

CLIENT PORTFOLIO TRANSFER AGREEMENT.

PARTIES.

THIS AGREEMENT is made on between the following parties:

<Insert full name of Seller>, ABN <insert ABN> of <insert full address> (“Seller”)

Contact name: <insert contact name>

Email address: <insert email address>

and

<Insert full name of Buyer>, ABN <insert ABN> of <insert full address> (“Buyer”)

Contact name: <insert contact name>

Email address: <insert email address>

BACKGROUND.

- A. The Seller carries on business as a financial planner and has a client portfolio and investment business.
- B. The Seller wants to sell, and the Buyer wants to acquire, certain proprietary rights used in connection with the Seller’s portfolio of clients and investment business (including Goodwill and client records) in order to service those clients directly.

AGREEMENT.

1. Definitions

Where appearing in this agreement, the following words have the meaning set out below.

Actual Portfolio Income means the Commission Income and Fee Income earned by the Buyer in respect of the Client Portfolio in the Post-Sale Measurement Period.

Agreed Place has the meaning given in Item 1B of Schedule 1.

ASIC means the Australian Securities and Investment Commission.

Associate in respect of a person means anyone who is that person’s associate under section 318 of the *Income Tax Assessment Act 1936* (Cth).

Encumbrance means any charge or claim, condition, equitable interest, lien (statutory or otherwise), encumbrance, option, proxy, pledge, lien, security interest as defined under the *Personal Property Securities Act 2009* (Cth), mortgage, a right of a person to acquire a security or to restrain someone from acquiring a security (including under a right of pre-emption, a right of first refusal or right of first offer), retention of title agreement, defect in title or restriction of any kind or nature, or exercise of any other attribute of ownership of the Client Data or Client Portfolio including an agreement to create any of the aforementioned or to allow any of them to exist.

[OPTIONAL: Delete this if “Escrow Account” Option will be deleted – see instructions in clause 5.3]

Escrow Account means an account maintained with an Australian bank or authorised deposit-taking institution under the *Banking Act 1959* (Cth):

- a. Established as a trust account;
- b. Such account to be held in the joint names of the Buyer and the Seller; and
- c. Pursuant to which the Buyer and the Seller are signatories and must each give authority before funds can be withdrawn.

Execution Date means the date this document is signed by parties.

Fee Income means all ongoing, recurring adviser service fees paid directly by the Clients in respect of the Client Portfolio, excluding one-off fees. Fee Income does not include Commission Income.

Final Instalment has the meaning given in Item 4 of Schedule 1.

Financial Services means investment, wealth management, insurance and financial planning services.

Goodwill means the goodwill of the Seller in providing the Financial Services to the Clients including the exclusive right of the Buyer to represent itself as carrying on the Business as the successor to the Seller.

Grandfathered Commission means any form of remuneration or other benefit that is conflicted remuneration for the purposes of Part 7.7A of the *Corporations Act 2001* (Cth) or, but for any exemption relating to the date on which the agreement or arrangement was entered into, would be conflicted remuneration for the purpose of Part 7.7A of the *Corporations Act 2001* (Cth).

GST means GST within the meaning of the GST Act.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

[OPTIONAL: This definition of Material Adverse Effect should only be kept if clause 4 - Rescission of the Agreement is being kept in the document] **Material Adverse Effect** means a material adverse effect on the Recurring Revenue including but not limited to something that:

- a. Adversely affects the ability of the Buyer to retain the Clients after the Completion Date;
- b. Would result in failure of the Seller passing good title in the Client Portfolio to the Buyer;
- c. Would otherwise affect the financial performance of the Client Portfolio, including the Recurring Revenue (but excluding anything that would generally affect the financial services industry which is outside of the control of the Seller); or
- d. Reduces the Total Recurring Revenue by <insert percentage e.g. five (5%)> or more.

Non-Recurring Revenue means that part of the Commission Income and the Fee Income (excluding Recurring Revenue) in respect of the Client Portfolio or relating to the provision of the Financial Services to the Clients which is payable only in the first year that the Financial Services were provided to the Client.