Intermediary Terms of Business

These terms and conditions (referred to throughout as the "*terms*") govern the basis on which Seneca Partners Ltd ("Seneca;" "*we*;" "*us*;" or "*our*") will accept business from "*you*," the Intermediary (as defined in clause 1 below) in relation to products and services provided by Seneca.

Please ensure that you read these terms carefully before making any introductions to us. Words which are defined in these terms (including those set out above) have the meaning specified in clause 1 and are identified by italicised text.

1. Defined Terms

1.1 Any reference in these *terms* to any statute, statutory provision, or rule (including, without limitation, those references set out in 1.2 below) includes reference to any statutory modification, or amendment of it or any re-enactment, or replacement that supersedes it, and to any regulation or subordinate legislation made under it (or under such a modification or re-enactment).

1.2 In these *terms* when we refer to:

"Act" we mean the Financial Services and Markets Act 2000;

"advising charges" we mean the charges you make for *personal recommendations* and other charges you make for financial services provided to *your customer*;

"AML rules" we mean the Proceeds of Crime Act 2002 (as amended), the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended), the Terrorism Act 2000 (as amended), and any applicable anti-money laundering legislation, regulations, rules or guidelines;

"applicable rules" we mean all applicable laws, rules, regulations, guidance, or codes of conduct which are relevant to the DPA rules, the *Bribery Act*, the *FCA rules* and the *AML rules*;

"appointed representative" we mean appointed representative as defined in section 39 of the Act;

"Bribery Act" we mean the Bribery Act 2010 and any other applicable anti-bribery laws, regulations, rules, or guidelines;

"business" we mean any specified activity for the purposes of section 22 of the *Act* including, without limitation, advising and/or arranging transactions in investments. For the avoidance of doubt, for the purposes of these *terms*, *"business"* also refers to the introduction of customers by *you* to *Seneca* for the provision of portfolio management services;

"COBS" we mean the Conduct of Business *Sourcebook of the FCA handbook*;

"custodian" we mean the company appointed to act as the *custodian* of a *Customer's* investment in a Seneca *product*;

"customer" we mean a customer of the Intermediary, who also becomes a *customer* of *Seneca* by investing in a Seneca *service*;

"DPA rules" we mean the relevant rules relating to Data Protection including the Data Protection Act 2018 (as amended), the UK General Data Protection Regulation ("UK GDPR") including all related regulations and guidance;

"disturbance events" a disturbance may include (without limitation) any of the following events:

- a recommendation to switch product risk profile;
- a recommendation to switch to another *Seneca product; or*
- a transfer of investments from one party to another party; or any other such event which causes the *Seneca product* to become subject to the *FCA's* rules on *adviser charging* (including any events notified by *us* to *you* from time to time).

"effective date" we mean the date *we* first accept an application for investment which has been placed with *us* by *you*;

"financial promotions rules" we mean any one or more of, the rules and requirements set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes (Exemptions) Order 2001 and Chapter 4 of *COBS* as are applicable to *you* in the context of any actual or intended marketing communication or financial promotion;

"FCA" we mean the Financial Conduct Authority, which expression shall include any replacement or substitute and any regulatory body or person succeeding, in whole or in part, to the functions thereof; or any other relevant supervisory body;

"FCA handbook" we mean the *FCA* handbook of rules, regulations, and guidance, as amended and replaced from time to time;

"FCA rules" we mean the rules issued by the *FCA*, including (without limitation) the *FCA handbook*;

"Intermediary;" "you;" or "your" we mean an individual, partnership or company carrying out business which involves introducing *Seneca products* to its *customers*. If *you* are a principal of a network of *appointed representatives*, or an *appointed representative*, these *terms* shall apply to *you* and, (where applicable) each of your *appointed representatives*, and *you* are responsible for ensuring that all of *your* employees, agents and (where applicable) *your appointed representatives* and *your appointed representatives'* employees and agents are aware of and comply with these *terms*;

"losses" we mean any losses, claims, demands, damages, fines, penalties, actions, costs, expenses, or liabilities of any nature (including legal fees reasonably incurred);

"NMMI" we mean a non-mass market investment as specified in the *FCA handbook*;

"permissions" we mean any permissions, licences, consents, approvals, authorisations, or waivers required under the relevant *applicable rules* and/or any relevant regulatory body (including, as appropriate, the Financial

Conduct Authority, Solicitors Regulatory Authority and the Office of the Information Commissioner (or any body which succeeds or replaces in whole or in part any of the foregoing);

"personal recommendations" *we* mean as such term is used by the *FCA* from time to time;

"RMMI" *we* mean a restricted mass market investment as specified in the *FCA handbook*;

"retail client" *we* mean the meaning specified in the *FCA handbook*;

"retail investment product" *we* mean as such term is used by the *FCA* from time to time; and

"Seneca;" "we;" "us;" or "our" we mean Seneca Partners Ltd which is authorised and regulated by the *FCA* with firm reference number 583361 and is registered in England and Wales under number 07196273 with its registered office at 9 The Parks, Haydock, WA12 0JQ.

"Seneca product" *we* mean an investment product or service which may from time to time be offered by *Seneca* through intermediaries including, without limitation, independent financial advisers. Please ask *Seneca* for further details about the specific investment products and services covered by these terms;

"terms" *we* mean these *terms*.

2. Application and scope

2.1 *You* are authorised or exempt under the *applicable rules* to promote, distribute, market, provide advice (and related services) and execution-only services to *your customers* in relation to various investments.

2.2 *Seneca* is authorised under the *applicable rules* to provide the service of managing investments. *We* also provide the associated services of arranging and executing transactions, but only in respect of the investments that *we* manage.

2.3 *You* wish to add to the range of services provided to *your customers* by promoting, distributing, marketing, providing advice (and related services) and execution only services to them in respect of *Seneca products*.

2.4 *Customers* introduced to *Seneca* by *you* may become *customers* of *Seneca* and enter into a customer agreement with *us*. *You* will continue to provide advice and other services to those *customers*.

2.5 These Terms of Business (these *terms*) constitute the terms on which *we* will accept *business* from *you* as the *intermediary*.

3. Commencement and termination of previous agreement

3.1 These *terms* shall commence on the date *we* first accept an application for investment which has been placed with *us* by *you* (the "*effective date*").

3.2 These *terms* supersede any terms of business previously provided to *you* and any amendments to such terms that may have been agreed from time to time.

3.3 By introducing *customers* to *us you* acknowledge that *you* have read, understood, and agree to these *terms*.

4. Obligations of each party in respect of suitability

4.1 *We* will provide *our* services directly to *your customers*, so that any such *customers* will also become *our customers*. This will be the case even if *you* are the person who normally deals with *us* on a day-to-day basis on behalf the *customers*.

4.2 Because *we* are providing the services of managing investments directly to *your* and *our customers*, *you* are arranging for the *customer* to have a direct contractual relationship with *us*, and, therefore, *you* are not delegating the management of investments to *us*.

4.3 *You* agree that *Seneca* will not provide investment or tax advice to *you* or any *customers* or advise on the suitability of investing in any *Seneca product*.

4.4 Except where otherwise provided by the *applicable rules*, *you* agree that *our* obligations in respect of assessing suitability will be limited to determining whether any decision to trade is suitable for the *customer*.

4.5 *You* agree that *you* are solely responsible for ensuring that any investments made by a *customer* in a *Seneca product* are and remain suitable and appropriate for the customer for the purposes of the *applicable rules* including, without limitation, the *applicable rules* of the *FCA* set out in Chapter 9 of *COBS*.

4.6 *We* will be entitled to rely on the suitability assessments *you* perform for the purposes of Chapters 2 and 9 of *COBS* in respect of *customers* proposing to invest in *Seneca products*. *We* may ask for more detail on the supporting evidence *you* collect for these assessments in selected cases, and *you* agree to provide such evidence in accordance with *our* reasonable requests.

4.7 Where a *Seneca product* is a RMMI or a NMMI, *you* agree that you will undertake the appropriate steps as specified in the FCA rules prior to providing *your customers* with either a financial promotion or a direct offer financial promotion (as appropriate). *We* may ask for more detail on the supporting evidence of the steps *you* have taken to ensure that *Seneca Products* which are RMMI's and/or NMMI's are only promoted to the appropriate clients of yours.

5. Conduct

5.1 *You* warrant and undertake that *you* are authorised or exempt from authorisation for the purposes of the Act, and *you* are authorised to enter into and perform *your* obligations under these *terms*;

5.2 *You* shall inform *us* immediately if *you* cease to be authorised or exempt under the *Act*.

5.3 *You* undertake to *us* that *you* shall at all times in *your* dealings with *us* and in *your* dealings with customers and/or prospective customers and in carrying out all activities contemplated by these terms, act in accordance with all applicable laws and regulations including, without limitation, the *applicable rules*.

5.4 At all points *you* agree to take all appropriate steps to ensure that you act to deliver good outcomes for retail customers in accordance with the relevant obligations under Consumer Duty. More information pertaining to Consumer Duty is considered at section 9 below.

6. Documentation

6.1 *You* agree that it is *your* responsibility to ensure *you* have the latest versions of the documentation produced by *us* relating to *Seneca products*.

6.2 Subject at all times to *your* obligations in clause 8.8 below, *you* shall promptly pass to the *customer* without amendment, any document supplied by *us* for the *customer's* information, benefit, or completion, and promptly return to *us* all completed documents.

7. Information

7.1 *You* agree that *we* may rely upon any information you provide to *us* and warrant that such information is accurate and complete unless *you* notify *us* otherwise.

7.2 In the event that you become aware of or suspect that any information is incorrect or outdated then *you* agree to notify *us* within a reasonable timeframe.

8. Basis of service and relationship of the parties

8.1 *Customers* which are introduced by *you* to *us* will become clients of *Seneca* in relation to *Seneca products*, but in relation to *your business* and the advice and/or suitability assessments *you* provide, shall remain as *your* clients, until such time as *your* services are terminated.

8.2 *You* acknowledge that *Seneca* does not provide investment services to *you* and accordingly *you* are not a *customer* of *Seneca.* Accordingly, we will not assign a client categorisation (as defined in the *applicable rules*) to *you*.

8.3 Without prejudice to *your* obligations under these terms, *you* acknowledge that, whilst respecting the nature of *your* relationship with *customers* and without prejudice to *your* obligations under these *terms*, *we* may communicate directly with *customers*.

8.4 *Your* introduction of a *customer* does not place *us* under any obligation to accept such a *customer*, and *we* may decline any *customer* (including terminating an ongoing relationship) at *our* sole discretion and without prior reference to *you*.

8.5 Nothing in this agreement shall create or be construed as creating any partnership, agency relationship, or joint venture between *you* and *us* (including between *us* and any of your respective employees, agents, or *appointed representatives* (where applicable)).

8.6 *You* acknowledge that *you* are not authorised to act on behalf of or to bind *Seneca* and in particular under no circumstances will *you* act or hold *yourself* out to any *customer* as *our* agent.

8.7 When *we* communicate with *you* in *your* own capacity, *we* will treat *you* as an "investment professional," as defined under the *financial promotions rules*.

8.8 In respect of any communication sent by *us* to *you* that is intended for "investment professionals" *you* undertake that *you* shall not, without *our* prior written consent forward, copy, reproduce or duplicate in any way or in any media that communication to any *retail investor* unless *you*:

(a) identify *yourself* (and not *us*) as the issuer of that communication;

(b) have ensured and are satisfied that, *you* are able to rely on and have complied with one or more (as the case may be) of the exemptions set out in the *financial promotion's rules*, where applicable; and

(c) where requested to do so, are able to provide a certificate in a form acceptable to *us*, which confirms the matters set out in 8.8(b) above.

9. Consumer Duty

9.1 Where a *customer* is a retail client as defined in the FCA's Consumer Duty regulations then both *you* and *us* are obligated to ensure that they receive good outcomes.

9.2 *You* are expected to have robust systems and controls in place to ensure that you comply with your obligations under Consumer Duty. This includes ensuring that your services offer fair value as noted at 13.8.

9.3 *We* will ensure that we have robust systems and controls to comply with Consumer Duty. As appropriate *we* will provide relevant disclosures to assist *you* with complying with *your* obligations under Consumer Duty. Should *you* require further information then do not hesitate to contact *us*.

9.4 From time to time, *we* may require *you* to provide information to allow us to assess whether *we* are delivering good outcomes to retail clients. For example, *we* may request information to allow *us* to access consumer understanding of *Seneca products.* Where a request is made then *you* are expected to act promptly to respond to the request.

9.5 Where the FCA seeks further information pertaining to the application of the Consumer Duty in respect of *Seneca products* then *we* and *you* will provide relevant assistance to the FCA.

10. Indemnity

10.1 *You* agree to indemnify *us* and keep *us* indemnified against any *losses* which *we* may suffer or incur arising from:

(a) any failure by you to comply with the a*pplicable rules*;

(b) failure by *you* to perform and maintain suitability assessments in respect of each *customer* in accordance with *COBS*;

(c) any breach of these *terms*, negligence, fraud, or wilful default by *you*;

(d) any breach by you of these *terms*;

(e) the provision of inaccurate or incomplete information by *you* or failure to update information previously supplied to *Seneca*;

(f) any inaccurate or misleading statement made to a *customer* concerning *Seneca* and/or a *Seneca product*;

(g) failure to make, or late, payment of any amounts owing to *Seneca* by *you*, except to the extent such losses are directly caused by the negligence, fraud, or wilful default of *Seneca*.

11. Anti-Money Laundering, and Anti-Bribery and Corruption

11.1 *You* agree that *you* are responsible for ensuring compliance with all relevant requirements of the *applicable rules* (including, for the avoidance of doubt, the *AML rules*) as regards financial crime and the prevention of money laundering, in relation to those activities concerned with the distribution of *Seneca products* to *customers*.

11.2 *We* shall be responsible for ensuring compliance with the rules referred to in clause 11.1 in relation to those activities concerned with the provision of *Seneca products* to *customers*.

11.3 Where for the purposes of monitoring *your* compliance with clause 11.1, *you* are requested to provide:

(a) an anti-money laundering certificate; or

(b) a copy of a document held by *you* for the purposes of complying with *your* obligations in clause 11.1;

you agree that *we* shall be entitled to rely on any such documents provided.

11.4 Each party undertakes to the other to:

(a) comply with all *applicable rules* relating to anti-bribery and corruption (including, without limitation, the *Bribery Act*);

(b) not engage in any activity, practice, or conduct which could constitute an offence under the *Bribery Act* or any other *applicable rules* relating to anti-bribery and corruption;

(c) have, maintain, review, and enforce its own policies and procedures, including "adequate procedures" required by the *Bribery Act*, to ensure compliance with and prevention of offences under the B*ribery Act* and any other applicable rules relating to anti-bribery and corruption.

12. The basis on which remuneration may be paid to you

12.1 The payment of fees or any other form of remuneration or payment shall at all times be governed by these *terms* and the *applicable rules*. In respect of *Seneca products*, *we* will only facilitate the payment of *advising charges* to *you*, which shall at all times be agreed between *you* and the *customer*. *We* therefore reserve the right to refuse to pay any remuneration in respect of introductions relating to *Seneca products*, where to do so would put *us* and/or *you* in breach of the *FCA rules*.

12.2 The specific provisions governing remuneration arrangements shall be notified to *you* in writing from time.

12.3 Without prejudice to clause 12.1, clauses 13 and 14 set out the basis on which *we* will pay remuneration or facilitate the payment of *advising charges* to *you*.

12.4 *Seneca* may, at its discretion cease to pay *you* fees or any other form of remuneration or payment if:

(a) *your permissions* are either suspended, cancelled, revoked, or amended in such a way that *you* are not able to fulfil *your* obligations under these *terms*;

(b) *you* are subject to an investigation or enforcement action by the *FCA* (or any other relevant regulatory body) in relation to a matter concerning these *terms*;

(c) (if *you* are an individual) *you* die;

(d) *you* commit a breach of these *Terms* or the *applicable rules*;

(e) if *you* go into liquidation or receivership or are subject to an administration order, enter into any arrangement with creditors, are unable to pay *your* debts, have *your* goods seized in execution, or (if an individual) are bankrupt;

(f) these *terms* are terminated; or

(g) the receipt of such payments by *you* would breach any applicable rules; or

(h) the *customer* withdraws their consent to such payments.

13. Advising charges

13.1 Subject to Clause 13.2 and the applicable rules, if a *customer* purchases a *Seneca product following* a *personal recommendation* having been made by *you*, *advising charges* may be paid to *you* in one of the following ways (depending on the nature of the product in question):

(a) payment made directly by the *customer*; or

(b) *Seneca* facilitating the payment of the *advising charges* to *you* on behalf of the *customer* from one or more of the following sources:

(i) the monies received by *Seneca* from a *customer* for investment in a *Seneca product*;

(ii) a *customer's* cash account;

(iii) selling, redeeming, or otherwise disposing of all or part of a *customer's Seneca product*;

(iv) disposing of or reducing all or part of a *customer's* rights under the *terms* of a *Seneca product*; or

(v) as otherwise permitted under the a*pplicable rules* from time to time.

13.2 *You* warrant and undertake that *you* shall:

(a) disclose all information required by the a*pplicable rules* to the *customer* as regards *your advising charges* and our *service* charges;

(b) gain the informed consent of the *customer* in respect of *your advising charges*;

(c) immediately inform *us* if the *customer* wishes to withdraw *your* services, cease to pay *advising charges*, or otherwise withdraw from the *Seneca product*.

13.3 *Seneca,* or *our custodian* under *our* instruction, will deduct initial *advising charges* and pay them to *you* only on the availability of cleared funds and completed account-opening documentation, including the *customer's* consent to *advising charges*. On request *you* shall provide *us* with such information as is reasonably required

by *us* to confirm that the *customer* has consented, and/or continues to consent to the *advising charges* and the deduction of such *advising charges* in accordance with this clause.

13.4 Where *Seneca,* or *our custodian* under *our* instruction, agrees to establish and maintain a *customer* cash account under 13.1(b)(i) *we* will cease paying *advising charges* once the balance of this *customer* cash account is nil. *We* may accrue any *advising charges* and pay them to *you* if the *customer* cash account is replenished, or when the *customer* liquidates their investment in the *Seneca product*.

13.5 Where there is insufficient money in the *customer* cash account to pay the *Seneca product* charges and the *advising charges*, the *Seneca product* charges shall take precedence.

13.6 In any event, *Seneca* or *our custodian* under *our* instruction will cease to pay *advising charges* to *you* on behalf of a *customer* if the value of the *customer's Seneca product* reaches £0.

13.7 For the avoidance of doubt, *we* will not be liable to *you* in respect of any *advising charges* owed to *you* by any *customer* (including, without limitation, where a customer asks *us* not to pay an *adviser charge* to *you*).

13.8 Attention is drawn to *your* obligations under Consumer Duty to ensure that *customers* receive fair value for *your* services. *We* are not obligated to assess whether *your* services offer fair value. However where a third party such as the FCA makes a ruling that *your* services do not offer fair value then *we* can retain or otherwise reduce the *advising charges* payable in accordance with such ruling. Any monies retained as a result of such reduction will be returned to the *customer*.

14. Commission payments

14.1 *We* will not pay *you* any commission in respect of *customers* introduced to *us* by *you*, except *we* may agree to pay *you* commission in the following circumstances:

(a) where *you* have not made any *personal recommendations* in relation to the relevant *Seneca product*;

(b) the relevant product is not a *Seneca product*;

(c) where the *customer* is not a retail client;

(d) where the *customer* is not resident in the United Kingdom;

(e) any other situation agreed between *us* provided the payment of such commission is permitted by and is in accordance with the *applicable rules*.

14.2 *Seneca* may cease paying commission to *you* under clause 14.1 above where:

(a) the *customer* ceases to hold the *Seneca product*;

(b) the *customer* receives advice from *you* on or after 31 December 2012 that constitutes a disturbance of that advice, as summarised in Term 1;

(c) for the avoidance of doubt, it is no longer permitted under the *applicable rules*.

(d) there is a ruling by the FCA that *your* commission does not represent fair value.

14.3 *We* reserve the right to reclaim (or withhold) commission from *you*:

(a) if *we* have overpaid *you* or *you* have received payment in error;

(b) if any *customer* exercises any right of cancellation under the *applicable rules*;

(c) in order to satisfy any outstanding amounts owed by *you* to *us* under these terms;

(d) to offset any settlement amount due.

14.4 In accordance with the *applicable rules* (where applicable), *you* shall disclose to the *customer* the amount of commission, fees and other income or non-monetary benefits *you* may receive prior to the *customer* making an investment in any *Seneca product*.

15. Non-monetary benefits

15.1 The parties agree that *Seneca* will not provide any non-monetary benefits to the *Intermediary*, except those that may be defined as 'Reasonable non-money benefits' in accordance with the *applicable rules* (including without limitation, Chapter 2 of *COBS*), and always at *Seneca*'s sole discretion.

16. Complaints

16.1 *We* shall be responsible for resolving any *customer* complaints which relate to the *Seneca products*, *our* promotional material and any administration or servicing activity for which *we* are responsible under or in connection with these *terms*.

16.2 *You* shall be responsible for resolving any *customer* complaints which relate to any services which *you* provide to *customers* (including, without limitation, the provision of advice or related services and the distribution of *Seneca products*) under these *terms*.

16.3 If a *customer* makes a complaint in connection with any *Seneca products* of the type referred to in clause 16.1, *you* shall notify *us* immediately and shall provide the complainant with details of the person to whom the complainant should address the complaint, and shall inform the complainant of any relevant rights of redress including (if applicable) the right to refer the matter to the Financial Ombudsman Service.

16.4 Any complaints arising under these *terms* should be notified to The Compliance Officer, Seneca Partners Ltd, 9 The Parks, Haydock, WA12 0JQ.

17. Amendment

17.1 *We* reserve the right to amend these *terms* on one month's prior written notice, this includes email notice, to *you* except where these terms are required to be amended to comply with any change to the *applicable rules,* in which case such amendment shall take effect as soon as is practicable on written notice to *you*.

18. Termination

18.1 These *terms* may be terminated by either party on giving 30 days prior written notice to the other party.

18.2 Termination shall not affect any existing obligation incurred by either party.

18.3 We reserve the right to terminate these *terms* with immediate effect by notice in writing to *you* in the following circumstances:

(a) if *you* cease to be authorised or exempt from authorisation in respect of the business;

(b) if *you* go into liquidation or receivership or are subject to an administration order, enter into any arrangement with creditors, are unable to pay *your* debts, have *your* goods seized in execution or (if an individual) are bankrupt;

(c) if *you* are subject to any regulatory investigation or have any enforcement action taken against *you* by any regulatory body or any other event happens which in the opinion of *Seneca* is likely to bring its reputation into disrepute or be detrimental to its business interests.

19. Data Protection

19.1 Both parties warrant they will:

(a) comply with the DPA rules as appropriate; and

(b) hold and maintain all registrations and notifications as are required for the performance of its obligations under these *terms*

19.2 *We* may transfer data to other group companies and third-party agents to comply with these *terms* and for marketing of goods and services to other companies in *our* group or other companies with which *we* are affiliated.

20. General

20.1 If any part of these *terms* is found to be illegal, invalid, or unenforceable, such invalidity or unenforceability shall not affect the other provisions of these *terms* which shall remain in full force and effect.

20.2 *You* may not delegate or transfer any of *your* rights or obligations under these *terms* without *our* prior written consent.

20.3 *Seneca* may assign these *terms* giving 30 days' notice subject to the prior written consent of the other party.

20.4 A party who is not a party to these *terms* has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of these *terms*.

20.5 These *terms* and any disputes arising out of or in connection with them are governed by and construed in accordance with English Law, and the parties submit to the exclusive jurisdiction of the English Courts.

20.6 The failure of *Seneca* to exercise or delay in exercising a right or remedy provided by these terms or by law does not constitute a waiver of the right or remedy of other rights or remedies.