



Octopus VCT Nominee Service

Terms and conditions

Section I

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:

- your completed and signed *application form / buyback instruction* which is applicable to the *Octopus VCT Nominee Service* along with the relevant *ISA application / transfer forms*.
- the relevant product *brochure* and *prospectus* for the *VCT* that you wish to hold in the *Octopus VCT Nominee Service* – which, amongst other items includes a number of important risk warnings you should be aware of as well as the investment objectives of the *VCT*.

The documents mentioned above and a soft copy of this document is available on our website: octopusinvestments.com/investors/our-products/venture-capital-trusts

1.2 These *terms* apply to the *Octopus VCT Nominee Service* used 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 *Octopus VCT Nominee 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 *Octopus VCT Nominee 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 *order execution policy*; and
- the *conflicts 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 / buyback instruction*. 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 three 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 VCT Nominee Service*.” This section contains the terms and conditions which, in addition to the general terms set out in the First Section, apply to the *Octopus VCT Nominee Service*; and
- the Third Section is headed “*Section 3 - Glossary*”. This section contains a number of words that have a specific legal meaning when used in these *terms*.

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 / buyback instruction* to whom we are providing services;
- “your *Octopus VCT Nominee Service*” refers to the specific service you wish to receive from us.
- 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 is the service?

Octopus currently offers a VCT Nominee Service.

- 3.1 The *Octopus VCT Nominee Service* is designed to invest your *portfolio* in Venture Capital Trust (VCT) investments as you ask us to.
- 3.2 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 18 and 19 of these *terms*.
- 3.3 For the avoidance of doubt, where we make any further reference in these *terms* to the *application form / buyback instruction* or to the *brochure* or *prospectus*, – this is a reference to those specific documents that apply to the relevant VCT that you have asked to be held in the *Octopus VCT Nominee Service*.
- 3.4 Your duly completed *application form / buyback instruction* will specify the particular VCT you have asked us to invest in, or sell on your behalf.

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.

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: **25 The North Colonnade, London E14 5HS**.

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 £50,000 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.uk](https://www.fscs.org.uk).

Communication

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.
- 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 may be 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.
- 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 / buyback instruction*. If you do not provide

us with the information requested in the *application form / buyback instruction* (or any further information requested by us), we may not be able to provide our services to you.

Operation of your Octopus VCT Nominee Service

8 Grant of execution-only authority

- 8.1 By entering into this *agreement*, you grant to us the execution-only right in relation to your *Octopus VCT Nominee Service* and to purchase or sell (depending on if you have filled out the relevant *application form / buyback instruction*) VCT shares on your behalf. We will, normally acting under execution-only, buy and/or sell one or more investment(s) on your behalf when instructed subject always to the provisions of our *agreement*.
- If we sell investments on your behalf, there may be tax consequences. You should speak to your *adviser/tax adviser* about this.
- 8.2 You acknowledge receipt of and confirm your understanding of the *brochure* and *prospectus* for the relevant VCT you would like to hold in your *Octopus VCT Nominee Service* and the risk factors set out in them. You acknowledge and agree that we have not provided you with advice about the suitability of this product for your requirements.
- 8.3 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 / buyback instruction*) is true, accurate and complete in all material respects and you have not omitted any information which may be material in respect of your *Octopus VCT Nominee 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, willful 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.

- 8.4 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 You acknowledge that Octopus has no responsibility for monitoring any ongoing service which may be provided to you by your *adviser*.
- 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 the responsibility of your *adviser*) to keep your financial circumstances, objectives and appetite for risk under review, and to assess whether your *Octopus VCT Nominee Service* remains suitable for your needs.

- 9.5 We reserve the right not to accept your *application form / buyback instruction* 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 *Octopus VCT Nominee Service* remains suitable for you.

- 9.7 If you choose to cancel your adviser’s ongoing service you don’t have to terminate your *Octopus VCT Nominee 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.

- 9.8 If your adviser’s ongoing service is cancelled or otherwise ceases to exist for any reason other than you choosing a new adviser (e.g. if your *adviser* goes out of business or chooses to terminate their 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 *Octopus VCT Nominee 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 Octopus VCT Nominee Service

- 10.1 We will only start to provide your *Octopus VCT Nominee Service*, and our *agreement* will commence, once we have received your duly completed *application form / buyback instruction*, have successfully and to our satisfaction undertaken the customer due diligence checks required by the *applicable rules*, confirmed acceptance of your application and have received your cleared funds. We reserve the right not to accept any *application form / buyback instruction* 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 may 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 form / buyback instruction* by return post. Once your funds have cleared in our account, we will proceed to allot shares into the relevant VCT, as specified on your *application form / buyback instruction*, at the next available allotment date.

10.4 We will accept the transfer of your existing ISA investments from another investment manager in cash. In order for us to facilitate this, 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.

10.5 We will only be able to accept applications and allot new shares in the relevant VCT, when that VCT has an open offer for subscription to issue new shares.

11 Reporting to you

11.1 We will provide you with a *portfolio* valuation report at least twice a year, but you can ask us to send you a valuation at any time.

11.2 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.

11.3 Information about your *portfolio*, including the cost, current value and *dividends* of all holdings within your *portfolio* will be available on request.

Fees and Charges

12 Charges – General

12.1 A dealing charge may apply to the purchase and or/sale of VCT shares in the *Octopus VCT Nominee Service*. If charges are applicable they will be stated on the corresponding *application form / buyback instruction*.

12.2 There will be annual management charges, and various other charges associated with the relevant VCT you have asked us to hold in the *Octopus VCT Nominee Service*. These relate to the VCT itself and not the *Octopus VCT Nominee Service*. You should refer to the prospectus and brochure for the relevant VCT to ensure you understand and are comfortable with these VCT charges before asking us to purchase new shares through the *Octopus VCT Nominee Service*.

There are no ongoing charges associated with the *Octopus VCT Nominee Service* itself.

12.3 As outlined under Section 2 Clause 6 we reserve the right to charge you for meeting any corporate action 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.

13 Dealing

13.1 When we execute orders on your behalf, 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 "*order execution policy*") and is in accordance with our obligations under the FCA rules. Our *order execution policy* is available on our website at [octopusinvestments.com](https://www.octopusinvestments.com), or you can ask us to send you a copy.

13.2 For the avoidance of doubt, by accepting the *agreement*, you consent to our *order execution policy* and you agree that we or any of our 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 *order execution policy* and from achieving best execution.

14 Withdrawals

- 14.1 You are entitled to withdraw the assets and/or cash from your *portfolio* at any time by giving us written notice.
- 14.2 If, rather than having your assets transferred to you as provided in clause 14.1 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.
- 14.3 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.
- 14.4 Once you have fully withdrawn your investments we will keep your *portfolio* open for 6 months in respect of any assets held under an *Octopus VCT Nominee Service*, to allow for any interest and *dividends* to be paid. At this point we will transfer the proceeds into your nominated bank account.
- 14.5 Where you elect to withdraw or transfer investments, third party administration and/or custody fees and costs may apply.
- 14.6 If you instruct us to sell down investments held in your *Octopus VCT Nominee Service* there may be tax implications if the investment has not been held for the required minimum holding period.

15 What happens when an investor dies

- 15.1 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.
- 15.2 If you hold an *ISA* under your *Octopus VCT Nominee Account*, on receiving notification of your death your *ISA* wrapper will cease and investments will be moved into a general investment account.

16 Delegation and use of agents

- 16.1 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 execution-only powers and will not, without your consent in writing, delegate the whole or substantially the whole of such powers.
- 16.2 We will act in good faith and with due diligence in the selection, use and monitoring of third party delegates.
- 16.3 We will use reasonable skill and care in our selection, monitoring and use of agents.

17 Conflicts of interest

- 17.1 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* 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.

Some of the situations where a conflict of interest to you may arise are included in the relevant brochure and prospectus.

17.2 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.

Holding your assets and your money

18 Money

- 18.1 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.
- 18.2 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.
- 18.3 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.
- 18.4 If the *approved bank* holding your money becomes insolvent, the nature of any 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.
- 18.5 To the extent that the *Bank of England base rate* is above 1%, you will receive interest on

uninvested cash held in your *portfolio* at the rate of the *Bank of England base rate* less 1%. Interest will accrue daily and be paid monthly. You will have no entitlement to receive interest in respect of any month where the *Bank of England base rate* is at or less than 1% as at 3pm on the last working day of the relevant month. To the extent that the interest rates agreed with approved banks exceed the *Bank of England base rate* less 1%, we will retain the difference. Where interest is payable it will be treated as client money in accordance with the *FCA rules*.

- 18.6 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.
- 18.7 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.
- 18.8 Client money may be transferred to third parties for the purposes of settling transactions in accordance with the *applicable rules*.

19 Assets

- 19.1 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*. We will, in accordance with the *FCA rules* keep records to show the beneficial owner of the assets.
- 19.2 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*. As at the date of issue of these *terms*, we have appointed an *eligible custodian* to hold investments in relation to the *Octopus VCT Nominee Service*. Do contact us if you would like further information about this.
- 19.3 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.
- 19.4 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.
- 19.5 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.
- 19.6 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, centralized custodial depository or similar facility, system or depository) on such terms as we believe to be appropriate, for the purposes of holding and transferring uncertificated investments.
- 19.7 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.
- 19.8 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 assign or successor in title to such claim.

20 Variation and assignment

- 20.1 Subject to clause 20.2, these *terms* may only be amended by the parties as agreed in writing from time to time.
- 20.2 We may, at any time, change these *terms* by giving you written notice (including for the avoidance of doubt, as regards our fees and charges or the level of service provided under your *Octopus VCT Nominee 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 *Octopus VCT Nominee 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 *Octopus VCT Nominee Service*.
- 20.3 You will be given at least 30 days' notice in respect of any 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*).
- 20.4 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.

21 Termination

- 21.1 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 21.4.
- 21.2 We will terminate your *portfolio* if it is inactive after 2 months, where there is a nil balance in the *portfolio*.
- 21.3 If you wish to terminate your *portfolio* you should notify us of your wish to do so in writing. Subject to clause 21.4, 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 14).
- 21.4 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 *order execution policy*.
- 21.5 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 *Octopus VCT Nominee Service* will then cease entirely.

- 21.6 On termination, you will be liable to pay (and we may debit from your *portfolio*):
- (a) all fees and other charges mentioned in this document 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.
- 21.7 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 *order execution policy*.
- 21.8 Termination will not affect accrued rights, or any contractual provision intended to survive termination.
- 21.9 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.

22 Data protection and confidentiality

- 22.1 We may collect, use and store personal information about you and about your relationship with us and our *associates* – including products and services you have purchased and use.
- 22.2 If you contact us we may keep a record of that correspondence and we may 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.
- 22.3 We may use the information we collect about you for processing your *application form* / *buyback instruction*, verifying your identity, meeting our obligations under any *applicable rules*, providing the services to you under the *agreement*, administering your account and for

customer service, product analysis and market research purposes.

- 22.4 We may share your information with our *associates* if they provide products or services to you, credit reference agencies and UK and overseas law enforcement agencies or regulatory authorities and other relevant bodies.
- 22.5 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 publically available. This confidential information will only be disclosed to third parties in the circumstances described below:
- As stated in clause 22.4 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;
 - If it is in the public interest to disclose such information; or
 - At your request or with your consent.
- 22.6 You have the right, upon payment of a reasonable fee (currently £10), to receive a copy of the information that we hold about you to the extent that it constitutes personal information. For more details, please write to our Compliance Officer at **33 Holborn, London EC1N 2HT**.
- 22.7 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 **comms@octopusinvestments.com, 0800 294 6855, 33 Holborn, London EC1N 2HT**.

23 Our liability

- 23.1 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*).
- 23.2 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.
- 23.3 Subject to clause 23.2 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. 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.
- 23.4 Subject to clause 23.2 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.
- 23.5 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).

24 Interpreting these terms

- 24.1 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 non-exclusive jurisdiction in respect of any claim between you and us.
- 24.2 Nothing in the *agreement* shall exclude or restrict any obligation that we may have to you under the *applicable rules*.
- 24.3 Neither party intends any provision of our *agreement* to be enforceable by any person other than themselves or their permitted successors or assigns 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.
- 24.4 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.

25 Notices

25.1 We may send any communications to you at the address that you provide to us in the *application form / buyback instruction* (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: **020 7710 2800.**

Telephone calls may be recorded or monitored for our mutual protection.

Section 2

Octopus VCT Nominee Service Terms

This section of the document contains the terms and conditions that will apply, together with the general terms and the *application form/buyback instruction* for the relevant VCT you wish to hold in the *Octopus VCT Nominee Service*. To the extent there is any conflict or inconsistency between the general terms and these *Octopus VCT Nominee Service* terms, these *Octopus VCT Nominee Service* terms shall take precedence.

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 offer a stocks and shares *ISA* & Innovative Finance *ISA* and do not offer a cash *ISA*.

2 Transferring your existing *ISA* investments to the Octopus VCT Nominee Service

- 2.1 The minimum investment into a VCT that will be held in your *Octopus VCT Nominee Service* is specified in the relevant VCT product *brochure* and *prospectus*. This may comprise the transfer of your existing *ISA*(s) from another *ISA* Manager(s) in cash providing that they only constitute previous tax year contributions and collectively are above the minimum outlined in the relevant *brochure*.
- 2.2 If you choose to transfer additional existing *ISA*(s) from another *ISA* Manager(s) in cash in the future, providing that we have cleared funds and there is still capacity in the relevant VCT we will aim to allot those shares under the offer currently available and hold the shares in the same *Octopus VCT Nominee Service Account*.
- 2.3 Because the rules on taxation can change, we can't guarantee that the UK tax treatment of your *Octopus VCT Nominee Service* 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.

- 2.4 Your *ISA* investments will be registered in the name of our *nominee company* but will be and must remain beneficially owned by you. 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 VCT Nominee Service

- 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 We will allot shares into the relevant VCT you've chosen to hold in your *Octopus VCT Nominee Service Account* at the next available opportunity provided we have cleared funds in your *Octopus VCT Nominee Service Account* and providing the relevant VCT still has capacity for investment.
- 3.3 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*.
- 3.4 Where cash is held in your *Octopus VCT Nominee Service Account*, interest will be paid in the same way as interest is paid on client money as set out in the general terms outlined in Section 1. Such interest is subject to a tax charge at the basic rate which we will deduct from your *ISA* and pay to HMRC. There is no requirement for you to inform HMRC of the interest received or tax charge made on any cash held in your *ISA*.
- 3.5 If you have elected to have your *dividends* reinvested through the *DRIS* Scheme (see relevant terms and conditions) then Octopus will allot shares at the next available opportunity on your behalf.

3.6 If you have elected to have your *dividend* paid we will endeavor to do so within a few weeks of receiving the *dividend* and pay out to the bank account whose details were provided to us on the relevant *application form / buyback instruction*.

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 VCT Nominee Service* as is necessary for this purpose. We will satisfy ourselves that any such person is competent to carry out such functions or responsibilities.

5 Withdrawals and transfers

5.1 You may at any time request that all or part of the investments held in your *Octopus VCT Nominee Service* 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). If you instruct us to facilitate the sale of shares through a *buyback* we will not always be able to meet the 30 day period. If however, you instruct us to sell shares through the secondary market we will be able to do so but you may receive significantly less than the *net asset value of the shares*. In this instance, Octopus will, on your behalf, look to sell your *VCT* shares at the next available opportunity however please refer to the relevant *VCT prospectus* and *brochure* for potential timeframes and risk. 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.

5.2 We will only accept the transfer of your existing *ISA* from another *ISA* Manager in cash and providing the transfer is from previous tax years, subject to the minimum investment specified in the *brochure*.

5.3 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* if it reasonably appears to us that the value of your existing *ISA(s)*, would not achieve the minimum investment specified in the *brochure* above once your investments have been liquidated and all outstanding costs, charges and fees, settled.

5.4 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.

5.5 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 (refer to relevant product *brochure* for risks associated with selling *VCT* shares). We will only transfer your *ISA* in full to another *ISA* Manager, no partial transfers or transfers in specie will be allowed. You may be liable to pay the fees and charges of third party administrators and/or custodians arising from any transfer.

5.6 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. If you instruct us to liquidate your *VCT* shares there may be tax implications.

5.7 Where you request a transfer or withdrawal in accordance with this clause 5 and your *Octopus VCT Nominee Service* 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.

6 Elections

- 6.1 As an execution-only service, you're entitled to exercise all rights attaching to investments in your *ISA* including the right to:
- (a) receive a copy of the annual & interim reports 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*.

- 6.2 You may access free copies of company reports in relation to the *VCT*.

You must contact Octopus each time you wish to request one of the services contemplated under paragraph 6.1 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.

7 Termination

- 7.1 The following provisions apply in addition to those set out in section 21 of the general terms.
- 7.2 We may terminate your *ISA* on notice in accordance with the *ISA regulations*.
- 7.3 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.
- 7.4 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 5.1 of these *terms* will apply as relevant.

- 7.5 Your *ISA* will automatically cease to be exempt from tax from the date of your death but 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. As at your date of death your *ISA* will lose its *ISA* tax status and will, in effect, become an *investment account*.

8 Cancellation Rights

- 8.1 You have 14 days from the day when you receive our welcome letter in which to change your mind.
- 8.2 Under the *Octopus VCT Nominee Service* Octopus Investments Limited will repay you any money you have paid, or any shares/ money you have arranged to transfer, or have transferred to our nominee name, free of any charge. As your investment is subject to market movement, you may not get back the full amount invested. Additionally, you should be aware however that a deduction may be made from the repayment in respect of any charges that we have incurred for any service undertaken in accordance with our terms. Octopus Investments Limited will endeavor to return any such monies, shares and/or share certificates, as soon as possible (but in any event not more than 30 days following cancellation). You will not be entitled to any interest on such monies that Octopus Investments Limited returns to you. Any *dividends* received by Octopus will be returned to you free of charge. The right to cancel under the *FCA rules* does not give to you the right to cancel/terminate/reverse any particular investment transaction executed for the account of your portfolio before cancellation takes place.
- 8.3 Your rights to request a sale of your assets and the return of the proceeds to you after the cancellation period has ended is set out in Part 5 (Withdrawals and Transfers) of the *Octopus VCT Nominee Service Terms and Conditions*.

If you withdraw your assets this will result in the loss of *ISA* status of those assets. Once *ISA* status is lost you will not be able to reinstate it and you will not be able to subscribe for another *ISA* of the same type in the same tax year.

9 Share Buybacks

- 9.1 If the *VCT* is in a *close period* Octopus may be unable to facilitate the *buyback* of shares on your behalf until such a time that the *close period* has ended.
- 9.2 Octopus will aim to complete a share *buyback* after receiving the relevant documentation at the next available opportunity but is unable to guarantee the timeframe associated with the sale (refer to risk section under the relevant *VCT brochure*).
- 9.3 Because natural demand for *VCT* shares on the secondary market is limited, *VCTs* usually offer a share *buyback* facility for investors, provided there are funds available. This facility allows existing *VCT* investors to sell their shares back to the *VCTs* at a discount to the *net asset value*. The current policy is agreed by the *Boards* and will vary depending on the *VCT* (refer to relevant *VCT brochure* for more information). Share *buybacks* are conducted at the *Board's* discretion, and therefore there can be no guarantees that shares will always be sold on request.
- 9.4 Octopus will notify you shortly after the *buyback* of shares has been facilitated and pay the proceeds as per your instructions provided on the relevant *buyback form*.

Section 3

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.

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

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

Approved bank: means HSBC Bank plc or such other bank, credit institution, or other regulated institution authorised selected 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 the relevant VCT you wish to hold in your *Octopus VCT Nominee Service* which you need to complete in order to apply for the service.

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.

Board: the *Board* of Directors of the Companies.

Brochure: means the separate document referred to in clause 1.1 that is applicable to the relevant VCT you choose to hold in your *Octopus VCT Nominee Service Account* published by us from time to time.

Buyback: Also known as a repurchase, is the purchase by a company of its own outstanding shares that reduces the number of its shares on the open market.

Buyback instruction: means the separate document referred to in clause 1.1 that is applicable to the relevant VCT you wish to hold in your *Octopus VCT Nominee Service Account*, which you need to complete in order to apply for Octopus to facilitate the buyback of the shares in the relevant VCT that you hold.

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.

Close Period: The time period between the completion of a listed company’s financial results and the announcing of these results to the public. The close period is typically regarded as the one-month period preceding the release of a company’s interim results, and the two-month period before the release of its annual results.

Conflicts policy: the conflicts policy published by us from time to time and which is available on our website: [octopusinvestments.com](https://www.octopusinvestments.com).

Dividends: A distribution of a portion of the company’s earnings, decided by the *Board* of Directors, to a class of its shareholders.

DRIS: means Dividend Reinvestment Scheme, depending on which VCT you elect to invest in under the *Octopus VCT Nominee Service* will have its own terms and conditions for "DRIS" which can be found in the relevant *Prospectus*.

DPA: means the Data Protection Act 1998.

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.

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.

Investment account: means the account holding the assets and un-invested cash of your portfolio which are held in the *Octopus VCT Nominee Service* outside the ISA.

ISA: means an Individual Savings Account

ISA transfer form: means the separate document you need to complete in order for Octopus to request the ISA transfer from your existing ISA manager into your *Octopus VCT Nominee Service Account*.

ISA regulations: means the Individual Savings Account Regulations 1998.

MLR: means the Money Laundering Regulations 2007.

Net Asset Value: means the value of the companies net assets per share calculated by taking the entity's assets minus the value of its liabilities

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

Octopus VCT Nominee Service: means the *Octopus VCT Nominee Service*, which is the name of the Octopus Nominee Service provided to clients

that allow Octopus to purchase VCT shares on their behalf.

Octopus VCT Nominee Service Account: means the account that is specific to you as the client in relation to your *Octopus VCT Nominee Service*.

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

Portfolio: means the portfolio of assets (including uninvested cash) subject to our management in accordance with the agreement.

Prospectus: a formal legal document that is required by and filed with the Securities and Exchange Commission that provides details about an investment offering for sale to the public.

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

VCT: A Venture Capital Trust is a listed company on the London Stock Exchange and is designed as a way for individual investors to gain access to venture capital investments via the capital markets.



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