

Octopus Inheritance Tax Products

Terms and conditions

octopus investments
A brighter way

Section 1

General product terms

1. About this document and our agreement with you

1.1 This document (which is referred to throughout as the "terms") is important and you should read it carefully along with the latest versions of the other following important documents:

- the *application form* which is applicable to the specific *inheritance tax service* you have selected.
- the *brochure* that accompanies your *application form* – which, amongst other important items, includes the investment objectives and restrictions that will (i) apply to your *portfolio* and a number of important risk warnings, and (ii) an overview of the insurance that you may benefit from with our *insured products*.

The *brochure*, *application form* and a soft copy of this document is available on our website: **octopusinvestments.com**.

1.2 These *terms* apply to our entire range of products which have been designed with inheritance tax relief features (which we collectively refer to as *"inheritance tax services"*), including those products listed in clause **3.1** below and any other Octopus inheritance tax product(s) held by you on the date of issue of these terms.

1.3 These *terms* together with the above documents constitute our *agreement* with you (which we refer to as our *"agreement"*). However, for the avoidance of doubt, the provisions contained in these *terms* will take precedence if, for any reason, there is any inconsistency or conflict between those provisions and the other documents referred to above.

1.4 Our *agreement* governs the provision of your *inheritance tax service*. It is a legally binding contract under which we both have rights and obligations that we owe to each other. Our *agreement* supersedes any previous terms and conditions and/or related amendments which may have previously governed the basis on which we provided *your inheritance tax service* and, depending on the circumstances, will either be effective from a date specified by us or the commencement date as provided in clause **10.1**.

1.5 You should note that there are other materials which explain the basis on which we provide our services. However, those materials do not form part of our *agreement*. These materials are available on our website **octopusinvestments.com** and include:

- the *best execution policy*;
- the conflicts of interest policy; and
- the gifts and benefits policy.

1.6 We know that there is a lot of information here, but it is important that you read and understand the *agreement* and the risk warnings and policies referred to above before you complete your *application form*.

If you have any questions, we recommend that you consult a financial adviser who is appropriately qualified and authorised to give investment advice. We can't provide you with any financial advice, but if you have any questions about the application process or the technicalities of the products, please call us on 0800 316 2295 and we'll be happy to help you.

1.7 You will see that these *terms* are divided into seven separate sections:

- this **First Section** is headed *"Section 1 – General product terms"*. This section contains the terms and conditions that apply to the services we provide to you under the *agreement*; and
- the **Second Section** is headed *"Section 2 – Octopus AIM Inheritance Tax ISA terms"*. This section contains the terms and conditions which, in addition to the general terms set out in the First Section, apply if your *inheritance tax service* is the *Octopus AIM Inheritance Tax ISA*; and
- the **Third Section** is headed *"Section 3 – Octopus Accelerated Discounted Gift Trust additional product terms"* which sets out the specific terms that apply in addition to those terms set out in the First Section where your *inheritance tax service* is the *Octopus Accelerated Discounted Gift Trust* product; and

- The **Fourth Section** is headed *"Section 4 – OITSPlus additional product terms"*. This section sets out the specific terms that apply in addition to those terms set out in the First Section where your *inheritance tax service* is an *insured product*. This section contains a number of words that have a specific legal meaning when used in these terms and;
- The **Fifth Section** is headed *"Section 5 – Octopus Legacy"*. This section sets out the eligibility criteria for access to *Octopus Legacy's Estate Planning Packages* at preferential rates;
- The **Sixth Section** is headed *"Section 6 – Glossary"*. This section contains a number of words that have a specific legal meaning when used in these terms and;
- The **Seventh Section** is headed *"Section 7 – Appendix for our Insured Products Trust Overview"*. This section sets out an overview of the trust we have established for *our insured products*.

2. Meaning of certain words used in these terms

2.1 There are a number of words and phrases that have a specific meaning when used in these *terms*. So, throughout these *terms*:

- "we", "us", "our", and "Octopus" refer to Octopus Investments Limited;
- "you" or "your" refers to the person(s) named in the *application form* to whom we are providing services. You should note that where *your inheritance tax service* is the *Octopus Accelerated Discounted Gift Trust* product, these *terms* will also apply to the *trustee(s)* who hold(s) that part of your *portfolio* subject to trust, as envisaged by the *brochure* applying to that service; and
- *"your inheritance tax service"* refers to the specific services you wish to receive from us in accordance with the *inheritance tax product* you have selected, as stated in your *application form*. For the avoidance of doubt *your inheritance tax service* will also apply to you in respect of an *inheritance tax product* held by you on the date of issue of these *terms*. All other words and phrases, which have a specific meaning when used in these *terms,* are set out in the glossary. You will be able to identify these words because they will be written in italics.

3. What are the services?

3.1 Octopus currently offers six different products designed to assist you with inheritance tax – these are:

- the *Octopus Inheritance Tax Service;*
- the *Octopus AIM Inheritance Tax Service;*
- the *Octopus Accelerated Discounted Gift Trust;*
- the *Octopus AIM Inheritance Tax ISA*;
- *OITSPlus; and*
- *Octopus AIM ITS Plus*.

3.2 The *brochures* that relate to each of the *inheritance tax services* describe how each of these work in detail, and the services we provide in respect of each of them. Your duly completed *application form* will specify the particular *inheritance tax service* you have selected and therefore which of these services you wish to receive from us.

3.3 Your *inheritance tax service* is designed to invest your *portfolio* in investments that benefit from *Business Property Relief (or* Business Relief) – which we refer to as *qualifying investments*. However, you should note that we are unable to give any guarantees or assurances that such investments are, or will remain, *qualifying investments*.

3.4 The assets held within your *portfolio* will be held by Octopus either through its *nominee company* or an *eligible custodian*. Any cash within your *portfolio* will be held by Octopus through an *approved bank*. These arrangements are explained further in clauses **22** and **23** of these *terms*.

3.5 For the avoidance of doubt, where we make any further reference in these *terms* to the *application form* or the *brochure* – this is a reference to those specific documents that apply to *your inheritance tax service*.

Important regulatory information

4. Your status and our status

4.1 We have categorised you as a *retail client* in accordance with the *FCA rules* and you should be aware that this categorisation generally attracts the highest level of protection under the financial services regulatory regime in the United Kingdom. You have the right to request a different *client categorisation* and we will always consider your request, although we are not bound to accept it. If we do accept your request, you will lose the protection afforded to you as a *retail client* under the regulatory regime in the UK. Our *client categorisation* policy is available on our website, **octopusinvestments.com**.

4.2 Octopus is incorporated in England and Wales with company number: 03942880 and our registered office is at: 33 Holborn, London, United Kingdom EC1N 2HT. Octopus is authorised and regulated in the United Kingdom by the Financial Conduct Authority under Firm Reference Number: 194779. Details of our registration can be located via the *FCA's* website at **fca.org.uk**. The *FCA's* current address is: 12 Endeavour Square, London E20 1JN.

5. What you should do if you have a complaint

5.1 We pride ourselves on delivering a first-class service to our clients, but we recognise that there are times when things go wrong, and we may fall short of your expectations. If you have a complaint, you can contact us by phone on: **0800 316 2295**, by email: **complaints@octopusinvestments.com**, or in writing: The Complaints Manager, 33 Holborn, London EC1N 2HT. You can ask us for a copy of our complaints-handling procedure at any time.

5.2 Complaints that we are unable to settle may be referred to the Financial Ombudsman Service (*"FOS"*). The *FOS* is an independent service set up to resolve disputes between customers and businesses providing financial services. The *FOS* can be contacted at: Exchange Tower, London E14 9SR, and further information about the *FOS* may be found at **financial-ombudsman.org.uk**.

6. The Financial Services Compensation Scheme

6.1 We are a participant in the Financial Services Compensation Scheme (the *"FSCS"*). As a *retail client* you may be eligible to claim compensation from the *FSCS* in certain circumstances if we, any *approved bank*, our *nominee company* or *eligible custodian* are in default. Most types of investment business are covered in full for the first £120,000 of any eligible claim. Not every investor is eligible to claim under this scheme: for further information please contact us, or the *FSCS* directly at **fscs.org**.

Communications

7. Our communications with each other

7.1 We will communicate with you in English. All of our documentation and any other information that you receive from us will be in English. We will communicate to you in writing either via email, letter or SMS, and/or through our secure portal.

7.2 Save for those instructions mentioned in clause **7.3** which must be made in writing, you can give us instructions in relation to the provision of our services either in writing or by telephone.

Our telephone lines that are used for receiving instructions are recorded. We will not usually accept instructions from you by fax or email. We will only act on such instructions at our discretion, where we believe that the instruction is genuine. We will keep the records for five years. You have the right to request to access the records (note that a fee might be applied for frequent or numerous requests).

7.3 In all circumstances, instructions concerning changes to the important information that we hold about you must be given in writing. This information includes: your address details; your bank details; and any instructions to withdraw money or investments from your *portfolio*. If you have any queries about how you should be communicating certain information to us you can phone us on **0800 316 2295**.

7.4 We are entitled to rely upon the information provided by you, unless we are aware that the information is manifestly out-of-date, inaccurate or incomplete. This includes information contained in your *application form*. If you do not provide us with the information requested in the *application form* (or any further information requested by us), we may not be able to provide our services to you.

Operation of your inheritance tax service

8. Grant of discretionary authority

8.1 By entering into this *agreement*, you grant to us the exclusive right to manage your *portfolio* at our sole discretion and without prior reference to you or your *adviser* and to select and manage investments which we reasonably believe at the time of acquisition to be *qualifying investments*, subject to the investment objectives and restrictions which apply to your *inheritance tax service* as set out in the *brochure*. We will, normally acting as your agent, buy and/or sell one or more investments and otherwise act as we think appropriate in relation to the management of the *portfolio*, but subject always to the provisions of our *agreement*.

8.2 There is no restriction on the amount invested in any single investment, or on the proportion of your *portfolio* in any single investment, or any particular type of investment, or on the markets on which transactions are effected, unless otherwise specified in the *brochure*. You should note that if we sell investments on your behalf, there may be tax consequences. You should speak to your *adviser*/tax *adviser* about this.

8.3 You grant to us the right (following your initial investment or any further investments) to hold your uninvested cash in a money market fund pending investment.

8.4 You acknowledge receipt of and confirm your understanding of the *brochure* and the risk factors set out in it and acknowledge and agree that we have not provided you with advice about the suitability of this product for your requirements.

8.5 You warrant that the cash and assets subject to our management under the *agreement* belong to you and shall at all times belong to you and remain free from any charge, lien, pledge or encumbrance (this means that there are no third parties who could claim any rights over such cash and assets), that you have legal power and authority to enter into and be bound by the *agreement*, and that all information that you have provided to us (including the information provided in your *application form*) is true, accurate and complete in all material respects and you have not omitted any information which may be material in respect of your *inheritance tax service*. We will have no responsibility or liability to you if such information is untrue, inaccurate or incomplete in any material way (save in the case of our own negligence, wilful default or fraud). You agree to notify us in writing as soon as reasonably practicable if any information you have provided needs to be updated or is no longer correct.

8.6 You acknowledge that the investment objectives and restrictions applicable to *your inheritance tax service*, as set out in the *brochure*, will not be treated as breached as a result of events or circumstances beyond our reasonable control.

8.7 You should be aware that the investments in your *portfolio* are unlikely to be "readily realisable". This means that it may be difficult or, in some cases, impossible to sell them. It is open to you to have your investments transferred to you should you wish to withdraw or if you wish to terminate your *agreement* with us.

9. Our role is limited – we do not provide investment advice

9.1 You acknowledge that Octopus does not give any investment or tax advice and we therefore recommend that you seek advice from your *adviser* or consult another financial *adviser* that is appropriately qualified and authorised to give investment advice. If we do provide you with information on particular investments, markets (such as market trends), or the performance of selected companies, this should not be viewed as a personal recommendation or advice and is provided strictly for your information only.

9.2 If you choose to invest without advice, either directly or through an intermediary, Octopus must issue a suitability assessment. The suitability questionnaire is available here: **octopusinvestments.com**, or please contact us at **investorsupport@octopusinvestments.com** or **0800 316 2295**. If we do not consider the service suitable, you must consult with a financial *adviser* that is appropriately qualified and authorised to give investment advice in order to invest in our products.

9.3 You acknowledge that other than in respect of our obligations under the *agreement* we are not responsible for providing you – and we have not provided you with – any investment advice, any tax advice, or personal recommendations in respect of your *portfolio* or in relation to your decision to invest. We shall not be liable for any losses you suffer or incur as a result of acting or deciding to act on the advice or recommendation of any third party (including your *adviser*) in relation to our services.

9.4 You acknowledge that it is your responsibility (or that of your *adviser*) to keep your financial circumstances, investment objectives, and appetite for risk under review. In providing *portfolio* management services, we are required to obtain sufficient information about your knowledge and experience in the relevant investment field, your financial situation (including your ability to bear losses), and your investment objectives (including risk tolerance) to ensure suitability. We will ask you annually whether your circumstances have changed such that the *inheritance tax service* may no longer be suitable for your needs. If this is the case, we strongly recommend that you should consult a financial *adviser* who is appropriately qualified and authorised to provide investment advice.

9.5 We reserve the right not to accept your application if you have not received advice from an *adviser* who is suitably qualified and authorised.

9.6 If the relationship between you and your *adviser* ceases to exist for any reason, we would strongly recommend that you appoint a new *adviser* to ensure that *your inheritance tax service* remains suitable for you.

9.7 If you choose to cancel your *adviser's* ongoing service you don't have to terminate your *inheritance tax service*. However, you should notify us immediately and you should note that we reserve the right to charge you an additional fee to reflect the additional cost to us in providing the service in such situations.

9.8 If your *adviser's* ongoing service is cancelled or otherwise ceases to exist for any reason other than the circumstances set out in clause **9.7** (eg if your *adviser* goes out of business or chooses to terminate its relationship with you) then we will take reasonable steps to assist you in seeking to find a replacement *adviser*. If, despite our assistance, you have not appointed a replacement *adviser* within 30 days of your service being cancelled or ceasing to exist you don't have to terminate your *inheritance tax service*. However, you should note that we reserve the right to charge you an additional fee to reflect the additional cost to us in providing the service in such situations.

10. Opening your investment account and commencing your inheritance tax service

10.1 We will only start to provide *your inheritance tax service*, and our *agreement* will commence, once we have received your duly completed *application form,* have successfully and to our satisfaction undertaken the customer due diligence checks required by the *applicable rules* and *health declaration* for our *insured products*, confirmed acceptance of your application and have received your cleared funds. We reserve the right not to accept any application where to do so may lead to a breach of the *applicable rules*. With this in mind, we will not accept any transfer of funds into your *portfolio* until we have completed to our satisfaction the customer due diligence checks required by the *applicable rules*.

10.2 The customer due diligence procedures referred to in clause **10.1** above include requiring proof of your identity and of your address. We shall undertake an electronic search for the purposes of verifying your identity and address. To do so, we may check the details you supply against your particulars on any database (public or otherwise) to which we have access. We may also use your details in the future to assist other companies for verification purposes. A record of this search will be retained. If we cannot verify your identity, we may ask you to provide, among other things, a recent, original bank statement and an original HMRC Tax Notification, or a copy of your passport certified by a bank, solicitor or accountant or a client verification certificate from your *adviser*. By accepting the *agreement*, you consent to Octopus carrying out the checks referred to in clause **10.1** above, and you agree that we may pass on such information as we consider necessary to comply with any such regulatory requirements.

10.3 We will acknowledge receipt of your application by return post. Once your funds have cleared in your account, we will begin the investment process. We would expect this to happen in accordance with the timescales indicated in the *brochure*; however as this is a discretionary service you should note that we have the flexibility to invest your funds as and when we consider appropriate and therefore your funds may not at all times be fully invested.

10.4 We will accept the transfer of your existing investments from another investment manager in cash. We are not usually able to accept "in specie" transfers. If you want to transfer investments from another investment manager you will need to complete a transfer of authority form and return it to us. We can't accept any responsibility for losses incurred or delays caused in the transfer or payment of proceeds to us.

11. Trustees

11.1 If you are a *trustee* of a trust, any reference in these terms to you as the client shall be construed, where appropriate to any one or more of you. We will hold all *trustees* jointly and severally liable under the *agreement*. We will ensure that any instructions are carried out in accordance with the authorisations that you (as *trustee*) provide when you complete the *application form*.

11.2 We shall be entitled to assume that if you are *trustee(s)* of a trust, you have full power to deal in the assets of the *portfolio* being trust property and we shall not be liable to the *beneficiaries* of the trust for any action that we properly take on your behalf.

11.3 You must inform us promptly when a *trustee* dies or retires. In this event, the remaining *trustees* remain bound by these *terms*. You must also inform us promptly when a new *trustee* is appointed, and provide us with any documentation that we require to evidence such appointment.

12. Reporting to you

12.1 We will provide you with a *portfolio* valuation report on a quarterly basis and a consolidated annual report once a year. You can also ask us to send you a valuation at any time. This regular report will contain the cost, current value and dividends of all holdings within your *portfolio*.

12.2 The report will also show the performance of your *portfolio* over the reporting period. If there is no active market for the investments held in your *portfolio*, we will value the investments in accordance with what we believe to be a reasonable method of valuation. If you require more information on the way in which we value your *portfolio* you can contact us.

12.3 All investments in your *portfolio* will be valued at close of business on the last *business day* of the reporting period in question. Valuation reports will also show income and interest credited to your *portfolio*, all product and *adviser* fees charged and transactions made within the period. You can request a separate breakdown of costs and charges incurred in a period if you would like.

12.4 Information about your *portfolio*, including the cost, current value and dividends of all holdings within your *portfolio* will be available to view online.

Fees and Charges

13. Charges – General

13.1 How you are charged in respect of our services may depend on when the advice to invest in the *inheritance tax service* was given.

13.2 As set out in the '*annual management charge*' section below an *annual management charge* (which is further described in the glossary) is payable to Octopus, which is based on the value of your *portfolio* and is charged at such intervals as stated in the relevant product *brochure*.

13.3 Your *adviser's* charges will either take the form of a commission that is agreed between you and your *adviser,* and is paid by Octopus, or a separate *adviser* charge, where we can facilitate payment to your *adviser* on your behalf.

13.4 An initial charge may also apply to *your inheritance tax service*, full details of our fees and charges are set out in the corresponding product *brochures*.

14. Annual management charge

14.1 You shall pay the fees and charges applicable to our services as set out in the relevant product *brochure*. Fees and charges will be charged with appropriate taxes applied, eg VAT.

14.2 The *annual management charge* will be deducted and you authorise us to make such deductions from any cash in your *portfolio* at such intervals as stated in the relevant product *brochure*. In circumstances where there are insufficient monies available to meet our *annual management charge*, then we may at our discretion elect either:

(a) to roll this up interest-free to be deducted proportionally across the *portfolio* on a later occasion when sufficient monies may be available to cover such *annual management charge*, whether such monies are derived from dividends, investment liquidity events, additional investments made by you or otherwise; or

(b) liquidate a sufficient amount of assets proportionally across the *portfolio* in order to meet such fees and charges.

15. Your adviser's charges

15.1 Your *adviser* will have disclosed to you the total charges that relate to the advice that they gave you to invest in *your inheritance tax service*. How you pay for your *adviser's* services may depend on when the advice to invest in *your inheritance tax service* was given.

15.2 If the advice to invest in *your inheritance tax service* was given before 31 December 2012, your *adviser* may receive a payment from us as a commission. Your *adviser* will tell you the amount of this commission and disclose it to you in the *application form*.

15.3 If the advice to invest in *your inheritance tax service* was given after 31 December 2012, or if new advice in respect of your existing investments was given to you after 31 December 2012, your *adviser* will be paid for their advice by separate *adviser* charges rather than as a portion of the *annual management charge*. If you would like us to facilitate the payment of your *adviser's* charges on your behalf you will need to complete the relevant section of the *application form*.

15.4 Any initial *adviser* charges will be deducted from the amount of cash that you subscribe before the balance is invested in your *portfolio*. The amount taken will be agreed between you as the investor and your *adviser*.

15.5 If you have agreed to pay for your *adviser's* charges on an ongoing basis, we will continue to facilitate the payment of your *adviser's* ongoing charges until you give us further instructions or until the value of your *portfolio* is nil.

15.6 Please note that where you invest in the *Octopus Accelerated Discounted Gift Trust*, any *adviser* charges which you have agreed to pay can only be facilitated from the portion of your *portfolio* that has not been settled on trust. In addition, you should be aware that we are unable to facilitate the payment of your *adviser's* charges in respect of any advice that your *adviser* may provide to the *trustees* you have appointed in respect of the *Octopus Accelerated Discounted Gift Trust*.

15.7 You are entitled to withdraw your consent to us facilitating your *adviser's* charges at any time by letting us know in writing. We will stop calculating the *adviser* charges as soon as we receive your instruction, but please note that we cannot backdate any instruction to stop paying your *adviser's* charges. Your instruction to cease facilitating your *adviser's* charges will be valid only from the date we receive it, and we will assume that your *adviser* is entitled to receive the charges that you have authorised up to the date that you withdraw your authorisation, and we will make arrangements to pay any accrued *adviser* charges from your *portfolio*. Once we have processed the charge and paid your *adviser*, we can't recover it, so you will need to take the matter up directly with your *adviser*.

15.8 If you change your *adviser* and want us to start paying charges to your new adviser, you will need to let us know in writing. As above, we will stop calculating our previous *adviser's* charges as soon as we receive your instruction, but we will make arrangements to pay any accrued charges up to that date. Your new *adviser's* charges will start accruing from the date that we receive your instruction.

15.9 If you cancel your *adviser's* ongoing service you also need to tell us to cease debiting your *portfolio* to pay your *adviser's* ongoing charges.

15.10 If you choose to cancel your *adviser's* ongoing service you don't have to sell your investments. However you should note that we reserve the right to charge an additional fee as referred to in clause **9.7**.

16. Other charges

16.1 The relevant product *brochure* sets out all of the fees and charges that will apply to your *portfolio*, including transaction charges, transfer charges and withdrawal charges.

17. Dealing

17.1 When we execute orders on your behalf whilst carrying out the management of your *portfolio*, we are required to take all reasonable steps to achieve what is called 'best execution'. We maintain a document which sets out our *best execution policy* (which is known as our *"best execution policy"*) and is in accordance with our obligations under the *FCA rules*. Our *best execution policy* is available on our website at **octopusinvestments.com**, or you can ask us to send you a copy.

17.2 For the avoidance of doubt, by accepting the *agreement*, you consent to our *best execution policy* and you agree that we or any of our *associates* may trade outside a regulated market or multi-lateral trading facility ("MTF"). In the event that we engage in trading outside of a regulated market or MTF you should note that terms equivalent to regulated markets and/or MTFs may not apply and there is a risk that your *portfolio* may be exposed to counterparty risk. You also acknowledge that any specific instructions you may give us about the execution of orders in respect of your *portfolio* may prevent us from acting in accordance with the *best execution policy* and from achieving best execution.

17.3 You should be aware that for the *Octopus Inheritance Tax Service, OITSPlus* and the *Octopus Accelerated Discounted Gift Trust* products we are the only execution venue through which investments may be bought and sold for your *portfolio*. Please refer to our *best execution policy* for further information.

17.4 We may aggregate the orders for your *portfolio* with those of other customers, *associates* or persons connected to us, but only in accordance with the *applicable rules*. It is likely that the effect of such an allocation will not work to your disadvantage; however, occasionally this may not be the case. We will allocate aggregated transactions promptly and on a fair basis, in accordance with the requirements of the *applicable rules*.

18. Withdrawals

18.1 You are entitled to withdraw the assets and/or cash from your *portfolio* at any time by giving us written notice. If you have invested in the *Octopus Accelerated Discounted Gift Trust* product, the specific provisions in clause **18.5** and Section 3 – *Octopus Accelerated Discounted Gift Trust additional product terms* will also apply.

Upon receipt of a withdrawal notice we will, as promptly as possible, transfer the cash and/or assets that you wish to withdraw.

Partial withdrawals will be subject to a minimum balance remaining – see current *brochure* for details.

If you have invested in an *insured product*, partial withdrawals are not permitted while the *insurance cover* is applicable. Full withdrawals are permitted at any time, though would terminate the *insurance cover*. See the relevant *insured product brochure* for more details.

18.2 If, rather than having your assets transferred to you as provided in clause **18.1** above you would prefer that we sell your investments on your behalf and, assuming your investments can be sold, transfer to you the sales proceeds, then you must provide us with written instructions to that effect. We will pay the sales proceeds less any amounts you may owe us into your nominated bank account.

18.3 Where you instruct us to sell the assets in your *portfolio* you should be aware that investments may not be readily marketable and the timing of any sale cannot be predicted. In the normal course of events investments in *AIM* companies are usually realised within 10 days; however, you should be aware that large transactions may take longer. In the event that we are unable to sell your investments within six months of your instruction these will be transferred to you.

18.4 Once you have fully withdrawn your investments we will keep your *portfolio* open for two months, or six months in respect of any assets held under an *Octopus AIM Inheritance Tax ISA*, to allow for any interest and dividends to be paid. At this point we will transfer the proceeds into your nominated bank account.

18.5 Where you have invested in the *Octopus Accelerated Discounted Gift Trust* product, you will not have the ability to withdraw the cash and/or assets in your *portfolio* that you have settled on trust, other than those withdrawal amounts that are specified in the applicable trust deed.

18.6 Where you elect to withdraw or transfer investments, third party administration and/or custody fees and costs may apply. If you fully withdraw funds from any of your *portfolios* we may deduct our *annual management charge* and any accrued *adviser* charges prior to making the payment.

19. What happens when an investor dies

19.1 In the event of receiving notification of your death, we will manage your *portfolio* on a *care and maintenance* basis. No instructions will be accepted in relation to the withdrawal of funds from the *portfolio* until title to it has been established at our discretion, at which point your personal representatives may instruct us to sell, transfer or otherwise dispose of your investments.

If you have invested in an *insured product*, we will consider whether a claim can be made under our *insurance policy*.

19.2 We will continue to deduct our *annual management charge* from your *portfolio* for managing your *portfolio* on this basis and for dealing with any arrangements concerned with your death, including (without limitation) closing your account with us.

20. Delegation and use of agents

20.1 We may delegate any of our functions under these *terms* to a third party of our choosing that is competent (and if relevant, appropriately regulated) to perform such functions. We will give you written notice of any such delegation which involves the exercise of our discretionary investment management powers and will not, without your consent in writing, delegate the whole or substantially the whole of such powers.

20.2 We will act in good faith and with due diligence in the selection, use and monitoring of third-party delegates.

20.3 We will use reasonable skill and care in our selection, monitoring and use of agents.

21. Conflicts of interest

21.1 We have a conflicts of interest policy (known as our *"conflicts policy"*) that sets out the types of actual or potential conflicts of interest that affect our business and how these are managed. Our *conflicts policy* can be found on our website and also includes details of any conflicts which, were they to arise, we could not effectively manage. In these circumstances we would not be in a position to provide our services to you. You

acknowledge that you have read the current version of our *conflicts policy,* which is available on our website, or you can ask us for a copy. Our *conflicts policy* may be updated from time to time.

21.2 Some of the situations where a conflict of interest may arise include the following:

- Where we are likely to make a gain (or avoid a loss) at the expense of one of our clients;
- Where our interest in an outcome is different to our clients';
- Where we may have an incentive to favour the interests of one of our clients over another;
- Where we carry on the same business as our clients, and;
- Where we receive an inducement from one client in relation to the services provided to another client.
- We may receive non-monetary benefits from third parties such as *advisers* and brokers.

21.3 You agree that we or any *associate* may effect transactions in which we or an *associate* has directly or indirectly a material interest or a relationship of any description with another party which involves or may involve a potential conflict with our duty to you. We shall ensure that such transactions are effected on terms that are not less favourable to you than if the conflict or potential conflict of interest had not existed. Subject to the terms of our *conflicts policy* and subject to any contrary obligation under the *FCA rules* neither we nor any of our *associates* shall be required to account to you for any profit, commission or remuneration made or received from or by reason of such transactions.

21.4 In the case of the *Octopus Inheritance Tax Service, OITSPlus* and the *Octopus Accelerated Gift Trust* products it is likely that the trading activities of the entities in which your *portfolio* invests will include dealings with companies and other entities (and in the securities of such companies and entities) in which we or a member of our group (including any *associate*) or any client advised by us may have an interest. Such interests may include, without limitation, equity investments and/or debt investments and/or our interest as a service provider. Dealings may include the provision of credit facilities on preferred or subordinated terms. Accordingly, we or any member of our group (including any *associate*) may be entitled to gains, profits or fees from or in relation to such companies and entities.

21.5 Any benefits received under our *insurance policy* where you have invested in an *insured product*, will be paid as described in "*Section 4 – Insured Products Additional Product Terms*." Any other additional monetary benefits not otherwise referred to above which we might receive from any third parties in the course of providing our services to you will be paid into your *portfolio*.

Holding your assets and your money

22. Money

22.1 Octopus holds cash in your *portfolio* as "client money" in accordance with the applicable *FCA rules*. Amongst other things, this is intended to ensure that your money is held so that it is segregated from our own funds.

22.2 However, your money may be pooled with money belonging to other clients, which means that you would not have a claim against a specific sum in a specific account. In such circumstances any claim which you might have would be against the client money pool in general.

22.3 We will deposit your money with an *approved bank* to be held on trust in a pooled account, separate from any account used to hold money belonging to us in our own right. Whilst we take due skill, care and diligence in selecting *approved banks*, we do not accept any liability for any act, omission or default on their part.

22.4 If the *approved bank* holding your money becomes insolvent, the nature of any significant claim that we might have would be an unsecured claim on behalf of all our customers with an interest in the pooled client account. If there is a shortfall, our clients may share that shortfall in proportion to their original share of cash in the pool.

22.5 You agree that your money may also be placed in a qualifying money market fund and in such case your money will be held in accordance with the *FCA rules* on custody and not client money. You should notify us in writing if you do not wish to place any of your money in such a fund.

22.6 To the extent that the rate Octopus earns on uninvested cash is above 1%, you will receive interest on uninvested cash held in your *portfolio* at that rate less 1%. Interest will accrue daily and be paid quarterly. You will have no entitlement to receive interest in

respect of any month where the rate Octopus earns on uninvested cash is at or less than 1% as at 3pm on the last working day of the relevant month. Where interest is payable it will be treated as client money in accordance with the *FCA rules*.

22.7 We may cease to treat your money as "client money" and donate it to a charity of our choice where we have held the balance for at least six years following the last movement on your account (disregarding any payment or receipt of interest, charges or similar items) provided we have made reasonable steps to trace you before doing so. Where we have paid away client money in these circumstances we will unconditionally undertake to reimburse you if you seek to claim the balance in the future, other than where the amount we have paid away (and the aggregate balance of money allocated to you) is £25 or less. This undertaking shall be retained by us indefinitely and legally enforceable by any person with a legally enforceable claim to the balance at the time it was released, or by an assign or successor in title to such claim.

22.8 We may transfer your client money to a third party as part of transferring all or part of our business where the money relates to the business being transferred and either: i) the sums transferred will be held by the person to whom they are transferred in accordance with the *FCA rules* on client money; or (ii) if not held in accordance with such rules, we will exercise all due skill, care and diligence in assessing whether the person to whom the money is transferred will apply adequate measures to protect those sums; or where the amount of your money is £25 or less if the terms of the business transfer will require the other person to return your money as soon as practicable at your request.

22.9 Client money may be transferred to third parties for the purposes of settling transactions in accordance with the *applicable rules*.

23. Assets

23.1 Assets held on your behalf, including any investment certificate or other documents which evidence title to assets held within your *portfolio* (including any documents of title to investments in bearer form) will be registered in the name of our *nominee company* or, if applicable, our appointed *eligible custodian*. This does not apply to the *insurance policy* we have purchased to support our *insured products*, which is our asset and therefore held in our name. We will, in accordance with the *FCA rules,* keep records to show the beneficial owner of the assets.

23.2 Where we appoint an *eligible custodian* to hold your assets, whilst we will take due skill, care and diligence in the selection and monitoring of such *eligible custodian*, we do not accept any liability for any act, omission or default on the part of such *eligible custodian*. This does not apply to the *insurance policy* we have purchased to support our *insured products*, which is our asset and therefore held in our name. As at the date of issue of these terms, we have appointed an *eligible custodian* to hold investments in relation to the *Octopus AIM Inheritance Tax ISA*. Do contact us if you would like further information about this.

23.3 Your assets will be held in a pooled account which means that whilst your assets should be held in such a way that it is readily apparent that they do not belong to us, our *nominee company* or, if applicable, an *eligible custodian*, your individual holdings and entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic records on the register. In the event of an irreconcilable shortfall following any loss by or default by us, our *nominee company* or an *eligible custodian*, you may not receive your full entitlement and may have to share in a proportion of the shortfall.

23.4 Where assets are pooled with third parties, distribution of entitlements to any benefits or entitlements arising from corporate events will be allocated pro rata. Fractions of entitlements arising from this process will be rounded down to the nearest whole unit or share.

23.5 Our *nominee company*, or if applicable, an *eligible custodian*, as soon as reasonably practical, will claim and account for all dividends, interest and other payments or entitlements received in relation to investments in your *portfolio*, but is entitled to deduct or withhold any sum on account of any tax required to be so deducted or withheld and provide you with evidence of such deduction or withholding for your tax records.

23.6 We may (where this is market practice) use the services of a clearing system (being any market clearance facility, settlement system, dematerialised book entry system, centralised custodial depositary or similar facility, system or depositary) on such terms as we believe to be appropriate, for the purposes of holding and transferring uncertificated investments.

23.7 You agree that it may be necessary for your assets to be held by a counterparty or sub-custodian which may be located outside of the EEA. In such circumstances, the legal and regulatory regime applying to the counterparty or sub-custodian

in the name of which your assets are held will be different from that of the UK or other EEA states and in the event of a default of the counterparty or sub-custodian, assets may be treated differently from the position which would apply if the assets were held in an EEA state.

23.8 You authorise us to act on your behalf and exercise all rights (including voting rights) attaching to assets held in your *portfolio* as we shall deem fit and at our discretion subject at all times to our duties and obligations under the *applicable rules*.

23.9 We may divest ourselves of any unclaimed asset of yours by (i) either liquidating the asset at market value and paying away the proceeds or (ii) paying away the asset itself, in either case to a registered charity of our choice. We may only take such action where we have held the asset for at least 12 years and in the 12 years prior to such divestment we have not received instructions relating to any assets from or on behalf of you and provided we have made reasonable steps to trace you before doing so. Where we have divested your asset in these circumstances we will unconditionally undertake to pay you a sum equal to the value of the asset at the time it was liquidated or paid away if you seek to claim the asset in the future. This undertaking shall be retained by us indefinitely and legally enforceable by any person with a legally enforceable claim to the balance at the time it was released, or by an assignee or successor in title to such claim.

General

24. Variation and assignment

24.1 Subject to clause **24.2**, these *terms* may only be amended by the parties as agreed from time to time.

24.2 We may change these *terms* at any time and we will notify you of any material changes. The latest copy of these terms can be found on our website. We will notify you of any changes including fees and charges or the level of service provided under *your inheritance tax service* for any of the following reasons:

(a) to make them fairer or more easily understandable, or to correct a mistake (provided that this correction would not adversely affect you);

(b) to respond proportionately to changes in the *applicable rules* or the decisions of any relevant regulatory authority;

(c) to reflect new industry guidance and codes of practice;

(d) to reflect a change in technology, to cover an improvement or change in the way in which we provide *your inheritance tax service*;

(e) to reflect a change in market conditions or the overall cost of providing our services to our clients; or

(f) to reflect other legitimate cost increases (or reductions) associated with providing *your inheritance tax service*.

(g) in relation to the *insured products*, to reflect any changes made to our *insurance policy* that supports the product.

24.3 You will be given at least 30 days' notice in respect of any significant changes to these *terms*, unless the specific circumstances require a shorter or longer period (including, without limitation, where required to do so under the *applicable rules*).

24.4 We may assign this *agreement* to any appropriately authorised and regulated person, such assignment being effective upon written notice to you. The *agreement* is personal to you and you may not assign it.

25. Termination

25.1 Should we wish to terminate these *terms*, we may do so by giving you not less than 30 days' prior notice. Where required to do so by the *applicable rules* or where it becomes impossible, impractical or unreasonable for us to continue to manage your *portfolio*, we may terminate these *terms* immediately, in which case you will be notified in writing. In such circumstances we will make arrangements to either transfer the assets in your *portfolio* to you, or appoint another investment manager in our place in accordance with clause **25.4**.

25.2 We will terminate your *portfolio* if it is inactive after 2 months, where there is a nil balance in the *portfolio*.

25.3 If you wish to terminate your *portfolio* you should notify us of your wish to do so in writing. Subject to clause **25.4**, your *portfolio* will be closed as soon as practically possible after we receive your written notice. Please be aware that any transactions already initiated before we receive your instructions will be completed, and that we can't transfer the assets within your *portfolio* until all amounts due to us have been paid,

and you provide us with written instructions confirming what you would like us to do with your *portfolio* investments and cash, including whether you would like us to sell your investments or whether you would like us to transfer the investments and cash to you (see clause 18). Please note that if *qualifying investments* are sold you will lose any potential entitlement to the *Business Property Relief* to which such investments are subject.

25.4 The *agreement* will continue to apply until all outstanding transactions and liabilities have been completed and discharged. Please note that where we are required to sell investments held in your *portfolio*, this may take place over an extended period of time as there may be limited liquidity in respect of the investments in your *portfolio*. In addition you should be aware that if we are required to liquidate your *portfolio*, we cannot guarantee that we will be in a position to obtain the best result for you in accordance with our *best execution policy*.

25.5 After all outstanding transactions have been completed, we will provide you with a closing valuation of your *portfolio* prepared in the manner described above. Our responsibility for managing your *portfolio* and providing *your inheritance tax service* will then cease entirely.

25.6 On termination, you will be liable to pay (and we may debit from your *portfolio*):

(a) all fees and other charges mentioned in clauses 14-16 above, accrued daily up until the date of termination;

(b) any additional expenses necessarily incurred by us in liquidating your *portfolio*, closing out any transactions or settling or concluding outstanding obligations incurred by us on your behalf; and

(c) our charges in connection with transferring or registering your *portfolio* into your name or as you may direct.

25.7 You should be aware that if on termination we are required to liquidate your *portfolio*, we cannot guarantee that we will be in a position to obtain the best result for you in accordance with our *best execution policy*.

25.8 Termination will not affect accrued rights, or any contractual provision intended to survive termination.

25.9 On termination, we may retain and/or realise such assets within your *portfolio* as may be required to settle transactions already initiated and to pay your outstanding liabilities. If there is a dispute as to the payment of fees to us, you may require the disputed amount to be held in an escrow account pending resolution of the dispute.

25.10 There are no cancellation rights with these products.

26. Data protection and confidentiality

26.1 Your information includes all of your details we hold about you and your transactions, and will include information that we obtain from other parties.

26.2 All personal information held will be used in accordance with the General *Data Protection Regulations* 2018 and will be held on one of the following bases:

- consent is given
- there are contractual obligations
- legal compliance
- legitimate interest

26.3 We may share your information with our *associates* if they provide products or services to you, the *insurer* or the *insurer's* third party administrator for claims handling in respect of an *insured product*, credit reference agencies and UK and overseas law enforcement agencies or regulatory authorities and other relevant bodies.

26.4 If you contact us we shall keep a record of that correspondence and we will keep copies of any documents that you provide to us including any documents provided for verifying your identity such as your passport or driving licence.

26.5 The information that we hold about you is confidential and will not be used for any purpose other than in connection with the provision of services to you, unless it is information that is already publicly available. This confidential information will only be disclosed to third parties in the circumstances described below:

- As stated in clause **26.3** above;
- Where required by *applicable rules*, or if requested by any regulatory or competent authority having control or jurisdiction over us;
- To investigate or prevent fraud, money laundering, terrorism or any other illegal activity;
- To any third party in or outside the European Union in connection with our services;
- For identity checks;

- With the *insurer* or the *insurer's* third party administrator to the extent strictly necessary in respect of an *insured product*;
- If it is in the public interest to disclose such information; or
- At your request or with your consent.

26.6 Unless you have told us otherwise, we may send you information about our other products and services or those of our *associates* from time to time. We may provide this information by telephone, post, email, text message or other means. If you would like to stop receiving this information, please contact us at **investorsupport@octopusinvestments.com** or **0800 316 2295**.

26.7 If you would like a copy of the personal information we hold about you please contact us at **dataprotection@octopusgroup.com** or write to us at **Data Protection, 33 Holborn, London EC1N 2HT**.

26.8 For further information about your privacy rights and on how we process your data please see our Privacy Policy which can be found on our website.

27. Our liability

27.1 For the avoidance of doubt, nothing in these *terms* or the *agreement* is deemed to limit any liability we may owe you under the *applicable rules* (including for the avoidance of doubt, *FSMA*, any regulations made under *FSMA* or the *FCA rules*).

27.2 We will act in good faith and with due diligence in managing your *portfolio* in accordance with the *agreement*. We accept responsibility for loss to you only to the extent that such loss is due to our negligence, wilful default or fraud.

27.3 Subject to clause **27.2** above, we will not be liable for any loss in value which your *portfolio* suffers, or for our failure to perform investment transactions for the account of your *portfolio*, in the event of any failure, interruption or delay in the performance of our obligations resulting from Acts, events or circumstances that are not reasonably within our control may for example include: the acts or regulations of any governmental, supranational body or authority; breakdown, failure or malfunction of any telecommunications or computer service or services; disruptions to stock markets (for example, our ability to deal on stock markets); and acts of war, terrorism, civil unrest or natural disaster.

27.4 Subject to clause **27.2** above, we accept no responsibility for any loss of tax benefits that you may suffer as a result of any transactions that we carry out for your *portfolio*. In addition, we shall not be liable for any loss or damage of any direct or indirect or consequential nature caused by the retraction by HMRC of its approval of any *ISA* or any changes in law.

27.5 You should note that in the case of the *Octopus Accelerated Discounted Gift Trust*, the availability and level of any immediate discount to inheritance tax could be subject to challenge by HMRC. A successful challenge could result in a recalculation or loss of the relevant inheritance tax relief. In that event, your estate or the *trustees* of the *Octopus Accelerated Discounted Gift Trust* may suffer an inheritance tax liability. Subject to the *applicable rules* and clause **27.2** above, Octopus cannot be held liable for any loss suffered as a result of a challenge by HMRC.

27.6 Where we are liable to you under this *agreement*, subject to the provisions above, our liability shall be limited to the replacement of the assets or cash held in your *portfolio* (including interest) lost or foregone as an immediate result of our action or failure to act. We will not be liable for any consequential, indirect, special, incidental, punitive or exemplary loss, liability or cost that you may suffer or incur arising out of our acts or omissions however that loss, liability or cost is caused and regardless of whether it was foreseeable or not. This means that we will not be liable for any losses that are indirectly associated with the specific incident that has caused you to claim (for example, loss you may incur from your not being able to sell investments where the prices of such investments are falling or from not being able to purchase investments where the price of investments are rising, loss which may arise from our not being able to complete transactions for your *portfolio*, loss of profits, loss of business or loss of data).

28. Interpreting these terms

28.1 The *agreement* is based on our understanding of current law and the *applicable rules*. It is governed by and is to be construed in accordance with English law. The English Courts have nonexclusive jurisdiction in respect of any claim between you and us.

28.2 Nothing in the *agreement* shall exclude or restrict any obligation that we may have to you under the *applicable rules*.

28.3 Neither party intends any provision of our *agreement* to be enforceable by any person other than themselves or their permitted successors or assignees unless provided expressly to the contrary under the *agreement*. Save as otherwise provided under this clause, a person who is not a party to the *agreement* may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

28.4 If any part of the wording of these *terms* will become or is declared to be illegal, invalid or unenforceable for any reason, such part or wording will be deleted and will be divisible from the rest of these *terms*, which will continue in force. Our failure to exercise or delay in exercising a right or remedy provided by these *terms* or by law does not constitute a waiver of other rights or remedies.

29. Notices

29.1 We may send any communications to you at the address that you provide to us in the *application form* (or to any other address that you may notify to us in writing from time to time). You may communicate with us at: **Octopus Investments Limited, 33 Holborn, London EC1N 2HT**.

Notice sent by first class post is deemed to have arrived on the second *business day* after posting. Notice sent by fax or email or hand delivered is deemed to be delivered immediately (or on the next *business day* if sent after 5pm on a *business day* or on a day which is not a *business day*). **Our telephone number is: 0800 316 2295**.

Telephone calls are recorded for our mutual protection.

Section 2

Octopus AIM Inheritance Tax ISA terms

This section of the document contains the terms and conditions that will apply, together with the *general terms* and the *ISA application form* if your *inheritance tax service* is the *Octopus AIM Inheritance Tax ISA*. To the extent there is any conflict or inconsistency between the general terms and these *Octopus AIM Inheritance Tax ISA* terms, these *Octopus AIM Inheritance Tax ISA* terms shall take precedence in relation to the provision of the *Octopus AIM Inheritance Tax ISA*.

1. Our status

1.1 Octopus is an ISA Manager and has been approved by HMRC to act as an ISA Manager in respect of the stocks and shares component of an *ISA*. We will manage your *ISA* in accordance with the *applicable rules*.

1.2 We only offer a stocks and shares *ISA* and do not offer a cash *ISA*.

2. Subscribing to an Octopus AIM Inheritance Tax ISA and further payments

2.1 If you subscribe to an *Octopus AIM Inheritance Tax ISA* you may not subscribe to another stocks and shares *ISA* in the same UK tax year.

2.2 Your *adviser* will tell you whether or not you are eligible to subscribe to an *Octopus AIM Inheritance Tax ISA*, and how much you can subscribe in any particular UK tax year. You are responsible for ensuring that you don't exceed your maximum allowance in any relevant tax year.

2.3 The minimum investment into an *Octopus AIM Inheritance Tax ISA* is specified in the *brochure*. This may comprise a combination of either (i) and (ii) below or (ii) only:

(i) an initial subscription of such amount as does not exceed the maximum allowance in the relevant tax year;

(ii) the transfer of your existing *ISA(s)* from another ISA Manager(s) in cash.

2.4 Because the rules on taxation can change, we can't guarantee that the UK tax treatment of your *Octopus AIM Inheritance Tax ISA* will continue during the lifetime of your investment. If you are uncertain about this or any aspect of how an investment may relate to your tax position, please seek professional advice.

2.5 You can make a lump sum payment to your *Octopus AIM Inheritance Tax ISA* by cheque or by electronic bank transfer. Other than for lump sums which constitute your first subscription, and provided that your original application remains valid, you will need to complete a top-up form which you can obtain from us or from your *adviser*.

2.6 All applications to the *Octopus AIM Inheritance Tax ISA* are accepted on a rolling basis, which means that if you wish to subscribe in subsequent tax years you may not have to complete a new *ISA application form*. This is an optional arrangement, and you are under no obligation to make further investments with us. Provided you make a subscription to your account either through a lump sum or any other type of payment in each consecutive tax year, and the basis on which you pay your *adviser* remains the same, you may not need to complete a new *application form* as your original *application form* may remain valid.

2.7 Your *ISA* investments will be registered in the name of our *nominee company* but will be and must remain beneficially owned by you and must not be used as security for a loan. This means that you will not be the registered legal owner of those investments but you will be entitled to the benefit that they can provide you.

3. Cash balances in your *Octopus AIM Inheritance Tax ISA*

3.1 In accordance with the *ISA regulations*, your *ISA* must be fully invested into *qualifying investments* at all times. Cash may only be held temporarily for the purpose of purchasing those *qualifying investments*.

3.2 All uninvested cash received or held for the account of your *portfolio* shall be treated by us under the *FCA rules* as 'client money' on the basis set out in the *general terms*.

3.3 Where cash is held in your *Octopus AIM Inheritance Tax ISA*, interest will be paid in the same way as interest is paid on client money as set out in the *general terms*.

4. Delegation

4.1 We reserve the right to delegate any of our functions or responsibilities under these ISA terms to another person and you authorise us to disclose to that person such information about your *Octopus AIM Inheritance Tax ISA* as is necessary for this purpose. We will satisfy ourselves that any such person is competent to carry out such functions or responsibilities.

5. ISA charges

5.1 Charges relating to your *Octopus AIM Inheritance Tax ISA* will be taken directly from your *ISA* and will not be taken from any *investment account* that we may maintain for you.

6. Withdrawals and transfers

6.1 You may at any time request that all or part of the investments held in your *Octopus AIM Inheritance Tax ISA* be sold and the proceeds arising be transferred or paid to you within such reasonable time as you stipulate (which, subject to the *ISA regulations*, must not exceed 30 days). In such cases, you would receive the cash sum, subject to the deduction of any fees (where appropriate). In this case, your assets would lose their *ISA* status.

6.2 We will accept the transfer of your existing *ISA* from another ISA Manager in cash, subject to the minimum investment specified in the *brochure*.

6.3 Transfers will only be accepted from an account in your name. You will need to complete a transfer authority form and return this to us, and your existing ISA Manager, with your written instructions. You represent and warrant that the value of your current *ISA* stated in the transfer authority form is correct as at the time that you complete the form. You should be aware that on receiving a transfer authority form, we reserve the right not to accept a transfer of your existing *ISA* or your initial subscription (if applicable) if it reasonably appears to us that the value of your existing *ISA*, together with your initial subscription (if applicable), would not achieve the minimum investment specified in the *brochure* above once your investments have been liquidated and all outstanding costs, charges and fees have been settled.

6.4 We will not be responsible for any loss or delay caused in the transfer or payment of proceeds to us where this is due to something we cannot reasonably control.

6.5 On your written instructions and within such reasonable time you stipulate (subject to a maximum of 30 days) we will transfer your *ISA* to another ISA Manager provided that they agree to the transfer. Whilst under normal circumstances, we will carry out the *ISA* transfer within the time stipulated, occasionally it may take longer to complete due to circumstances outside our control. You may be liable to pay the fees and charges of third-party administrators and/or custodians arising from any transfer.

6.6 We will liquidate the holdings in your *ISA* and transfer the cash realised to your new ISA Manager subject to any retentions or deductions we may be entitled or bound to make under these terms or under the *applicable rules*. When we transfer the cash realised from liquidating your *ISA* to another ISA Manager, all rights and obligations of the parties to the *ISA* are transferred with it to the new manager. Your new ISA Manager may require you to complete a transfer *application form*.

6.7 Where you request a transfer or withdrawal in accordance with clause **6** and your *Octopus AIM Inheritance Tax ISA* holds units and/or shares in a UK UCITS scheme, non-UCITS retail scheme, or a UCITS scheme in respect of which dealings have been suspended in accordance with the applicable *FCA rules* (or any direct foreign equivalent), this 30-day period may be extended to seven days after the suspension ends.

7. Elections

7.1 As a discretionary service, we're entitled to exercise all rights attaching to investments in your *ISA* on your behalf without reference to you. However, for those investments that are held within your *ISA* you may elect to:

(a) receive a copy of the annual report and accounts relevant to the investments held in your *ISA*;

(b) attend shareholders' and unit trust holders' meetings;

(c) vote (as proxy for our *nominee company*); and/or

(d) receive such other information issued to shareholders, unitholders or securities holders in respect of investments held in your *ISA*.

7.2 You may access free copies of company reports from the relevant company website, or you may contact the relevant company directly to obtain such information. We will provide a synopsis of each company you are invested in at least twice yearly, along with links to the company websites.

You must contact Octopus each time you wish to request one of the services contemplated under clause **7.1** above, and we reserve the right to charge you for meeting any request you may decide to make. Our standard charge is currently £25 per communication/voting form, which has been calculated to cover the cost of the extra administration required to meet any such requests.

8. Termination

8.1 The following provisions apply in addition to those set out in section 25 of the general terms.

8.2 We may terminate your *ISA* on notice in accordance with the *ISA regulations*.

8.3 We will notify you if your *ISA* has become, or will become, void because of any failure, either on our part or on your part, to satisfy the *ISA regulations*. If an *ISA* is made void, you may lose part or all of your tax exemption relating to the *ISA*. We are required to provide HMRC with full details of any void *ISAs*, including the personal details of the investor.

8.4 If at any time we cease to provide the *inheritance tax service* to you because you have notified us in accordance with section 25 of the *general terms*, we will hold the assets within your *ISA* at the time at which we receive your notice in our capacity as ISA Manager but we will no longer manage them on a discretionary basis. Your notice to terminate this *agreement* shall constitute notice to terminate your *ISA* which will, in such circumstances, be effected 30 days following such notice and clause **6.1** of these *ISA terms* will apply as relevant.

8.5 We will continue to act on any authorisation previously given to us until we are notified of your death. We will then continue to act on the instructions of your personal representatives in accordance with the *ISA regulations*, as applicable, until your *ISA* is closed. If you die before 6 April 2018, on your death your *ISA* will lose its *ISA* tax status and will, in effect, become an *investment account*. If you die on or after 6 April 2018, your *ISA* will be redesignated as a "Continuing Account of a Deceased Investor" and will continue to be exempt from tax until the end of the period prescribed by legislation.

Section 3

Octopus Accelerated Discounted Gift Trust additional product terms

This section contains a summary of the key terms that will apply to you where your *inheritance tax service* is the *Octopus Accelerated Discounted Gift Trust*. However, you should ensure that you have read the *Octopus Accelerated Discounted Gift Trust* product *brochure* and *application form* in full before proceeding with this product.

1. We may provide you with various tools and materials to help you decide on how much of your *portfolio* you should settle on trust in order to assist you with inheritance tax planning for your estate. The *brochure* contains detailed information about the provision of these resources – which may involve you answering certain medical questions and undertaking a form of medical consultation. We may use this information to give you an indication of how much of your *portfolio* you may wish to settle on trust.

2. You do not have to give your consent to the underwriters in respect of the *Octopus Accelerated Discounted Gift Trust* product being provided with any medical report which is prepared for these purposes, but if your consent is not given we may be unable to proceed with your application.

3. Please be aware that ultimately it is your decision as to how much of your *portfolio* is settled on trust and subject to the *applicable rules*, we shall owe no liability to you in the event that the amount you decide to settle on trust does not achieve your inheritance tax planning objectives and/or provide you with sufficient income for the remainder of your life or triggers an inheritance tax liability on transfer into the trust.

4. In respect of the amount of your *portfolio* settled on trust we will only owe you duties in respect of the provision of our discretionary management services as provided in this *agreement* and for these purposes the *trustee(s)* you have appointed in respect of the trust will also be our client.

5. Whilst we may provide you with a proforma trust deed to help assist you with your trust arrangements, we cannot accept any responsibility for its contents, and in particular, we do not provide any assurances that the trust deed will meet your inheritance tax planning requirements. Any trust deed which we may provide to you is provided only in draft form and we therefore strongly advise you to seek legal advice from an appropriately qualified legal practitioner on whether the deed is suitable for your requirements. Subject to the *applicable rules*, Octopus accepts no liability for any loss caused as a result of you using any draft trust deeds provided by us in connection with the *Octopus Accelerated Discounted Gift Trust* product.

Section 4

Insured Products Additional Product Terms

This section contains a summary of the terms and conditions that will apply, together with the general terms if your *inheritance tax service* is an *insured product*. However, you should ensure that you have read the respective *insured product* brochure and *application form* in full before proceeding with this product.

Insurance cover

1. We have taken out insurance which allows us to claim 40% of the value of your initial investment and separately any additional top-up investment you make (i.e. the amount of inheritance tax that could be charged on your initial investment and any top-up investments separately), up to a maximum payment of £400,000, if you die within the *insured period*.

2. It is important to note that the 40% will only ever be calculated on the value of your initial, and any top-up, investment. If your investment increases or decreases in value this won't be taken into account.

3. There are also some eligibility requirements and important exclusions which are summarised below.

How it works

4. We hold an *insurance policy* with the *insurer* for the benefit of all our eligible investors in our *insured products*.

5. We inform the *insurer* of all our eligible investors' details, for example the amount of your initial or top-up investment and date when it was made, and your age and your *Health Declarations*.

6. If you die within the *insured period*, and the personal representatives of your estate notify us (see Claims below) we will make a claim under the *insurance policy* for 40% of your initial investments. Similarly if you die within the *insured period* of any top up investment we will make a claim under the *insurance policy* for 40% of your top up investment. This means that if you die after the *insured period* of your initial investment has ended but within the *insured period* of a top up investment we will make a claim for 40% of the top up investment only.

7. Claims are assessed and decided by the appointed claims administrator in accordance with the *insurance policy*, and we will not be able to pay your *beneficiaries* anything if the claim is excluded or denied by the *insurer*. We will do what is reasonable as your product provider and as the policyholder of the policy to make sure that we can make a successful claim on your behalf under the *insurance policy*.

8. If the claim is accepted the *insurer* will pay the claims money into a Trust established for this purpose, operated by Octopus Legacy Trustee Limited (the *Trustee*). The *Trustee* will exercise its discretion to pay this sum to one or more of your *beneficiaries*, taking into account your most recent *Expression of Wishes*.

Joint portfolios

9. If you hold your *portfolio* jointly with another person, each person who holds the *portfolio* must meet the eligibility requirements for the *insurer* to accept a claim in respect of either holder. We can't claim under the *insurance policy* for the first person of the joint holders to die, but if the second holder dies within the *insured period* we can claim in respect of their death up to an increased maximum of £800,000. This will be calculated as 40% of the whole value of the initial investment and/or top-up investment regardless of the proportions in which the joint holders contributed to or owned the *portfolio* (if applicable).

Eligibility and exclusions

10. You must be at least 18 but under 85 years old when you make your initial, or any additional top-up application, to be eligible for protection under the *insurance policy*.

11. You must also meet the health criteria that the *insurer* has set. You will not be eligible if, within five years prior to the date of making the *Health Declaration*, you have been diagnosed with or received active treatment for cancer (other than Stage I or II Cancer that is now in remission), heart disease, stroke, Alzheimer's and/or dementia, chronic lung condition, or if you have been diagnosed with any *terminal illness*.

You must also make your initial application or top-up investment within six weeks of making the *Health Declaration*.

12. We can't claim under the insurance policy for death caused by suicide, assisted suicide or intentional self-injury within the first 12 months of cover; or caused by a beneficiary being involved in the unlawful killing of the eligible investor; or arising directly or indirectly from:

(a) alcohol consumption resulting in blood alcohol levels exceeding the UK legal driving limit at the time of death, or

(b) the use of drugs or controlled substances, unless taken in accordance with the directions of a registered medical practitioner.

13. The *insurer* won't approve a claim if doing so would breach sanctions legislation, if a death was related to terrorism, or if a death was related to war or civil unrest.

14. The benefits under the *insurance policy* will terminate at the end of the *insured period*.

15. If, at the date of any top-up applications, you do not meet the above eligibility criteria, this will not invalidate the benefits that are already in place in respect of your initial investment. However, you will not be able to make any additional investment/s that could be covered under the *insurance policy*.

Application Form

16. You must complete an *application form* at the point of initial investment and any subsequent top-up investment. You must complete the *application form* truthfully. By signing the *application form* you will be confirming that:

16.1 You are aged under 85;

16.2 to the best of your knowledge you are not suffering from a *terminal illness*;

16.3 in the last five years, you have not been diagnosed with or received active treatment for: cancer (other than Stage I or II Cancer that is now in remission), heart disease, stroke, dementia and/or Alzheimer's, chronic lung condition;

16.4 You consent upon your death to the release of your medical records, including any post-mortem examination, as may be necessary to enable the *insurer* or its third party administrator for claims handling to adjudicate any claim under the *insurance policy*.

16.5 You understand that non-disclosure or misrepresentation of a material fact by you may affect the benefits payable under the *insurance policy*;

16.6 The personal representatives of your estate will comply with the Claims process set out below; and

16.7 We will pay any claims monies received from a successful claim made on your death under the *insurance policy* to Octopus Legacy Trustees Limited (the *Trustee*), who will hold the monies and then pay them to your *beneficiaries* in accordance with the terms of the Octopus Inheritance Tax Service Life Insurance Trust. The terms of the trust are outlined in "*Section 7 – Appendix for Insured Products Trust Overview*," of these Terms and Conditions. You acknowledge that the *Trustee* has accepted its role as set out in these *Terms and Conditions*.

Claims

17. If you die during the *insured period*, the personal representatives of your estate will need to notify us and provide us with an original or certified copy of your *death certificate*, within three months of the date of your death. We will not be able to make a claim under the *insurance policy* if no notification and *death certificate* is received within this timeframe. The *insurer* may request further information to validate the claim. We will ask the personal representatives of your estate for this information, and it will be their responsibility to collate and provide all such information requested to us to forward on to the *insurer* via any agent appointed by us to administer, or make a claim under, the *insurance policy*. We will not otherwise have any responsibility to progress a claim under the *insurance policy*. To the extent the personal representatives of your estate are unable to provide the information requested (or the provision of such information is delayed), the claim under the *insurance policy* may fail (or the proceeds of a successful claim may not be paid out in a timely manner).

18. Only we and the *Trustee* can make claims under the *insurance policy*. Neither the personal representatives of your estate nor your *beneficiaries* will have any right to claim (directly or indirectly) under the *insurance policy*. In the event that the *insurer* disputes or refuses to settle any claim under the *insurance policy* (Rejected Claim), we shall not be obliged to take any further action in respect of a Rejected Claim, if in our sole opinion and having regard to the facts of the Rejected Claim we consider the decision of the *insurer* to be reasonable. You may request that we take further action in respect of a Rejected Claim. If we agree, in

our absolute discretion, to take any further action in respect of a Rejected Claim and it will, is likely to, or is resulting in Octopus incurring additional costs, we will notify you. If we agree with you to continue, you agree that we may in our discretion deduct the additional costs incurred from the monies paid out from the successful claim.

19. We and the *Trustee* will only be obliged to pay the proceeds of a successful claim payable in the event of your death under the *insurance policy* to your *beneficiaries*. If we or the *Trustee* do not receive proceeds from the *insurer*, neither we nor the Trustee will have any other direct or indirect liability to make any payment to your estate and/or your *beneficiaries*.

Payment of proceeds of a claim

20. When you complete the application for an *insured product*, you will provide an *Expression of Wishes* regarding the distribution of any proceeds successfully claimed under the *insurance policy*.

21. If a claim made in the event of your death is accepted, the *insurer* will pay the claims monies into a trust established for this purpose, operated by the *Trustee*. The *Trustee* will pay the claims monies to one or more of your *beneficiaries*, taking into account your most recent *Expression of Wishes*.

22. You may provide us with a new *Expression of Wishes* at any time.

23. We, and the *Trustee*, will only be obliged to pay the proceeds of a successful claim made in the event of your death under the *insurance policy* to your *beneficiaries*. If we do not receive proceeds from the *insurer*, we will have no other direct or indirect liability to make any payment to your estate and/or your *beneficiaries*.

24. If you or the personal representatives of your estate have not provided us with sufficient information about your *beneficiaries* to enable us to make a payment to them within two years of receipt of claims monies into the trust, the trust may incur tax charges. You agree that the *Trustee* may, in its discretion, deduct those charges from the claims monies paid out in the event of your death.

Cancellation rights

25. Once your application form has been processed and we have confirmed that you meet the criteria to be eligible for an *insured product*, we will write to you confirming acceptance. You may exercise a right to cancel your benefit under our *insurance policy* by notification to us within 30 days of your application being completed. This should be done by notification sent to us at the address given in clause **4.2** of Section 1.

26. There are no cancellation rights for your *insured product portfolio* so if you choose to cancel, we will only remove your access to the insurance benefits as set out in this section (*"Section 4 – Insured Products Additional Product Terms"*). If you wish to terminate your *portfolio* please see clause **25.3** of Section 1.

27. If you withdraw your *portfolio* in full any benefits under the *insurance policy* will terminate immediately.

Section 5

Octopus Legacy

Octopus Legacy, part of the Octopus Group, offers legal, practical and emotional support with estate planning and following a bereavement. Services include *wills, power of attorney, grant of probate and professional executorship*.

This section contains a summary of the terms and conditions for eligibility for preferential rates for *Legacy Packages* for investors in the *Octopus Inheritance Tax Products*. You can read more about these Packages in the *Estate Planning Packages* and the product *brochures*.

1. To qualify for a *Legacy Package*, you must reside in England or Wales. We are currently unable to offer services to individuals living in Scotland or Northern Ireland due to the different legal systems.

2. There are two available *Legacy Packages*: Classic – for *portfolios* meeting the minimum Classic threshold and Premier Package – for *portfolios* meeting the Premier threshold.

3. The eligibility thresholds to qualify for one of the *Legacy Packages* are detailed in the *Estate Planning Packages* brochure.

4. Initial eligibility is assessed based on total investments into the *Octopus Inheritance Tax Products*, less any withdrawals.

5. Ongoing eligibility is assessed monthly, calculated as total investment, initial and top ups, less any withdrawals. Charges paid to Octopus or a *financial adviser* are excluded from this calculation. Valuation fluctuations due to performance are also not considered in this calculation. If you no longer meet the criteria, we will contact you to discuss the implications.

Section 6

Glossary

This section of the terms sets out the defined terms that are used throughout these terms.

Any reference in these terms to any statute, statutory provision, or rule (including, without limitation, a reference to the applicable rules) 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).

References to these terms, the agreement, or to any other document shall include any variation, amendment, supplement to, or replacement of, such document(s).

References to the plural shall include the singular and vice versa. Any reference to a person shall be to a legal person of whatever kind, whether incorporated or unincorporated.

Any reference to a "clause" is to a clause in these terms. Unless otherwise stated, references to specific clauses mean those in Section 1 of these terms.

Active treatment: Treatment directed immediately to the cure, or ongoing management, of the disease or injury. For the avoidance of doubt, the following are not considered active treatment: Immunotherapy or hormone therapy for cancer; prescribed medication for atrial fibrillation; the following prescribed medication for heart disease; blood thinners, blood pressure medication and statins.

Adviser: means the appropriately qualified and authorised investment *adviser* that you may appoint from time to time to provide you with investment advice.

AIM ITS Plus: means the product referred to in clause **3.1** and further described in the relevant *brochure* for that product.

Agreement: the *agreement* between us as described in clause **1.1** and clause **1.2** of these *terms*.

AIM: the London Stock Exchange's Alternative Investment Market.

Annual management charge: means the fee that we will take at the intervals notified to you in writing from time to time. It is made up of the discretionary fee which is Octopus' fee for managing your *portfolio*.

Approved bank: means HSBC Bank plc or such other bank, credit institution, or other regulated institution authorised by us to hold client money in accordance with the *FCA rules*.

Applicable rules: means the *FCA rules*, *FSMA*, the *MLR* and the *DPA*, and all other applicable laws, regulations, rules, evidential provisions and the directions of any applicable regulatory body (including, without limitation the *FCA*).

Application form: means the separate document referred to in clause **1.1** that is applicable to your *inheritance tax service*, which you need to complete in order to apply for your *inheritance tax service*. Where you invest in the *Octopus Accelerated Discounted Gift Trust* product, this reference also includes the Medical Questionnaire which forms part of that document and the separate document entitled 'Trust Deed, Stock Transfer and Trustee Application' which you as the settlor and the *Trustee(s)* you have appointed in respect of the amount of your *portfolio* you may settle on trust are required to complete.

Associate: means any holding, or subsidiary company of Octopus.

Bank of England base rate: means the rate that the Bank of England charges banks and financial institutions for loans with a maturity of one day as specified from time to time.

Beneficiary/beneficiaries: the designated recipient/s of any claims monies paid by the *Trustee*, in accordance with your most recent *Expression of Wishes*. You or the personal representatives of your estate agree to provide us with sufficient information about your *beneficiaries* to enable us to identify them and make any required payments.

Best execution policy: the *best execution policy* published by us from time to time, which is available on our website: **octopusinvestments.com**.

Brochure: means the separate document referred to in clause **1.1** that is applicable to your chosen form of your *inheritance tax service*, published by us from time to time.

Business day: means any day on which the London Stock Exchange is open for business.

Business Property Relief: means *Business Property Relief* (or Business Relief) as provided for in Part V, Chapter I of the Inheritance Tax Act 1984. Further information is available on the HM Revenue and Customs website here: **hmrc.gov.uk/inheritancetax/pass-money-property/business-relief.htm**

Cancer: any malignant tumour or uncontrolled growth of cells diagnosed by a specialist practitioner with histological confirmation and characterised by invasion of normal tissue. This includes, but is not limited to, leukaemia, sarcoma and lymphoma. Active treatment for cancer includes surgery, chemotherapy, radiotherapy and other related radical treatments. Where cancer is Stage I or Stage II, regardless of type, and the individual is in remission, the individual will be eligible even if it is within five years of diagnosis. For all other cancers, eligibility requires that it has been more than five years since the completion of curative cancer treatment.

Care and maintenance: means administration services and selling down the holdings of deceased investors where, in the interests of prudent management, Octopus has decided to sell down all holdings in an investment across all *portfolios*. In such an eventuality, the sold down holdings of deceased investors will not be re-invested.

Client categorisation: is the process by which Octopus assigns category to its clients pursuant to the *FCA rules*. For more detail and to read our policy please refer to our website.

Conflicts policy: the *conflicts policy* published by us from time to time and which is available on our website: **octopusinvestments.com**.

Data protection regulation: Data Protection Act 2018, UK GDPR, and any *data protection regulation* which supersedes it such as the Data Use and Access Act 2025.

Death certificate: a legal document that officially records a person's death, including date, location, and cause.

Dementia &/or Alzheimer's: a definite diagnosis of Alzheimer's disease and/or dementia by a consultant neurologist, psychiatrist or geriatrician, which has resulted in a permanent memory loss, loss of reasoning capacity, loss of intellectual perception and/or inability to express and give effect to ideas. Parkinson's is not considered as Alzheimer's disease and/or dementia.

Diagnosis: a diagnosis shall refer to a confirmed test result only.

Durable medium: a form of communication which enables the recipient to store information addressed personally to him in a way accessible for future use (such as email, letter or secure portal).

Eligible custodian: means any third-party custodian (including an *associate*) whom may be appointed by us from time to time to hold the assets and/or cash in your *portfolio*.

Estate planning packages: packages of legal and administrative services from *Octopus Legacy* that are available to eligible investors in our Inheritance Tax Products at preferential rates.

Expression of wishes: this is completed initially as part of the *application form*, but can be subsequently updated. It lets us know who we should distribute any proceeds to if there is a successful claim under the *insurance policy*

FCA: means 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 of the *FCA*; or any other relevant supervisory body.

FCA handbook: means the handbook of rules and guidance issued by the *FCA* available on the *FCA* website **fca.org.uk**.

FCA rules: means the rules issued by the *FCA* as contained in the *FCA handbook*.

FSMA: means the Financial Services and Markets Act 2000.

Health declaration: is a statement included in your *application form* that confirms your health status. In the context of your document, it is a requirement for *insurance coverage*.

Heart disease: this term includes all Ischaemic heart conditions such as Angina Pectoris, Myocardial Infarction ("heart attack"), Cardiac arrest as well as Cardiomyopathy and Cardiac surgery, except the following when stable and appropriately treated: Angina that is well controlled and under active treatment. Hypertension that is under active

treatment and well controlled. Heart attack treated with coronary interventions, including: Pacemakers, Ablation procedures, Bypass, Coronary stents for artery disease, Atrial fibrillation if treated with any prescribed medication, ablation or pacemaker. Atherosclerosis if under any treatment; typically statins.

Insurance cover: 40% of your initial investment and separately 40% of any subsequent top-up investments.

Insurance policy: the policy we have taken out to provide *insurance cover* for *Octopus AIM ITS Plus* and *OITSPlus* investors.

Insurer: the *insurer* who underwrites the *insurance policy*.

Insured period: means two years and two months from the date we are in receipt of a fully processed valid application form and cleared funds for the relevant investment amount for Octopus AIM ITS Plus and two years and three months from the date we are in receipt of a fully processed valid application form and cleared funds for the relevant investment amount for OITSPlus.

Insured products: means Octopus AIM ITS Plus and OITSPlus.

Investment account: means the account holding the assets and uninvested cash of your *portfolio* which are not held in the *Octopus AIM Inheritance Tax ISA*.

ISA application form: means the separate document you need to complete in order to invest in an *Octopus AIM Inheritance Tax ISA*.

ISA regulations: means the Individual Savings Account Regulations 1998.

Inheritance tax service: means the Octopus products designed with inheritance tax relief features as listed in clause **3.1** and any other Octopus inheritance tax product(s) held by you on the date of issue of these *terms*.

MLR: means the Money Laundering Regulations 2017.

Nominee company: means the Octopus *nominee company* appointed to hold assets in your *portfolio*

Octopus Accelerated Discounted Gift Trust: means the product referred to in clause **3.1** and further described in the relevant *brochure* for that product.

Octopus AIM Inheritance Tax Service: means the product referred to in clause **3.1** and further described in the relevant *brochure* for that product.

Octopus Inheritance Tax Service: means the product referred to in clause **3.1** and further described in the relevant *brochure* for that product.

Octopus AIM Inheritance Tax ISA or ISA: means the *Octopus AIM Inheritance Tax ISA*, which is a stocks and shares Individual Savings Account, as referred to in clause **3.1** and further described in the relevant *brochure* for that product.

OITSPlus: means the product referred to in clause **3.1** and further described in the relevant *brochure* for that product.

Octopus Legacy: part of the Octopus Group, offers legal, practical and emotional support with estate planning and following a bereavement. Services include wills, power of attorney, grant of probate and professional executorship.

Portfolio: means the *portfolio* of assets (including uninvested cash) subject to our management in accordance with the *agreement*, including any investments and cash that are subject to trust where you invest through the *Octopus Accelerated Discounted Gift Trust*. The *insurance policy* that we have purchased to support our *insured products* does not form part of the *portfolio*.

Qualifying investment: means an investment for shares in a company which constitute "relevant business property" under the Inheritance Tax Act, section 105(1)(bb) and section 105(3).

Retail client: has the meaning given by the *FCA Handbook*, being in summary, a categorisation prescribed by the *FCA* which may be applied to clients and which affords the highest levels of protection under the UK regulatory regime.

Stroke: death of brain tissue due to inadequate blood supply or haemorrhage resulting in a permanent loss in bodily function with persisting debilitating symptoms, including Transient Ischaemic Attack (TIA).

Terminal illness: a U.K. registered doctor has deemed the illness incurable or beyond further medical treatment and is expected to result in death within 6 months from the date of diagnosis.

Trustee (as referenced in Sections 4 and 7): Octopus Legacy Trustees Limited, a trust corporation which is part of the Octopus Group.

Section 7

Appendix for Insured Products Trust Overview

The Octopus Inheritance Tax Service Life Insurance Trust is the trust arrangement set up to hold, and pay out, the benefits paid by the *insurer* under the *insurance policy* if we make a successful claim under it.

The trust is set up under English law.

The trust deed of the Octopus Inheritance Tax Service Life Insurance Trust is the document that sets out how the trust is run. The key points you need to know from the trust deed are:

1. Octopus Legacy Trustees Limited (the *Trustee*) is appointed as the trustee of the Octopus Inheritance Tax Service Life Insurance Trust. The *Trustee's* role is to control and manage the property in the trust and run the trust for the benefit of the *beneficiaries*.

2. Octopus Investments Limited assigns the benefits of, and any payments it receives under, the *insurance policy* to the *Trustee*.

   This means that if we make a successful claim in the event of your death, any monies paid by the *insurer* will automatically go into the Octopus Inheritance Tax Service Life Insurance Trust.

3. The *Trustee* must hold any monies received into the trust from a successful claim only for the benefit of the *beneficiaries* of the person on whose death the claim was made. It must also hold the interest or income (if any) on those benefits for the relevant *beneficiaries*.

   This means that if we make a successful claim in the event of your death, the *Trustee* must hold the amount that the *insurer* pays us on trust for your *beneficiaries*, and no-one else.

4. The *Trustee* may pay or apply the whole or any part of the monies in the trust for the advancement or benefit of any *beneficiary*. The *Trustee* is not under any duty to consult with or to give effect to the wishes of any *beneficiaries*. The *Trustee* is not responsible for ascertaining whether there are any *beneficiaries* that might have a claim to any benefits that it has not been notified of.

   This means that the *Trustee* will pay the claims monies to one or more of your *beneficiaries*, taking into account your most recent *Expression of Wishes*. We and the *Trustee* will rely on your personal representatives to provided us with sufficient information about your *beneficiaries* to make the payments. The *Trustee* is not required to check that you have told us about everyone who may believe they should receive some of the monies before making payments.

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