be deemed not to have been

earned. In such circumstances **you** will repay, or **we** will otherwise recover from **you**, the unearned commission calculated in accordance with **our** indemnity terms from time to time.

- 4.3.4 **We** will tell **you** of a non-payment of **premium** as soon as it is practicable to do so. If **you** do not repay the unearned commission within three months of **us** telling **you**, **you** will have to pay interest on the debt at the rate of at least 0.67% a month compound, or at such other rate which **we** deem appropriate from time to time, from the date on which **premiums** stopped being paid.
 - 4.3.5 Where **business** is reinstated, and where it is **our** practice to pay commission to an adviser resulting from the reinstatement, **we** will pay the commission to the adviser whose advice or actions, in **our** sole discretion, were instrumental in leading to the reinstatement. **Our** practice as to whether to pay commission for reinstated **business** will depend on the **product**. Please contact **your** usual Aegon representative if **you** want to know what **our** normal practice is for particular **products**.
 - 4.3.6 **We** reserve the right to withdraw indemnity commission terms and pay non-indemnity commission whenever the amount of **your** unearned indemnity commission liability exceeds such sum as **we** may deem appropriate, or otherwise as **we** may determine from time to time.
- 4.4 **Establishment commission terms**
- 4.4.1 When **you** and **we** agree in writing, **we** will pay establishment commission in accordance with **our** establishment commission terms applicable from time to time, details of which are available on request.
 - 4.4.2 **Our** practice as to whether to pay establishment commission for **business** will depend on the **product**. Please contact **your** usual Aegon representative if **you** want to know what **our** normal practice is for any particular **product**. Where **we** pay commission on establishment commission terms, it

is conditional upon it being earned. If **premiums** stop (other than on death) or the **premium** reduces during an initial period relating to the whole or part of the **premium** then that commission will, in whole or in part, be deemed not to have been earned. In such circumstances **you** will repay, or **we** will otherwise recover from **you**, the unearned commission calculated in accordance with **our** establishment commission terms from time to time.

- 4.4.3 **We** will tell **you** of a non-payment of **premium** as soon as it is practicable to do so. If **you** do not repay the unearned commission within three months of **us** telling **you**, **you** will have to pay interest on the debt at the rate of at least 0.67% a month compound, or at such other rate which **we** deem appropriate from time to time, from the date on which **premiums** stopped being paid.
- 4.4.4 Where **business** is reinstated, and where it is **our** practice to pay commission to an adviser resulting from the reinstatement, **we** will pay any commission resulting from the reinstatement to the **adviser** whose advice or actions, in **our** sole discretion, were instrumental in leading to the reinstatement. **Our** practice as to whether to pay commission for reinstated **business** will depend on the **product**. Please contact **your** usual Aegon representative if **you** want to know what **our** normal practice is for particular **products**.
- 4.4.5 **We** reserve the right to withdraw establishment commission terms whenever the amount of **your** unearned commission liability exceeds such sum as **we** may deem appropriate, or otherwise as **we** may determine from time to time.
- 4.5 **Single premium commission**
- 4.5.1 **We** will pay commission to **you** in respect of certain single premium **business** placed by **you**, on the condition that the single premium **business** remains in force for a specified period of time. **Our** practice as to whether to pay commission for single premium **business** will depend on the **product**. Please contact **your** usual Aegon representative if **you** want to know what **our** normal practice is for any particular **product**. If the **business** for which **we** do pay commission does not remain in force for the specified period of time then that commission will, in whole or in part, be deemed not to have been earned. In such circumstances **you** will repay, or **we** will otherwise recover from **you**, the unearned commission calculated in accordance with **our** single premium terms from time to time.
- 4.5.2 If **you** do not repay the unearned commission within three months of **us** telling **you**, **you** will have to pay interest on the debt at the rate of at least 0.67% a month compound, or at such other rate which **we** deem appropriate from time to time, from the date on which the single premium **business** ceased to remain in force.
- 4.5.3 **We** will only pay **you** commission for group pension **business** from 31 December 2012 if **you** confirm that for single **premiums** and transfers from other pension schemes prior to that date, an agreement was in place with the **employer** to cover future advice given to its employees, and that agreement is to continue without change.
- 4.6 **Trail commission**
- 4.6.1 Subject to FCA rules, sub clauses 4.6.2 and 4.12, **we** will pay trail commission to **you** in relation to certain **business**. **Our** practice as to whether to pay trail commission will depend on the **product**. Please contact **your** usual Aegon representative if **you** want to know what **our** normal practice is for any particular **product**.
- 4.6.2 Where it is **our** practice to pay trail commission, **we** will continue to pay it from 31 December 2012 where:
- a. **you** have given the **client** a **personal recommendation** before 31 December 2012, and there is a clear link between the trail commission and the **personal recommendation**;
- or

b. we accepted non-advised business before 31 December 2012.

4.7 Adviser charge and consultancy charge

4.7.1 We have agreed to facilitate the payment of **adviser charge** or **consultancy charge** from a **product**, or to require **Capita** to facilitate the payment of **adviser charge** from a **SIPP**. Where **we** do this, **we** (or **Capita**, as appropriate) will make the deductions in line with the **adviser charge/consultancy charge** terms and conditions, and **our charge deduction instruction**, and then facilitate the onward payment to **you** of the amount deducted. Where **you** want **us** to facilitate the payment of **adviser charge** or **consultancy charge** from the insured funds within one of **our products**, **you** must use **our 'insured' charge deduction instruction**. Where **you** want **us** to facilitate the payment of **adviser charge** from the **SIPP**, **you** must use the '**SIPP**' **charge deduction instruction**.

4.7.2 In performing this role, **we**, or **Capita** (as appropriate), will be acting as **your** agent for the sole purpose of transferring to **you** the amount, equal to the **adviser charge** or **consultancy charge** that **we** have deducted. This means that the **client's** liability to **you**, in respect of the **adviser charge** or **consultancy charge** they have entered in the **charge deduction instruction**, will be discharged as soon as **we** have deducted the **adviser charge** or **consultancy charge** from the **product**, and the **adviser charge** or **consultancy charge** becomes a debt that **we** owe to **you**. This is subject to sub clauses 4.11.1, 4.13 and 4.17.

4.7.3 If **you** are no longer authorised under the **Act**, **we** will continue to facilitate the payment of initial **adviser charge** or initial **consultancy charge**, where **we** have received a **charge deduction instruction** that has not been revoked. **We** will stop paying

ongoing **adviser charge** and ongoing **consultancy charge** from the date of de-authorisation.

4.8 Appointed representatives

If **you** appoint an agent or **appointed representative**, commission, **adviser charge** and **consultancy charge** will be paid to **you**, and **you** will be liable to repay any commission, **adviser charge** and **consultancy charge** owed to **us** under sub clause 4.13. This also applies where **we** pay monies to **your** order. It is agreed that **we** will have no direct contractual relationship with such agent or **appointed representative**.

4.9 Premium payment

All **premiums** must be remitted to **us** without deduction of commission, **adviser charge** or **consultancy charge**.

4.10 Termination of commission payment

4.10.1 Subject to sub clauses 4.3, 4.4, 4.5 and 4.6, **we** will stop paying **you** trail commission and any type of phased commission including level commission, fixed percentage of **premium** and fund/surrender value related commission in the following circumstances:

- a. when **you** die (if a sole trader);
- b. if **you** or **we** terminate this agreement;
- c. if **you** enter into a voluntary arrangement with **your** creditors, any steps are taken in relation to bankruptcy or winding-up proceedings against **you**, the appointment of a receiver or an administrative receiver over **your** assets, or **you** enter into liquidation (whether voluntary or compulsory);
- d. if **you** are no longer authorised under the **Act** or steps are being taken to de-authorise **you**, or **you** otherwise become, in **our** opinion, unable to provide ongoing advice in connection with the **product** to which the commission payment relates;

- e. where, in **our** opinion, **you** are no longer the **client's** agent even though **you** may still be authorised;
- f. where, in **our** opinion, **you** are no longer providing ongoing advice or services to the **client** in connection with the **product** to which the commission payment relates;
- g. where, in **our** reasonable opinion, another adviser is entitled to the remuneration for the **product**;
- h. where the **adviser** or its book of **business**, is sold to another adviser;
- i. where in **our** reasonable opinion, **we** suspect the **adviser** of fraud;
- j. where the **client** terminates the **product** to which the remuneration relates; or
- k. where **we** are notified by a **client** that a **product** is to be removed from **your** agency account.

4.10.2 **We** will only accept written notification of a change of adviser.

4.10.3 Where **we**, having regard to the particular circumstances relating to any case or cases, consider that it is appropriate to continue paying commission to an **adviser** who has ceased to be the **client's** agent in terms of the above paragraphs then, at **our** sole discretion, **we** may do so based on such terms and conditions as **we** will deem appropriate at the time.

4.10.4 If individual **products** are transferred from **your** agency account at the **client's** request, **you** will remain liable for any commission clawback on those **products** in relation to **business** submitted by **you**.

4.11 Cancellation rights

4.11.1 If a **client** exercises the right to cancel any **product** in terms of **COBS** Chapter 15 or any other statutory, regulatory or contractual right, no commission will be payable to **you** in respect of such **business**. Additionally, **we**, or **Capita**, as appropriate, will not facilitate the payment of future **adviser charge** or **consultancy charge** to **you** for that **product**.

4.11.2 In such circumstances, if the **client's product** is invested in insured funds, **we** will refund to the **client**:

- a. For regular **premiums**: the value, on the date of investment, of the units purchased with the **premium**.
- b. For single **premiums** and transfer payments: the value, on the date of cancellation, of the units purchased with the **premium**, taking into account any movement resulting from investment loss since the date of investment.

For the avoidance of doubt, **we** will never repay more than the original value of the **premium**. Any commission, **adviser charge** and/or **consultancy charge** already paid will be repaid by **you** immediately to **us**.

4.11.3 In relation to any **product**, where a **client** has a right to cancel as described in sub clause 4.11.1 then, in addition to those statutory, regulatory or contractual rights to cancel, **we** may allow **your clients** an extended right to cancel within a period of up to 30 days from the date of receipt by the **client** of a notice of cancellation specifying such a right to cancel. In the event that a **client** exercises an extended right of cancellation, no commission will be payable to **you** for such **business**. Additionally, **we** will not facilitate the future payment of **adviser charge** or **consultancy charge** to **you** for that **product**. Subject to sub clause 4.11.4, any commission, **adviser charge** and/or **consultancy charge** already paid will be immediately repayable to **us**.

4.11.4 If the **client** has a **SIPP**, the amount **we** will refund to the **client** depends on a number of factors:

- a. If the investments are held only within the **cash account** during the cancellation period and no trading has occurred, **we** will return any **premium** or transfer, less **adviser charge**, product and investment charges, to the person who paid it (for example to the client, their **employer**, a third party or another product provider for a transfer).

- b. If the client started trading within the cancellation period, they will be liable for transactional, product and investment charges, and any charges imposed by third parties such as investment managers or stockbrokers. In addition, if their investment has fallen in value before **we** received the cancellation request, they may get back less than they invested.

For the avoidance of doubt, **we** will never repay more than the original value of the **premium**, and all refunds will be net of **adviser charge** paid to **you**.

4.12 Change of adviser

4.12.1 Bulk transfers

- a. Where **you**:
 - i. are no longer authorised under the **Act** and have arranged for another adviser to provide the same (or a better) level of advice or service to **your** existing **clients**; or
 - ii. **your** book of **business** is sold to another adviser:

we will stop paying **you** any trail commission, ongoing **adviser charge** and/or ongoing **consultancy charge** from the date of transfer. **We** will pay to **you** any trail commission, ongoing **adviser charge** and/or **consultancy charge** due up to the date of transfer. **We** will pay the new adviser the trail commission **you** would have got if **you** had continued to be the adviser. Where the book of **business** is sold, **we** will pay the new adviser the **adviser charge** and/or **consultancy charge** agreed by the **client** to be paid to **you**, and from the date of sale these terms of business will apply to the new adviser.

- b. Sub clause a above is subject to the following conditions being met:
 - i. in relation to trail commission, **adviser charge** and **consultancy charge**, that the new adviser:
 - confirms in writing that it accepts all terms and conditions agreed between **you** and **us**

in relation to payment of remuneration and all **your** liabilities in relation to **business you** submitted, including the contingent liability to repay to **us** any unearned commission paid on indemnity terms to **you**;

- has an active agency account with **us**; and

ii. **we** have agreed in writing to the transfer taking place

iii. in relation to **adviser charge** and **consultancy charge** only, that:

you confirm in writing to **us** that **you** and the new adviser have agreed that the same (or a better) level of ongoing service is being provided to the **clients** being transferred in return for the **adviser charge** and/or **consultancy charge** being transferred and that **you** have notified all of the **clients** in writing of the change to their adviser.

- c. Subject to sub clauses 4.3 to 4.6, if **you** have had another adviser's group pensions **business** transferred to **you**, **we** will only pay **you** commission for that **business** from 31 December 2012 if **you** confirm that for single **premiums** and transfers from other pension schemes prior to that date, an agreement was in place with the **employer** to cover future advice given to its employees, and that agreement is to continue without change.
- d. Before **we** pay any commission to the new adviser after the date of transfer, **we** will deduct any sums **you** owe **us** in respect of **business you** submitted up to the date of transfer.

4.12.2 Appointment of a new adviser

- a. Where the **client** terminates his relationship with **you** and appoints a new adviser, from the date of the change:
 - i. **we** will pay the new adviser the trail commission **you** would have got if **you** had continued to be the

adviser; and

- ii. we will continue paying **you** **adviser charge** and/or **consultancy charge** due to **you**, unless the **client** asks **us** not to. **We** will start facilitating the payment of **adviser charge** and/or **consultancy charge** to the new adviser when **we** receive a new **charge deduction instruction**.

4.13 Repayment of commission, adviser charge or consultancy charge

4.13.1 In addition to, and without prejudice to any other terms in these terms of business, no commission will be payable to **you** and **you** will repay to **us** any commission, **adviser charge**, and/or **consultancy charge** already paid to **you**, together with interest at the rate specified in sub clauses 4.3.4 and 4.4.3, above accruing from the date of payment of the commission, **adviser charge** or **consultancy charge** until the date of repayment, in the following circumstances:

If, as result of either a complaint by the **client** against **you**, or an order by a court, ombudsman, and/or any regulatory body, **we** have to either refund **premiums**, or to pay out the current fund value of the investment either directly to the **client** or to a third party on behalf of the **client**.

4.13.2 Any commission, **adviser charge** or **consultancy charge** already paid will, be immediately payable to **us** by **you**:

- a. Where **we** don't receive cleared funds in relation to the **client's premium** and **we** have to cancel the **client's product**.
- b. Where **we** make a payment to **you** for an amount that **you** are not entitled to, for example, due to an error, overpayment, cancellation or early termination of the **product**.

4.14 Frequency of payments of commission, adviser charge and consultancy charge

4.14.1 Subject to sub clauses 4.10.4, 4.17 and clause 16 **we** will pay **you**

commission or facilitate the payment of **adviser charge** or **consultancy charge** at such intervals as **we** may agree, and normally not less frequently than twice monthly. If the amount of commission, **adviser charge** and **consultancy charge** payable at any time is less than £100 sterling, **we** may retain the sum until the total amount payable exceeds that figure.

4.14.2 **We** will not pay interest on any remuneration that **we** hold pending payment of it to **you**.

4.15 Value Added Tax

4.15.1 **We** will make all commission payments to **you** inclusive of Value Added Tax ('VAT') (if applicable).

4.15.2 **We** will treat all **adviser charge** and **consultancy charge** instructions **we** receive as being inclusive of any applicable VAT. It is **your** responsibility to determine the VAT treatment of charges made and **we** will not be responsible for any error made in relation to this. If the prevailing rate of VAT changes, it is **your** responsibility, and not **ours**, to assess whether the amount of **adviser charge** or **consultancy charge** also needs to change.

4.16 Statements

We will issue **you** with regular statements of account. These may be contained in writing, on disk, on tape, in direct online communication to a computer terminal, or any other method of communication agreed between **us** and **you**. These statements will be the conclusive record of commission, **adviser charge** and **consultancy charge** payable to **you**, except in the case of manifest error or omission.

4.17 Set off

We reserve the right to set off the payment of commission, **adviser charge** or **consultancy charge** **we** owe to **you** against any debt owed by **you** to **us** or another company in the **Aegon Group**. If **you** hold more than one agency account with **us**, **we** reserve the right to set off one agency account against another

for monies owed to **us** or another company in the **Aegon Group**.

4.18 Debt reporting

If, at any time, **you** owe **us** a debt incurred as a result of the claw-back of indemnity commission, **adviser charge** or **consultancy charge**, or any other debt, including any which **we** have to report to the **FCA** under the **FCA's** rules, then **we** reserve the right to pass this information to other financial institutions and to third parties providing data gathering information services on their behalf. For example, **we** will supply information about the existence of the debt and the amount of the debt to the Elixir 2000 database maintained by Crif Decision Solutions Limited.

4.19 General

4.19.1 **You** acknowledge when **you** are applying for an agency account with **us**, that **we** will conduct due diligence on **you** from time to time. **We** may require financial guarantees from principals, directors or other suitable guarantors when setting up an agency with **you** or when **your** agency is in force.

4.19.2 **You** must comply with all relevant regulatory and legislative requirements relating to **business** submitted to **us** and, in particular, with those rules regarding disclosure in respect of commission, **adviser charge** and **consultancy charge**.

4.19.3 Without prejudice to sub clauses 4.1 to 4.18 above, matters relating to commission, **adviser charge** and **consultancy charge** payable or provided by **us** to **you** will be subject to the rules of the **FCA**.

5 Documentation

You must pass on immediately, without amendment, any documentation or communication which **we** supply for the benefit of, or completion by, the **client** or which the **client** provides in relation to the **business**.

6 Changing these terms of business

6.1 **We** reserve the right to change the terms contained in these terms of business. **We** do not have to send **you** a formal written notification

of any changes. The changes will be posted on **our** appropriate websites and will take effect, subject to sub clause 6.2, no earlier than one month after posting on the website.

6.2 If the changes have to take effect earlier than the date in sub clause 6.1, in order to comply with any legislation (including delegated legislation and statutory instruments) or with the **FCA** rules, then they will take effect immediately. Such changes may affect **business you** place with **us** before the change to these terms of business is to take effect, but only to the extent required by **FCA** rules and legislation. If **you** do not accept any changes to **our** terms of business, **you** must contact **our** Commission Department to let **us** know that **you** want to terminate this agreement.

7 Anti-money laundering and financial crime prevention

7.1 The firm shall comply with all statutory and **Aegon Group** imposed requirements relating to anti-money laundering, tax evasion and financial crime prevention.

7.2 The firm shall be responsible for effecting and maintaining such client due diligence and record keeping procedures as are required by the **Money Laundering Regulations** including such requirements as shall be notified in writing to the firm by **Aegon Group** from time to time.

7.3 The firm consents to being relied on by **Aegon Group** within the meaning given in the **Money Laundering Regulations** for the purposes of applying client due diligence measures.

7.4 If requested, the firm must immediately provide to **Aegon Group** all information or evidence of identity data it has gathered about the clients and/or any beneficial owners and any other relevant information collected in applying client due diligence measures.

7.5 The firm undertakes to **Aegon Group** that it shall comply with all applicable laws relating to the prevention of financial crime, including without limitation, the Terrorism Act 2000, the Criminal Justice Act 1993, the **Money Laundering Regulations**, the Proceeds of Crime Act 2002, the Fraud Act 2006, the Bribery Act 2010, the Criminal Finance Act 2017, and all applicable requirements of the **FCA**.

7.6 The firm undertakes to immediately inform the **Company** if any criminal proceedings are brought against the firm or any individual of the firm.

8 Data protection/Use of information/data

8.1 You warrant that:

8.1.1 you have in place all necessary notifications in respect of **your** processing of personal data as required by **Data Protection Legislation**, as amended from time to time;

8.1.2 under relevant data protection legislation you have a suitable lawful basis for sharing the client's personal data with us

8.1.3 you will maintain adequate security measures to prevent any unauthorised access or disclosure of identifiers/certificates and associated passwords issued by **us** for access to **our** systems or those of a third party, such as portal service providers and back office software providers.

8.2 You acknowledge that **we** will be a **data controller** in respect of the information or data provided to **us** and will be entitled (either alone or in conjunction with any other party) to use and disclose such information or data in accordance with **our** business requirements from time to time and to carry out **our** obligations under any contract entered into either by or on behalf of the **client**. The purposes for which **we** may use and disclose such information or data will include, without limitation, conducting market research, preparing strategic or other marketing plans and exchanging information with another contracting party (for any such party's legitimate purposes or use).

8.3 Information about **you**, the conduct of **you** and **your** agency account with **us** will be processed and disclosed by **us**, and **you** consent to such processing and disclosure, in accordance with the purposes described in sub clause 8.2. **You** acknowledge that such information may be held on computer or in such other medium as **we** may use. **We** also reserve the right to provide such information to a credit reference agency, closed user group or computer bureau.

8.4 Should it become necessary for **client** data to be transferred outside of the European Economic Area (EEA), the transferring party shall be responsible for ensuring that its data protection registration allows it to do so, it has **client** consent to do so, and the data is protected to the same degree as if it was covered by **Data Protection Legislation** when it is outside of the EEA.

9 Service of documents

9.1 Any letter or other document will be deemed to have been served on **you** if it is sent by post or left at any address of **your** firm from which **you** have informed **us**, in writing, that **you** were last trading, or at **your** registered office (if appropriate).

9.2 Any letter or other document will be deemed to have been served on **us** if it is sent by post or left at **our** head office at Lochside Crescent, Edinburgh Park, Edinburgh, EH12 9SE.

9.3 Any letter or document sent by post will be deemed to have been served on the second **business** day following that on which it was posted and service will be sufficiently proved if there is evidence that the envelope containing the letter or document was properly addressed, stamped and posted.

10 Communication and electronic mail

10.1 **You** and **we** accept the integrity of all email messages and agree to accord these the same status as would be applicable to a document or to information sent other than by electronic means. **You** accept responsibility and liability for the completeness and accuracy of any email message **you** send **us**, and **we** will not be liable for any consequence of any inaccurate or incomplete communication from **you**.

10.2 **You** and **we** agree not to contest the validity or enforceability of email messages in any legal proceedings between us respecting or related to a transaction.

10.3 **We** may accept email or other electronic communications from or with **you** upon such terms and subject to such additional or separate conditions as **we** may consider appropriate or desirable from time to time. This is subject to the strict understanding on **your** part that **we** will not be held responsible if **you** do not receive such communications,

or part of them, or if they are delayed for any reason. Communications from **you** to **us** will be deemed to have been received by **us** when the communication is accessible by **us**.

10.4 If an email or other electronic communication is corrupted, **you** will re-transmit that communication as soon as possible to **us**, and tell **us** that it is a corrected communication.

10.5 Each time **you** access any information or systems **we** make available to **you**, **you** undertake and warrant that:

- a. **you** are authorised, registered and hold the necessary consents from **clients** to have such access and to process the information made available by **us**;
- b. **you** have in place appropriate technical and organisational security measures to ensure that the information is stored securely and not accessible to any unauthorised person;
- c. **you** have taken steps to ensure that the information will not be disclosed to anyone who is not authorised to receive the information; and
- d. the information will be used only for **your** legitimate **business** purposes and in compliance with **your** data protection registrations.

10.6 **We** may rely and act upon any instructions given to **us** by **you** electronically in relation to the **product** which purport to have been given by **you**, and which are accepted in good faith and without negligence on **our** part.

10.7 It is a condition that any identifier and associated password issued for the purposes of gaining access to **our** systems – or access to information about **our products** and services held on third party computers/systems – will be used prudently and kept secure. In particular, an identifier and the associated password will only be made known to persons authorised by **you** to hold such identifier and associated password. **You** are liable for all actions taken or authorised under the access codes of each user, regardless of the fact that another individual has accessed the computer/information/services (as appropriate) and that access was unauthorised by the user.

10.8 As a consequence, **you** are responsible for the confidentiality of each user's usernames and passwords and must take all reasonable steps to ensure that:

- a. they are kept secret from any individual other than the user;
- b. they are not shared with any other person or anyone else is allowed to use or see them;
- c. they are not written down or included in any electronic file available on the same computer from which access to **our** systems/services is gained;
- d. computer terminals are not left unattended whilst logged on to **our** systems/services;
- e. any information printed off from **our** systems/services is destroyed or securely stored; and
- f. access details are changed immediately if the user believes they have become known to another person.

10.9 **We** will not be liable for any claims or losses incurred as a result of carrying out transactions authorised by a user or by providing use of **our** systems/services/**platform** to users. **We** will not be held responsible for errors, failures, delays or transposition of information or instructions by the user.

10.10 **You** must tell **us** immediately if it is suspected that someone else has gained knowledge of the access details of a user or, if someone else has accessed **our** systems/services using the user's codes.

10.11 In consideration of receipt of any usernames and passwords from **us**, **you** indemnify **us** against all losses, claims, damages and expenses which may be suffered or incurred by **us** arising from or in connection with the failure by **you** or persons to whom usernames and passwords have been supplied by **us**, at **your** request, to keep confidential all usernames and passwords or for any breach of the terms of this section.

10.12 **We** provide any downloadable software at **your** and the user's own risk and will not be liable for any claims or losses whether directly or indirectly arising from use of **our** systems/services/**platform** that is not within **our** reasonable control.

10.13 Any investment tools software made available to **you** through the **platform** is to be used at **your** own risk. While reasonable care has been taken in the compilation of the data contained in the investment tools software it is not warranted to be accurate or complete.

10.14 We may record or monitor telephone calls to or from **us**. We will do so for any of the following reasons:

10.14.1 to provide evidence of a **business** transaction;

10.14.2 to ensure **we** comply with regulatory procedures;

10.14.3 to improve services; or

10.14.4 for **your** protection.

11 Applicable law

These terms of business will be governed and construed in accordance with the laws of the part of the United Kingdom in which **you** have **your** principal place of business.

12 Intellectual property/links to websites

12.1 **You** may not use any intellectual property owned by **us** without **our** prior written consent. In particular, **you** must not:

12.1.1 alter, deface or remove any reference to **our** trade marks, or any reference to **us** on any **product** documentation;

12.1.2 produce or distribute any documentation using **our** name, logos or other trade marks, unless supplied by **us**;

12.1.3 do, or authorise any third party to do, any act that would, or might invalidate or be inconsistent with any intellectual property right owned by **us**, or that would damage or adversely impact the value or reputation of any company within the **Aegon Group**; or

12.1.4 register or seek to register any intellectual property rights of **ours** in **your** name.

12.2 Nothing in these terms of business will operate to transfer the ownership of any intellectual property rights from **us** to **you**.

12.3 **You** warrant that:

12.3.1 all intellectual property rights in anything provided by **you** to **us** in

connection with our relationship belong to **you** and will continue to do so, or are validly licensed by **you**; and

12.3.2 **you** have the necessary consents to validly sub-licence to **us** **our** use of any intellectual property rights provided to **us** by **you**, in connection with our relationship, that do not belong to **you**.

12.4 We may permit **you** to link from **your** website(s) to websites owned or maintained by **us**, subject to **our** prior approval on the following basis:

12.4.1 **we** may withdraw or amend the permission at any time, in which case **you** must remove or suitably amend all links to **our** website(s);

12.4.2 **you** must link only to pages that **we** may permit from time to time;

12.4.3 **you** must not frame, post, modify or alter the appearance of **our** websites without **our** permission;

12.4.4 **you** must not state or imply that **we** endorse, sponsor or otherwise approve of **you**, **your** services or **your** website; and

12.4.5 **you** undertake to keep **your** website up to date and accurate in all material respects and must not include any material on **your** website that is illegal, obscene, defamatory or otherwise inappropriate.

13 Waiver and remedies

13.1 If either **you** or **we** fail to exercise, or delay exercising any right or remedy under these terms of business, that will not be held to be a waiver of that right or remedy. It will not prevent either of us exercising that, or any other right or remedy on another occasion.

13.2 The rights and remedies contained within these terms of business are cumulative, and except where **we** say otherwise, they do not exclude either **you** or **us** from enforcing other rights or seeking other remedies available at law, in equity or delict.

14 Severance

If any provision within these terms of business is held to be invalid, illegal or unenforceable by court, statute, **FCA** rule or

otherwise, that will not affect the validity and enforceability of the other provisions of these terms of business.

15 Assignment and rights of third parties

15.1 These terms of business are personal to **you** and **you** cannot assign them. **We** may assign these terms of business to any member of the **Aegon Group**. Each member of the **Aegon Group** will be entitled to recover any loss suffered by it in connection with these terms of business and generally to enforce these terms of business in its own right under the Contracts (Rights of Third Parties) Act 1999.

15.2 Except as set out in sub clause 15.1, a person who is not a party to these terms of business has no rights to enforce any term of this agreement between **you** and **us** and the Contracts (Rights of Third Parties) Act 1999 will not otherwise apply.

16 Obligations after termination

If **you** or **we** terminate the agreement between us, any obligation contained within these terms of business that **we** intend expressly, or by implication, to come into force, or continue in force, on or after the date of termination, will not be affected by the termination of the agreement. For the avoidance of doubt, **you** will remain liable to **us** for repayment of any debts arising under clause 4 before or after termination.

Appendix 1

Contents

1. Definitions and their interpretation
2. The relationship agreement
3. Undertakings and provisions
4. Adviser charges

1. Definitions and their interpretation

All definitions in the terms of business apply to this Appendix. In addition, the following expressions will have the following meanings and any reference to documentation and literature will include copies in paper and electronic formats.

cash account/facility means any cash account that is set up within a **product**.

charges guide means any guide issued by **us** from time to time that details the charges in connection with a particular **product**.

terms of use means terms that **we** apply to any discretionary fund manager.

user means any named employee or representative of **you** registered for access to any **products** provided under this Appendix 1.

2. The relationship agreement

Where **your client** authorises **you** to make transactions on their behalf, **you** must have the relevant regulatory authorisation and permissions to perform such transactions.

3. Undertakings and provisions

- 3.1 **You** warrant that **you** will, before submitting an application on behalf of **your client** for any **product** covered by this Appendix 1, ensure that **your client** has received the relevant Key Features Document, the terms and conditions, and any other documentation or disclosure required by **FCA rules** that relate to that **product**. **You** warrant that **you** will ensure that **your clients** have continuing access to any terms and conditions, any **charges guide** and other relevant documentation. It remains **your** responsibility to ensure that **your clients**

are advised of any changes to the terms and conditions, the **charges guide**, and other relevant documentation that **you** are informed about.

- 3.2 Where **your client** nominates or appoints a discretionary fund manager (DFM) to manage or advise upon some or all of the underlying investments of their **product**, **you** undertake that prior to such nomination/appointment **you** will provide **your client** with advice as to the choice of such DFM if **your client** requires this, and ensure that a suitable written agreement is in place between **your client** and the DFM. **You** also agree that the monitoring of the performance of the DFM is not **our** responsibility. The actions and undertakings of the DFM remain **your** responsibility at all times.

- 3.3 Where **your client** appoints a DFM **you** undertake to provide **us**, on request, with a copy of the client agreement signed by all parties and detailing the name and **FCA** authorisation number of the DFM duly appointed and an instruction to deduct from **your client's product**, charges in respect of the DFM services.

- 3.4 Should the agreement between **your client** and DFM be terminated or the DFM no longer provides discretionary services to **your client**, it is **your** responsibility to inform **us** immediately of this.

4. Adviser charge

- 4.1 **We** will deduct from **your client's product**, and pay to **you**, **adviser charges** agreed between **your client** and **you** for **your** services that **your client** instructs **us** to deduct. Any restrictions on **adviser charge** imposed by **us** and as specified on any relevant **product** application form or otherwise will also apply.

- 4.2 When the **adviser charge** has been deducted by **us** from **your client's product**, the **adviser charges** become payable to **you** at that time. **You** hereby appoint Aegon Investment Solutions Ltd (the company within the **Aegon Group** that holds the bank account which holds and pays the **adviser charge** due under this Appendix 1) to act as **your** agent for the purposes of holding and onward transmission of the **adviser charges** that have been deducted.

- 4.3 We will pay to you the **adviser charge** that has been deducted on the following basis.
- 4.3.1 Initial **adviser charge** and ad hoc **adviser charge** will be paid on a weekly basis. Ongoing **adviser charge** will be paid monthly by Aegon Investment Solutions Ltd and will be deducted from the **product** on or around the 15th of the month. It is paid at the same time as the next initial or ad hoc **adviser charge** payment. **Your** statement of account will be communicated by **us** to **you** by such means of communication as **we** deem appropriate.
- 4.3.2 Subject to the following conditions, **we** will facilitate the payment of ongoing **adviser charge** to **you** until either **you** or **your client** has advised **us** that it should stop being paid.
- 4.3.3 Where any law or regulation prevents **us** paying the **adviser charge** to **you**, **we** shall cease paying the **adviser charge** to you.
- 4.3.4 **We** will not be able to deduct from the **product** an amount to pay the **adviser charge** if there are insufficient funds available in the **product** or, if the **product** has a **cash account/facility**, insufficient funds in that **cash account/facility** to pay for the whole amount of the **adviser charge** to be deducted.
- 4.3.5 In the event that **your client** exercises a right to cancel after **we** have deducted an amount of **adviser charge** from their **product**, **we** will continue to pass that **adviser charge** to **you**.
- 4.3.6 Any **adviser charge** restrictions imposed by **us** may be applied in respect of future new **business** (new **clients** and new **products** or underlying investments) without prior notice to **you**.
- 4.4 **We** reserve the right to cease facilitating the payment of **adviser charges** to **you** in the event that any of the directors, partners or the principal of **you** enter into any voluntary agreement, have bankruptcy or liquidation proceedings instituted against them, have a receiver appointed over their assets or have been charged with, or convicted of, an offence involving fraud or dishonesty.
- 4.5 **We** will cease paying all **adviser charges** if **you** cease to be authorised by the FCA to act as an **adviser** to the **client**.
- 4.6 In the event that **we** overpay **adviser charges** to **you**, **we** reserve the right to offset future payments of commission, **adviser** and/or **consultancy charge** against any overpaid amounts.

