

Terms and Conditions

(provided by Avalon Investment Services Ltd)

1. Definitions

- 1.1** An Account is the Junior ISA Online Junior Individual Savings Account.
- 1.2** A Transaction Statement is a written record giving details of a transaction(s)
- 1.3A** Transaction may be any change to the Account, or a change recording new or different circumstances of the account holder.
- 1.4** References to 'we', 'us', 'our' the Company or 'Avalon' is Avalon Investment Services Ltd
- 1.5** The FCA is the Financial Conduct Authority or its successor.
- 1.6** The Regulations are the Individual Savings Account Regulations 1998 as amended.
- 1.7** Reference to 'You' or 'the investor' shall mean the registered contact of the Account.
- 1.8** Reference to the 'child' shall mean the nominated beneficiary of the account.
- 1.9** An Investment is units in the selected fund as permitted by the Regulations.
- 1.10** HMRC is Her Majesty's Revenue & Customs.

2. Appointment

- 2.1** We are authorised and regulated by the FCA and bound by the rules of the FCA.
- 2.2** We provide Account management and administration as permitted by the FCA and the Inland Revenue on a non-discretionary basis.
- 2.3** When we accept your application(s) the Company will manage Account money and Investments subject to the Regulations, as an Account and otherwise as set out in this agreement.

3. General

- 3.1** You must provide us with any information we may require to enable us to carry out our duties. In particular, you need to tell us of any change of address.
- 3.2** You must be at least 16 years of age and have parental responsibility for the child in order to apply for a stocks and shares JISA.
- 3.3** The child must be an eligible child. An eligible child is under 18 years old, resident and ordinarily resident in the UK and not in possession of a Child Trust Fund.
- 3.4** Avalon will, at its discretion, request documentary evidence to confirm the registered contacts and nominated child's date of birth and status.
- 3.5** We do not provide advice about our products or allowable investments. You must seek suitable advice from an independent financial adviser.
- 3.6** There may be circumstances which require us to review these Terms and Conditions and the charges being made. In this event, we will write to you advising you of any amendments to these Terms at least one month prior to the changes taking effect.
- 3.7** Any instructions received from you must be in a form acceptable to us and must bear your authority for the instruction to be valid.
- 3.8** You authorise us to provide HMRC with all relevant information about the Junior ISA and its Investments
- 3.9** We reserve the right to sell Investments if there is insufficient cash to meet the amount of any costs or charges.

3.10 Whilst we will always make every effort to meet the service standards detailed in these Terms and Conditions, Avalon cannot be held responsible for third party delays (such as the processing of sale and purchase transactions for the units/shares by fund management companies) that fall outside of our control.

3.11 In accordance with the Markets in Financial Investments Directive (MiFID) which became effective on 1 November 2007, we are required to inform you that you are categorised as a Retail Client. As a Retail Client you will benefit from the greatest level of protection available under the regulatory system.

3.12 Subject to certain qualifying criteria you have the right to amend your categorisation but this will affect the level of statutory protection provided by Avalon. If you do elect to change category, Avalon has the right to decline to provide the service on that basis.

4. Starting the Account

- 4.1** Your Account will be set up when we receive your correctly completed application or when all of our requirements have been met if this is later. We reserve the right to refuse your application.
- 4.2** We will send you an Acknowledgement within 2 working days of receipt of your JISA application. Within this email there will be a cancellation notice which gives you the right to change your mind. If you do not wish to proceed with the Account the cancellation notice must be signed and returned to us within fourteen days of receipt.
- 4.3** If you decide to cancel your Account, we will return your payments to you once they have cleared. If units have already been purchased and their value has fallen when we receive your cancellation notice you will not receive the full amount invested and cancellation will occur in accordance with Section 10 of these Terms and Conditions.

5. Cash

- 5.1** Account money will be segregated from our other funds and held in a designated client account with HSBC or with any other authorised institution that we nominate.
- 5.2** In accordance with The Financial Services (Client Money) Regulations 1991 (as amended) interest shall be paid on cash balances held as a result of these Terms and Conditions. Any interest shall be paid after deduction of tax subject to the relevant tax legislation and regulations at the time. Interest on Account money shall be credited to your Account at the relevant HSBC published rate.
- 5.3** The interest payable to you will not be less than the minimum deposit rate publicly offered by HSBC at the time. Any interest due will be credited to your account every 6 months.

6. Investments

- 6.1** We will invest money held in the Account in the requested fund selection.
- 6.2** We are required to seek to achieve the best possible result for you when dealing with any order to buy or sell financial instruments and to set out arrangements for this purpose in a "trade execution policy".

We are required to consider various factors when deciding how best to deal with orders from clients. These include price, cost, speed, likelihood of execution and settlement, size, nature and other relevant matters. As we have classified you as a Retail Client we will usually consider price and cost to be the most important factors for you.

6.3 We are not required to assess the suitability of the investment or service provided or offered to you and, as a result, you will not benefit from the protection of the FCA Rules on assessing suitability. Therefore, we will not assess whether:

- the investment or service meets your investment objectives;
- you are able financially to bear the risk of any loss that the investment or service may cause; or
- you have the necessary knowledge and experience to understand the risks involved.

6.4 On receipt by us of a properly completed application form the initial specified Investment will be purchased for the Junior ISA within five working days.

6.5 In the case of regular monthly subscriptions, contributions will be collected on the 1st of the month or the closest working day. Investments will not be purchased until 10 working days have passed from the day of collection to enable funds to clear prior to dealing.

6.6 In the event of cheques or payments being returned from your bank or building society unpaid, we will make a charge of £20 to cover the dealing costs associated with this transaction.

6.7 We shall tell you of any changes to any Investment in the Account resulting from a take-over or other offer where rights or similar benefits arise.

6.8 Where exceptional circumstances apply (for example, where no accurate price is available) then we may defer any transaction involving buying or selling an Investment to the earliest business day we consider to be appropriate and reasonable.

6.9 We will collect dividends, interest on Account money and other distributions for the Account. You authorise us to recover from HMRC any interest on dividends that are reclaimable for the credit of your Account.

6.10 Any cash received by us for dividends or interest after the plan commences will be reinvested into the same fund.

6.11 Investments within the account shall at all times be beneficially owned by the nominated child.

7. Custody

7.1 All Investments held in the Account shall be separately designated and, as required by the Regulations, be registered investments in the name of Avalon Investment Services (Nominees) Ltd, or any other nominee that we appoint. Avalon Investment Services (Nominees) Ltd is not itself authorised under the Financial Services Act 1986 but we accept responsibility for its acts and omissions.

7.2 We may not lend to a third party the document of title held by or on behalf of us and money may not be borrowed on your behalf

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against the security of these documents.

7.3 You have agreed that the Investment in your Account will be registered in the same name as those of other clients. As a result, as part of normal settlement procedures where investments are pooled, the Investments in your Account may be used with those of other customers to settle various transactions. The Investments in your Account will not necessarily be immediately identifiable by separate certificates and, if we were to become insolvent, you might encounter delays in recovering your assets, and possibly an increased risk of loss if there is a shortfall.

8. Voting rights and Reports

8.1 We will not exercise voting rights for Investments held unless we receive written instructions from you.

8.2 If you send us a written request we will arrange for you to receive annual reports and scheme particulars or any other material issued by the companies to shareholders and unit trust managers to unit holders. We will also arrange for you to attend and vote at shareholders /unitholders' meetings on receipt of a written request.

8.3 We reserve the right to make a charge to cover any administration costs incurred in complying with Section 8 of these Conditions.

9. Encashing your Account

9.1 The investor may not encash the account in part or in full at any time.

9.2 The nominated child may encash or partially encash the Account at any time on or after their eighteenth birthday on receipt by us of written instructions.

9.3 Avalon reserves the right to request evidence of age of the nominated child prior to encashment or any other documentation we deem necessary.

9.4 We will sell Investments within two working days of receiving valid instructions. We can only send payment when monies have been received from the fund management companies which can take up to 15 working days.

9.5 The minimum part encashment amount is £100. The minimum residual fund holding following an encashment must be at least £1,000 with at least £500 in any one fund.

9.6 When Avalon closes an Account or transfers the Account to an alternative fund manager, it will sell assets and pay away the proceeds to bring the account to a zero balance. If the accounts continue to receive cash (in the form of dividends, tax reclaims and interest payments) these will be forwarded in accordance with the original encashment instructions (but see 9.4)

9.7 If the cash to be forwarded in 9.6 is less than £5 Avalon will not make payment.

10. Transferring your Account

10.1 You may at any time give notice in writing to us of your intention to transfer the proceeds of the Account to another authorised JISA plan manager. We will sell the Investments and pay the proceeds to the alternative JISA manager.

10.2 Currently, you will not incur a charge for a

cash transfer; however, we do reserve the right to review our charges from time to time.

10.3 Any transfer request will be actioned within two working days of receipt by the Company. We will send the transfer proceeds to the ISA manager within two working days of receiving the proceeds of the sale.

10.4 If a request to transfer assets in-specie is received, Avalon will impose a charge of £25 for each line of stock that is to be re-registered. This charge will be taken from any residual cash on the account or from sale of assets.

10.5 Avalon will not permit partial transfers of a JISA.

11. Changing the Registered Contact

11.1 The role of the Registered Contact can be passed to another person with parental responsibility on receipt of an acceptable application to Avalon.

11.2 If the child is between 16 and 18 years of age they can become the registered contact for their account at any time without the consent of the existing Registered Contact.

11.3 Once the child has assumed Registered Contact status, this cannot be passed to another person.

12. Actions on attaining age 18

12.1 Avalon will contact the beneficiary of the account 30 days prior to their 18th birthday.

12.2 Unless instructed to the contrary, the investment, will remain in the Junior ISA.

12.3 The child will become the Registered Contact for the account on their 18th birthday and will be entitled to take withdrawals in accordance with Section 9 of the Terms and Conditions.

12.4 Any subscriptions made after the child's 18th birthday will be accepted subject to Avalon's ISA application requirements at the time.

13. Charges

13.1 Initial charges

4% for lump sum/monthly investments deducted from each subscription.

13.2 Annual transaction charges

We will take 1.5% each year of the fund value of your Account (using the selling price of the Investments plus any cash held in the account).

This will be taken proportionately on 28th of each month or nearest preceding working day.

14. Death

14.1 In the event of the death of the nominated child the JISA account and relevant tax benefits will cease from that date. Accumulated JISA investments may be sold or transferred to personal representatives or a beneficiary.

14.2 Avalon will require sight of the original death certificate.

14.3 We will accept instructions from the personal representatives of the child.

15. Void Accounts

15.1 Your Account will be managed in accordance with the Regulations, which take precedence

over these Terms. We will notify you if, by reason of any failure to satisfy the Provisions of the Regulations, you no longer qualify for an Account. When an Account becomes void, we will sell the Account and pay the proceeds together with any cash balance held in the Account to the nominated child. We may deduct any charges or any tax liabilities under it, and any additional expenses incurred in terminating the account.

16. Statements

16.1 If you have not opted out, we will provide you with a statement every six months as at 5th April and 5th October showing the investments and value of your Junior ISA and all transactions that have occurred over the statement period.

16.2 You have the right to decline paper statements and view on-line valuations at www.avaloninvestment.com (password required).

17. Law

17.1 These Terms and Conditions will be governed by the law of England and Wales.

18. Complaints

18.1 We have established rules and procedures for the handling of complaints in accordance with regulations laid down by the FCA. Any complaint should be made in writing to us at our head office marked for the attention of the Compliance Officer. If you are not happy with the way in which your complaint is handled, then you have the right to refer the matter to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

Avalon Investment Services Limited is authorised and regulated by the FCA. Registered in England number 3792386. Registered Office: 2 Market Place, Tetbury, Gloucestershire, GL8 8DA.

The Junior ISA Online in association with the Junior ISA Co is an etrading style of Medical & Professional Investment LLP only. Who are authorised and regulated by the Financial Conduct Authority (25 The North Colonnade, Canary Wharf, London, E14 5HS). Medical & Professional Investments LLP is entered on the FCA register (www.fsa.gov.uk/register/) under reference 845840.

Please remember:

The Junior ISA Online is intended as a long term investment and the child may not get back what you originally invested. Investors also need to understand that the value of investments can go down as well as up.