

# Individual Savings Accounts (ISA) Customer Agreement

## Terms and Conditions

### 1. The Parties

The parties to this Agreement will be (a) the Account Investor ('the Account Investor'), being the person whose name and address appears on the Individual Savings Account ('ISA') Application Form ('the Application Form'); and (b) King & Shaxson Asset Management Limited, incorporated under the Companies Acts Registered Number 03870667 and having its Registered Office at 1st Floor, 155 Fenchurch Street, London, EC3M 6AL ('the ISA Manager'). King & Shaxson Asset Management Limited is authorised and regulated by the Financial Conduct Authority (FCA) and is entered on the FCA Register under the Firm Reference Number of 823315. This contract is governed by English Law. This contract is supplied in English which is the language in which all communications under this contract will be made.

### 2. General

Under this Agreement, the ISA Manager will manage the Account on behalf of the Account Investor in accordance with the Individual Savings Account Regulations 1998 ('the Regulations') as amended from time to time, this Agreement and the applicable rules prescribed by the FCA ('the Rules'). In the event of any inconsistency between this Agreement and the Regulations/Rules, the terms of the Regulations/Rules will prevail.

For the purposes of this Agreement

'Account' will mean a scheme of investment to which an Account Investor may subscribe and will be the only account to which the Account Investor subscribes in any Account Year;

'Account Investments' will mean any type of investment which the ISA Manager deems appropriate from time to time in terms of the Regulations;

'Account Year' will mean the period of 12 months commencing with 6 April in the year and ending on 5 April in the year next following;

'Business Day' will mean Monday to Friday (except for a Bank Holiday in England and Wales and other days at the discretion of the Company);

'Portfolio' will mean the King & Shaxson Personal Discretionary Service;

In this Agreement, unless the context sets out something different, words in the singular include the plural and vice versa.

### 3. Maximum Subscription Limits

In any one Account Year, the total amount of subscriptions may not exceed the ISA limits as may be applicable from time to time.

### 4. Investment Guidelines and Restrictions

- a) The ISA Manager may only purchase such Account Investments as it is permitted to in terms of the Regulations in relation to the stocks and shares component;
- b) The ISA Manager may not purchase investments from the Account Investor or the spouse of the Account Investor so as to become Account Investments under the Account;
- c) The ISA Manager may, without prior reference to the Account Investor, effect transactions relating to the Account Investments in which the ISA Manager or a connected company has directly or indirectly a material interest or a relationship with another party which may involve a conflict with the ISA Manager's duty to the Account Investor.

### 5. Dealing:

Each Portfolio is a discretionary managed service. All dealing on the Account will be undertaken at the discretion of the ISA manager. The ISA Manager may withhold any proceeds of sale or delay a transfer where satisfactory evidence of identity has not previously been obtained, under anti money laundering regulation.

### 6. Advice to Account Investor:

No advice will be given to the Account Investor by the ISA Manager in relation to the Account Investments.

### 7. Account Statements:

The ISA Manager will provide the Account Investor with statements every three months for the periods to 31 March, 30 June, 30 September and 31 December ('the Relevant Dates') in each year (the period between one Relevant Date and the next being 'the Relevant Period'). The statements will include:

- a) a valuation of the Account Investments based on the investment prices on the Relevant Dates which will include the composition of and individual and aggregate values of the Account Investments; and
- b) details of all investments retained, sales and purchases effected during the Relevant Period in respect of the Account Investments. The statements will not include any measure of performance.

## 8. Transfer of Account:

If requested in writing by the Account Investor, the Account may be transferred from the ISA Manager to another duly authorised manager of an ISA, subject to the following:

- a) current Account Year subscriptions and other proceeds representing those subscriptions may only be transferred in full whereas previous Account Year investments may be transferred in full or in part;
- b) the terms of a transfer will be agreed between the Account Investor and both ISA managers; however, there is no obligation on any ISA manager to accept transfers;
- c) any transfer will be made direct between ISA managers;
- d) where an Account Investor has subscribed in the tax year of transfer and previous years, the Account Investments may have been merged, as a result those relating to the current and previous Account Years cannot be easily identified. In such circumstances, the amount which can be transferred will be determined by reference to the subscriptions in the year of transfer and the total value of Account Investments. An Account Investor can choose the amount to transfer within these limits;
- e) in the event of an Account Investor wishing to transfer to a new ISA manager, upon receipt of a transfer instruction from the new ISA manager, the Account Investments will be sold as soon as is reasonably possible;
- f) in the event of a transfer to the ISA Manager, upon receipt of the duly completed transfer form and Application Form, the ISA Manager will instruct the existing ISA manager to forward the ISA proceeds and Account Investments will be purchased at the discretion of the ISA manager following receipt of the proceeds; and
- g) the date of transfer to a new ISA manager will be as agreed between ISA managers, however, it will be no more than 30 calendar days from and including the date of receipt of the Account Investor's request to transfer the ISA.

## 9. Withdrawals and Income from Account:

The Account Investor may make withdrawals of Account Investments, request income payments or make cash withdrawals from their Account (but only in the form of cash) provided that:

- a) requests are made in writing to the address in 16. 'Correspondence' below;
- b) if income is requested, it exceeds the minimum amount specified in the Application Form.

Where you have made a cash withdrawal from your Account, under the flexible ISA rules, King & Shaxson Asset Management Limited will accept a repayment into your Account of all or part of the withdrawal amount (the Account Investor's 'Flexible ISA Allowance'), subject to the following provisions

- a) you are a resident in the UK or a qualifying country;
- b) the repayment is made in the same tax year as the withdrawal;
- c) the repayment is paid to the same Account it was withdrawn from;
- d) any payment received from you is deemed to be a replacement first of the amount withdrawn, before any additional payment can be viewed as a new subscription;
- e) any payment received from you which exceeds the amount previously withdrawn in that tax year will be viewed as new subscription and will be subject to normal ISA subscription rules;
- f) where you have subscribed to an ISA in the current tax year, any withdrawal of cash is deemed to be first made out of the current year's subscription, your subscription balance will therefore be reduced accordingly. However, even where your full subscription is withdrawn and not repaid to the ISA Manager, you will still have made a current year subscription to a King & Shaxson Asset Management Limited ISA and cannot subscribe to a different stocks & shares ISA in that year
- g) withdrawals of stock e.g. certificate re-registrations will not create a Flexible ISA Allowance

Where you have instructed the closure of your Account, you may request that the ISA Manager re-open your Account and we will accept repayment of the withdrawal amount within the tax year.

Where you have made a cash withdrawal from your Account during the tax year and subsequently transfer that Account to another ISA Manager, the Flexible ISA Allowance will not be transferred i.e you will not be able to repay the withdrawal amount to your new ISA Manager. However, you may request that we re-open your Account and we will accept repayment of the withdrawal amount within the tax year

## 10. Fees and Charges:

- a) The ISA Manager will be entitled at its sole discretion to charge and settle from the Account Investor's subscriptions or from the Account Investments (if necessary by the realisation of any part of the Account Investments) the following fees and charges (including any amounts of VAT):
  - i) any initial charge as agreed between the Account Investor and the IFA.
  - ii) an annual management charge based on a percentage of the value of your investments at the rate specified in the relevant Portfolio rate card.

- iii) other expenses including for example, dealing fees, any IFA charges as agreed between the Account Investor and their independent financial advisor and any other administration expenses specified in the relevant Portfolio rate card.
- b) In fixing a new level or amount of the charges, the ISA Manager will fix a level or amount which it considers in good faith is not excessive having taken into account increases in costs, its profit margin (being one which is reasonably in line with the market for these types of contracts generally), any requirements of legislation or any regulatory body, the time interval from the last alteration to the specific charge and any extra or additional administration which is reasonably required for the Account. Any increase in the charges are at the sole discretion of the ISA Manager. At the time when an increase described above is applied, the ISA Manager may decide to increase any one or more of the charges or limits by the full amount of the allowable increase or such other lower figure.

Specific risks relating to each of the products are detailed in the Key Features document. Past performance is not an indicator of future performance.

#### **11. Custody**

All Account Investments will be held in the name of Pershing Nominees Limited. The Account Investor will at all times remain the beneficial owner of the Account Investments. Certificates, where appropriate, will be held by Pershing Nominees Limited or to its order. Stock will not be lent to a third party nor will money be borrowed on the Account Investors behalf against the security of that stock. Any certificates will be retained in Pershing Nominees Limited safe facilities

The ISA Manager is responsible for the acts of its nominee to the same extent as for its own acts, including, for the avoidance of doubt, losses arising from fraud, wilful default or negligence. The Account Investor has agreed that the Account Investments will be registered in the same name as those of other clients and that in consequence from time to time as part of the settlement procedures where Account Investments are pooled, the title to the Account Investor's Account Investments may be used, with those of other investments, to settle various transactions. The Account Investor should also be aware that the Account Investments will not necessarily be immediately identifiable by way of separate certificates, and that if the ISA Manager were declared to be in default, the Account Investor may encounter delays in recovering the Account Investments and possibly be exposed to an increased risk of loss should there be a shortfall.

#### **12. Client Accounts**

All subscriptions and any other cash from time to time forming part of the Account Investments and constituting client's money under the Rules shall (except in so far the Account Investor agrees to the contrary) be held in a designated client bank account which is separate from the ISA Manager's own funds. Balances on any such accounts may include the monies of other individuals participating with the ISA Manager in Individual Savings Accounts.

#### **13. Commencement and Termination:**

This Agreement will commence upon acceptance by the ISA Manager of the Application Form, or in the case of transfers in terms of 8 (f) 'Transfer of Account', the transfer form and Application Form, duly completed by the Account Investor. This Agreement may be terminated by either party by giving written notice to the other party, but will be without prejudice to the completion of any transactions already initiated and subject thereto, the ISA Manager will make such payments and transfers of the Account Investments to the Account Investor or otherwise as agreed between the parties.

In the event of termination, the ISA Manager will not charge the Account Investor anything other than the following:

- a) any outstanding fees and charges due with respect to 10. 'Fees and Charges' above;
- b) any additional expenses necessarily incurred by the ISA Manager in the event of termination; and
- c) any losses necessarily realised in settling or concluding outstanding obligations.

Termination is also without prejudice to any right of the Account Investor to have the Account Investments transferred to another duly authorised ISA manager in terms of 8 'Transfer of Account' above. The ISA Manager will notify the Account Investor if, as a result of any failure to satisfy the provisions of the Regulations, either the Account Investor ceases to be eligible to subscribe to the Account; or the Account is or will become no longer exempt from tax. The Account is or will become no longer exempt from tax in the event that the Account Investor:

- a) is not over 18 years of age;
- b) subscribes to more than one ISA account
- c) becomes resident and ordinarily resident outside of the United Kingdom; or
- d) being non United Kingdom resident, loses his qualifying status in terms of Section 28 Income Tax (Earnings & Pensions) Act 2003.

In relation to (a) above, the Account will be void and will be closed with the loss of all tax exemptions. The ISA Manager will return to the Account Investor the cash equivalent of the value of the Account Investments as at the date upon which the ISA Manager ascertains the Account Investor is not over 18 years of age.

In relation to (b) above, where the Account Investor has subscribed to the Account and previously to additional account(s) in the Account Year, the subscriptions paid to the Account will be deemed invalid and the cash equivalent of the value of the Account Investments (as at the date upon which the ISA Manager ascertains the Account Investor has subscribed to more than one account) will be returned to the Account Investor.

In relation to (c) and (d) above, the Account Investor may retain the benefits of the Account (including the right to any relief or exemption due under the Account) subsisting at that time but, so long as (c) and (d) apply, the Account Investor will not be entitled to subscribe further to the Account.

#### **14. Delegation by ISA Manager**

The ISA Manager will satisfy himself that any person to whom it delegates any of its functions or responsibilities is competent to

carry out those functions or responsibilities.

### **15. Complaints**

If the Account Investor has any complaint in respect of the operation of this Agreement or the Account in general, this should be intimated in writing to Compliance Department, King & Shaxson Asset Management Limited, 1st Floor, 155 Fenchurch Street, London, EC3M 6AL. Tel. 020 7655 4709. If the ISA Manager is unable to resolve any complaint to the satisfaction of the Account Investor then the Account Investor may take his complaint to the Financial Ombudsman Service. In order to contact the Ombudsman or obtain details of the Ombudsman Scheme the Account Investor should write to The Financial Ombudsman Service at Exchange Tower, Harbour Exchange, London, E14 9SR, telephone 0800 023 4567 or visit <https://www.financial-ombudsman.org.uk/>. In addition, the Financial Services Compensation Scheme acts as a final safety net for investors who have claims against regulated organisations which are unable to pay such claims.

### **16. Correspondence**

All notices (which must be in writing) and all other documents or correspondence should be sent by the Account Investor to the ISA Manager at 1st Floor, 155 Fenchurch Street, London, EC3M 6AL. Any instruction given by the Account Investor, particularly in relation to instructions in terms of (8) 'Transfer of Account' and (9) 'Withdrawals and Income from Account' above, will be acknowledged by the ISA Manager as soon as possible following receipt, which will normally be within seven working days of receipt. Any letter or document from the ISA Manager sent by post will be deemed to have been served on the second Business Day following that on which it is 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.

### **17. Risk Warning**

The Account Investor should appreciate that investment markets may be subject to fluctuations which might cause the value of the Account Investments and any income from them to fall as well as rise. Accordingly, the value of Account Investments is not guaranteed by the ISA Manager and the Account Investor may not always receive from the Account the amount of the subscriptions invested. The Account Investor should appreciate that investment in specialist markets or sectors, or in funds with concentrated portfolios, will carry a greater risk of volatility. The Account Investor should refer to the Key Features document for further details, and refer to an Independent Financial Adviser.

In addition, the ISA Manager will not be liable to the Account Investor for any losses sustained under the Account occasioned by the actions or omissions of the ISA Manager or any of its agents or nominees or their employees except where the same can be attributed to negligence, fraud or bad faith.

As ISAs are required to comply with the Regulations, this means that the ISA Manager may be required to transfer Account Investments out of certain investments and the terms of this Agreement may be changed if the Regulations are amended.

Please remember that the value of investments and the income arising from them may fall as well and rise and is not guaranteed. Investors should be aware of the underlying risk associated with investing in shares of small-cap stocks and emerging markets. These can prove to be more volatile than in more developed stock markets.

### **How To Contact Us**

If you have a financial adviser, they will normally be your first point of contact. Their contact details will be on the literature they have given you. If you need to contact us, our contact details are:

Web: [www.kingandshaxsonethical.co.uk](http://www.kingandshaxsonethical.co.uk)

Email: [ethical@kasl.co.uk](mailto:ethical@kasl.co.uk)

Telephone: 020 7426 5960

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King & Shaxson Asset Management Limited (Reg. No. 3870667) has its registered office at 1st Floor, 155 Fenchurch Street, London, EC3M 6AL. The Company is registered in England and Wales and is part of the PhillipCapital Group. King & Shaxson Asset Management Limited (FCA Reg. No. 823315) is authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN.