

AE WEALTH MANAGEMENT LLC SUB-ADVISORY AGREEMENT

This Sub-Advisory Agreement (“Agreement”) is made and entered into by and between **AE Wealth Management, LLC** (“AEWM”) and _____ (“Independent RIA”).

WHEREAS, AEWM is a federally registered investment advisor;

WHEREAS, Independent RIA is an investment advisor registered with the applicable securities regulators and its representatives are properly registered as investment adviser representatives with the applicable securities regulators;

WHEREAS, AEWM and Independent RIA are not under common ownership or control;

WHEREAS, Independent RIA desires to retain AEWM to furnish certain asset management services with respect to all or a portion of the accounts of certain of Independent RIA’s clients (the “Clients”) that Independent RIA may allocate to AEWM from time to time in Independent RIA’s sole discretion (the “Client Accounts”), and are entering into this Agreement to set forth the terms and conditions under which AEWM will provide such services.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, AEWM and Independent RIA agree as follows:

- 1. Description of Relationship.** Independent RIA shall at all times serve as the primary investment adviser for the Clients of Independent RIA for which AEWM provides asset management services to under this agreement; and AEWM will serve as a sub-adviser as to the Client Accounts that Independent RIA delegates management authority of to AEWM under this agreement. When delegating investment management authority to AEWM under this agreement, Independent RIA will do so as an independently registered investment adviser. Likewise, AEWM will provide investment management services to clients of Independent RIA as an independently registered investment adviser. Nothing in this agreement shall be construed as creating anything other than an independent contractor relationship between the parties.
- 2. Representations, Obligations, and Duties of AEWM.**
 - (a) AEWM will provide asset management services for the portions of the Client Accounts that Independent RIA delegates management authority over to AEWM.
 - (b) AEWM will primarily utilize model portfolios managed by the AEWM Investment Committee as well as other model managers, portfolio managers, strategists, and third-party money managers that are available through AEWM’s wealth management platform to manage the Client Accounts on behalf of Independent RIA.
 - (c) AEWM will have the ability to select/hire and fire any and all model managers, portfolio managers, strategists, and third-party money managers for the Client Accounts without the prior consent of Independent RIA or the Clients. Unless circumstances require immediate action, AEWM will not exercise this ability without prior consultation with Independent RIA.
 - (d) AEWM will have discretionary authority to buy and sell securities for the Client Accounts in order to put in place and maintain the selected model portfolios or strategies for the Clients. AEWM may utilize service providers to place such trades.
 - (e) AEWM will process the fee deductions from the custodian for each Client Account (including both Independent RIA’s and AEWM’s portions of the advisory fee) and forward Independent RIA’s portion of the fee to Independent RIA pursuant to the attached compensation schedule.
 - (f) AEWM will make technology systems available to Independent RIA to facilitate Independent RIA’s

and AEW's duties and obligations under this agreement. Such technology systems currently include but are not limited to (1) a web-based portal for access to AEW's platform provider (currently Sawtooth); (2) a web-based portal for account and performance reporting; (currently Orion) and (3) a web-based risk tolerance analysis tool (currently Riskalyze). AEW reserves the right to discontinue or replace these systems on an ongoing basis.

- (g) AEW will protect the confidentiality of Independent RIA's documents and clients' non-public personal information in accordance with provisions outlined in AEW's privacy policy.

3. Representations, Obligations, and Duties of Independent RIA.

- (a) Independent RIA will assist the Client with completing a client profile and/or risk tolerance questionnaire. Independent RIA must provide each client with a copy of AEW's Form ADV Part 2A Disclosure Brochure (if applicable), AEW's Part 2A Appendix 1 Wrap Fee Brochure (if applicable), AEW's Privacy Policy Notice, Independent RIA's Form ADV Part 2A Disclosure Brochure, the applicable Form ADV Part 2B Brochure Supplement, Independent RIA's Privacy Policy Notice, the platform provider's Form ADV Part 2A Disclosure Brochure, and the platform provider's Privacy Policy Notice.
- (b) Independent RIA shall be responsible for understanding the financial condition and investment objective of each investment advisory client and for determining that an investment advisory program is suitable for the investment advisory client, the amount of assets in an advisory account is appropriate for the advisory services provided and instructions placed on behalf of the investment advisory client by Independent RIA are suitable for the client. In connection with the conditions of SEC Rule 3a-4, Independent RIA shall (i) provide its clients the opportunity to impose reasonable restrictions on the management of the investment advisory accounts and modify existing restrictions, (ii) contact, at least annually, its clients to determine whether there have been any changes to their financial conditions and investment objectives and restrictions, and (iii) be knowledgeable about its clients' accounts and be available for client consultations.
- (c) Independent RIA represents and warrants that the client agreement utilized by Independent RIA grants Independent RIA discretionary authority to initially select/hire model managers, portfolio managers, strategists, and third-party money managers on behalf of any client of Independent RIA who participates in AEW's asset management program without the prior consent of the client. Independent RIA's client agreement shall also grant discretionary authority to select/hire, fire, and reallocate assets among model managers, portfolio managers, strategists, and third-party money managers on behalf of clients on a continuing basis.
- (d) Independent RIA hereby appoints AEW as a sub-adviser to perform investment management services for clients of Independent RIA who participate in AEW's asset management program. Such appointment includes the delegation to AEW of Independent RIA's discretionary authority to select/hire and fire model managers, portfolio managers, strategists, and third-party money managers on behalf of any client of Independent RIA who participates in AEW's asset management program. Further, Independent RIA delegates to AEW's platform provider the discretionary authority (based upon the selected Model Manager's(s') designated portfolio model(s) and/or trade signals without first consulting with Client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of each client's assets that are included in AEW's asset management program. This authority includes the ability to carry out such decisions by giving instructions, on behalf of clients of Independent RIA who participate in AEW's asset management program., to brokers, dealers, and custodians.
- (e) Except as provided for in subsections 2(c) and 2(d) above, Independent RIA will not exercise discretionary authority to make investment decisions on behalf of its clients with respect to accounts managed by AEW.

- (f) Independent RIA shall arrange and maintain a relationship with an independent custodian and clearing firm to hold and effect transactions in the Client Accounts. Independent RIA will complete all paperwork necessary to provide AEW and its platform provider with trading and billing authority for each Client's custodial/clearing account.
- (g) Independent RIA will maintain professional liability and errors and omissions insurance with at least \$1,000,000 of coverage per incident and \$1,000,000 in aggregate.
- (h) Independent RIA is not permitted to conduct (or assist others with) shadow trading or mirroring of model managers, portfolio managers, strategists, and third-party money managers that are available through the AEW investment platform.
- (i) Independent RIA agrees that during the term of this agreement, and for a period of 12 months after the termination of this agreement, regardless of the cause of such termination, it will not, directly or indirectly: (1) solicit, divert, employ, hire away, engage, license, lease or recruit, or attempt to solicit, divert, hire away, engage, employ, license, lease or recruit, any person who was employed by AEW at any time during the 12 months immediately preceding the termination of this agreement.

4. Compliance.

- (a) At all times while acting in the capacity of a properly registered investment advisor, Independent RIA and AEW will act in a manner consistent with their contractual and fiduciary responsibilities. The activities of the parties' associated persons' will also be conducted in compliance with the Investment Advisers Act of 1940 and the corresponding investment advisor rules of the Securities and Exchange Commission ("SEC") as applicable, and the state securities act and associated rules of any applicable state securities regulator. Independent RIA, AEW, and their respective investment adviser representatives will not take or recommend any action which they have reason to believe is not in the best interests of the client and not make untrue statements or misrepresentations, or omit any material facts, concerning Services to be offered or provided.
- (b) The parties and all associated persons will comply with all registration, licensing, fiduciary, and ethical conduct requirements of the SEC and the various states in which the parties conduct business. Each party will be responsible solely for supervising the investment advisory activities of their respective associated persons for purposes of ensuring compliance with federal and state laws and rules related to investment advisors and investment adviser representatives.
- (c) Independent RIA and AEW will maintain all books and records as required by the SEC and/or the various states in which they conduct business. Independent RIA and AEW will execute, deliver and comply with requests for any and all documents reasonably requested by the other party in connection with this agreement, including, without limitation, documents relating to confidentiality, compliance with procedures, and requests for information.
- (d) In promoting the investment advisory programs, products or services provided by or through AEW, Independent RIA agrees to use only such sales materials and forms that have been reviewed and approved by AEW, as applicable, and any designated product sponsors offering the programs.
- (e) Independent RIA is solely responsible for determining the suitability of any investment recommendations of Independent RIA. AEW will not have any responsibility for supervising the suitability of investment recommendations or investment decisions of Independent RIA.
- (f) Independent RIA and AEW agree to promptly notify the other party of any potential Anti-Money Laundering issues or identity theft concerns related to clients utilizing the AEW platform.

5. Errors for Trades Requested by Independent RIA.

To the extent that Independent RIA submits an incorrect trade instruction and AEW's trading desk/service provider executes the trading order as instructed by Independent RIA, Independent RIA will be liable for any loss due to the incorrect trade order.

To the extent that Independent RIA submits a correct trade instruction, including a request to initiate a new model assignment, change an existing model assignment, or make a contribution/distribution and AEW's trading desk/service provider or qualified custodian does not execute the order as instructed by Independent RIA, Independent RIA shall not be liable for any loss due to the incorrect trade order.

6. Ownership of Clients of Independent RIA. AEW acknowledges that Independent RIA is the primary investment advisor for the underlying clients and AEW will not have a protectable ownership interest in the underlying client relationships of Independent RIA. AEW shall not solicit any clients of Independent RIA to terminate their business relationships with Independent RIA.

7. Compensation.

- (a) Independent RIA will pay AEW, as full and complete compensation for AEW's services hereunder pursuant to the parameters set forth in Schedule A (Compensation Schedule), attached hereto and incorporated herein.
- (b) Independent RIA understands and agrees that for any investment advisory compensation that passes through AEW, Independent RIA may not be compensated on any client account until the account has been properly established, all account documents have been completed and signed, provided to and reviewed by AEW and AEW is in receipt of the fees relating to the client account.
- (c) In the event that Independent RIA is required to indemnify AEW pursuant to Section 9 below, AEW may withhold or offset any monies due Independent RIA in an amount equal to the indemnifiable liability.

8. Assignability. The obligations of Independent RIA pursuant to this Agreement are not assignable by Independent RIA without the prior written consent of AEW.

9. Indemnification. Each party agrees to indemnify, defend and hold harmless the other party and its affiliates, and their respective officers, directors, partners, managers, employees and authorized agents from and against any and all claims, damages, liabilities, losses, costs and expenses, including reasonable attorneys' fees and costs, that such party and its affiliates and their respective officers, directors, partners, employees and authorized agents may suffer, which arise, result from, or relate to, the parties performance of services under this Agreement and which are caused by the breach of any representation or warranty made hereunder by such party. This Section shall survive any termination of this Agreement.

10. Term.

The term of this agreement shall begin on the date hereof and continue until terminated by either party by providing the other party with written notice as provided herein. Such termination shall be effective as of the end of business on the day that notice of the termination is received by the other party. Upon the termination of this agreement, Independent RIA will no longer hold itself out as utilizing the services of AEW.

Upon termination of this agreement, Independent RIA shall, subject to the terms and conditions hereof, be credited with compensation generated as of the end of business on the termination date. Any debit or negative balance in Independent RIA's compensation to AEWI at termination of this Agreement shall be deemed a debt owed to AEWI payable upon the termination date, and may be offset by AEWI against any monies then owed by AEWI to Independent RIA.

Electronic content, including but not limited to content accessible and stored on AEWI's website and the websites of AEWI's service providers, are for the sole benefit of investment adviser representatives or independent investment adviser firms currently affiliated with AEWI. Upon termination of this Agreement by either party, AEWI will work with independent RIA to determine a date as of which access to AEWI's website and the websites of AEWI's services providers will be terminated.

11. Arbitration. To the extent allowed by law, any controversy between us arising out of your business or this Agreement shall be submitted to arbitration conducted before the American Arbitration Association and in accordance with its rules. Arbitration must be commenced by service upon the other party of a written demand for arbitration or a written notice of intention to arbitrate.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action and who is a member of a putative class and who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

The decision and award of a majority of any arbitration panel shall be binding and final, and each party to this Agreement hereby agrees that such party will accept such decision and award as binding and conclusive and will abide thereby, and such award may be filed with the clerk of the court in the county where the principal office of AEWI is located, or in any other court having proper jurisdiction, as a basis of judgment, and an execution may be issued for its collection; without in any way limiting the foregoing, a judgment upon any award rendered hereunder may be entered in the highest court of the forum, state or federal, having jurisdiction in the premises. The decision and award of the arbitration panel shall include an order that the non-prevailing party pay all fees, costs, and expenses, including reasonable attorney's fees, incurred by the prevailing party in relation to the arbitration. Venue in any matter arbitrated pursuant to this provision shall be exclusively in Topeka, Kansas.

Each party to this Agreement acknowledges:

- **ARBITRATION IS FINAL AND BINDING ON THE PARTIES**
- **THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL.**
- **PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS**
- **THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED**

- 12. Notice.** All notices and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given and received (i) when personally delivered or sent by facsimile with a confirmation of transmission; (ii) one (1) day after being sent by a nationally recognized overnight carrier with guaranteed next day delivery; (iii) three (3) days after being mailed by United States Certified Mail, Return Receipt Requested, postage prepaid; or (iv) upon transmission of confirmation of receipt by the recipient of electronic mail. Notice is to be provided pursuant to the following contact information, or the most recent contact information on file for the parties:

AE Wealth Management, LLC
Attention: Chief Operations Officer
Copy to: General Counsel
2950 SW McClure Road
Topeka, KS 66614
Phone: 866-363-9595
Fax: 866-614-1176
jim.heeney@ae-wm.com
david.wolfe@advisorsexcel.com

Name of Independent RIA: _____

Attention: _____

Independent RIA Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Fax: _____

Email: _____

13. Miscellaneous.

- a. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.
- b. **Amendments; Waivers.** This Agreement may only be amended with the written consent of all parties to the Agreement and no provision hereof or breach thereof may be waived except in writing by the party waiving its rights. No delay or omission on the part of either party in exercising any right or remedy hereunder shall operate as a waiver of such right or remedy and no waiver of any right or remedy hereunder on any one occasion shall be construed as a waiver of any such right or remedy on any other occasion.
- c. **Severability.** Each provision of this Agreement is entirely severable from each other provision of the Agreement. In case any provision of this Agreement is found to be invalid, unenforceable or illegal, the validity, enforceability and legality of the remaining provision shall not in any way be affected or impaired thereby.
- d. **Non-Exclusive.** The relationship and transactions contemplated hereunder are non-exclusive and the parties hereto have the right to enter into other similar arrangements and transactions with other entities.

- e. Survival. The provisions of Section 9 (Indemnification) shall survive termination of this Agreement.
- f. Headings. The description headings of the respective sections and subsection of this Agreement are inserted for convenience of reference only and shall not be deemed to modify or affect the construction of any provisions of this Agreement.
- g. Effective Date. This Agreement shall be effective on the date accepted by AEWM.

This Agreement contains a Pre-Dispute Arbitration clause that each party has read, understood, and hereby accepts as witnessed by the signature below.

IN WITNESS WHEREOF, this Agreement has been executed by the parties and is effective as of the date of execution by AE Wealth Management, LLC.

INDEPENDENT RIA

By: _____

Date: _____

Printed Name: _____

Title: _____

AE Wealth Management, LLC

By: _____

Date: _____

Printed Name: _____

Title: _____

Schedule A – Compensation Schedule

The undersigned Independent RIA and AE Wealth Management, LLC (“AEWM”) hereby agree to the following:
This Schedule A – Compensation Schedule (mark the applicable statement):

_____ is an Initial Compensation Schedule pursuant to an Independent RIA Sub-Advisory Agreement dated _____, 20____. For an Initial Compensation Schedule, the effective date will default to the effective date of the initial Independent RIA Sub-Advisory Agreement with AEWM.

_____ will replace an existing Compensation Schedule dated _____, 20____. This schedule will be effective for advisory fee billings made on and after _____, 20____.

Independent RIA shall determine the asset management fee that will be paid by clients of Independent RIA who utilize the asset management services of AEWM. The allowable asset management fee shall be up to a maximum of 290 basis points (2.9%). Fees for asset management services will be deducted from each client’s custodial account in arrears on a monthly basis.

For asset management services, AEWM is entitled to the first _____ basis points (0.____%) from the fees for asset management services charged by AEWM to each client of Independent RIA for such asset management services. For specified model managers, an additional fee will be applied. Unless otherwise agreed to by the parties, the additional fee for such model managers will be borne by Representative. Representative is entitled to the remaining portion of the asset management fee after payment of AEWM’s portion of the fee, the portion for each service provider, and the portion for each model manager, if applicable.

Independent RIA’s payout will be calculated based on the fees for Independent RIA’s clients actually paid to/received by AEWM less any chargebacks or client refunds paid by AEWM. Independent RIA’s payout of earned investment advisory fees will be paid to Independent RIA within 30 days after the end of the prior month, unless such date falls on a non-banking day (i.e. holidays, weekends), in which case Independent RIA’s payout will be made the last banking day prior to such date. Under no circumstances will Independent RIA’s payout include investment advisor fees which have not been both received and earned by AEWM.

IN WITNESS WHEREOF, this Compensation Schedule is entered into as of the date it is executed by AE Wealth Management as an addendum to the Independent RIA Co-Advisory Agreement to which it is attached and made a part thereof.

INDEPENDENT RIA

By:_____

Date:_____

Printed Name:_____

Title:_____

AE Wealth Management, LLC

By:_____

Date:_____

Printed Name:_____

Title:_____