

CLARO APP AND INVESTMENT SERVICES – TERMS AND CONDITIONS

1 INTRODUCTION

- 1.1 These are the standard client agreement terms and conditions ("**Terms**" or "**Agreement**") for investing with us, Claro. Claro offers services relating to investment, including a financial coaching service and a range of model portfolio products.
- 1.2 It is important you read these Terms carefully before making any investments, because we will rely on them in all our dealings with you. By signing up for and using the App, you agree to these Terms. Our Terms and all monthly reports you receive can be found in the documents section accessible in the App. However, you should also print off a hard copy, and then keep it safe for future reference.¹
- 1.3 We have entered into an agreement (the "**Platform Provider Agreement**") with the Platform Provider (as defined in clause 2.1(m)) on behalf of ourselves and each of our customers. The Platform Provider Agreement sets out the basis upon which the Platform Provider has agreed to provide clearing, settlement and safe custody services to us and to you. When you become a customer you will also accept and be bound by the terms of the Platform Provider Agreement. You hereby authorise us (acting as your agent) to appoint Platform Provider(s) in relation to transactions in investments and the holding and transfer of cash and to replace such Platform Provider(s) as we think fit from time to time. We will undertake an appropriate risk assessment and exercise due skill, care and diligence in the selection, appointment and periodic review of the appointed Platform Provider(s).
- 1.4 The Platform Provider will also provide the model portfolio products as more specifically detailed in clause 4.1. The Platform Provider may also provide additional services as we may make available from time to time. Details of the relationship between you and the Platform Provider, as a result of your Account with us, and the Platform Provider's services, are in Schedule 1 to these Terms.
- 1.5 We are acting as an agent of TrueLayer (as defined in clause 2.1(h)), who is providing the Account Information Service via a tool which allows you to send information on your payment accounts to us and other service providers, so that your Account can be topped up. See clause 4.3 for further details.
- 1.6 You will be able to access the following services via the App:
- (a) **Model Portfolio Service** provided by the Platform Provider (see clause 4.1);
 - (b) **Coaching Service** provided by us (see clause 4.2);
 - (c) **Account Information Services** provided by TrueLayer (see clause 4.3); and

¹[Under the Consumer Contracts (information, Cancellation and Additional Charges) Regulations 2013 you need to provide details on the App's functionality and compatibility with hardware and software which you are aware of (e.g. which operating systems are required for the App to function optimally). This information can either be included in the terms or you can provide it on the platform from which the App can be downloaded (e.g. App Store). You also need to provide details of any codes of conduct to which you are subject but we assume you are not currently subject to any.]

- (d) **Custody Service** provided by the Platform Provider (see clause 4.2 and Schedule 1),

(together, the "**Services**").

- 1.7 If you hold or are considering holding a Stocks and Shares ISA with us please note the terms for a Stocks and Shares ISA as set out in Schedule 3 in addition to these Terms. To the extent that there is a conflict between these Terms and Schedule 3, Schedule 3 will take priority over these Terms.

2 **DEFINITIONS AND INTERPRETATION**

- 2.1 For the purposes of these Terms:

- (a) **"Account"** means each user's personal record on the App.
- (b) **"Adequate Procedures"** means in respect of any person, adequate procedures designed to prevent persons associated with it from undertaking conduct causing it to be guilty of an offence under section 7 of the Bribery Act and complying with the guidance published under section 9 of the Bribery Act and applicable anti-slavery and human trafficking law and regulation from time to time in force, including, but not limited to, the Modern Slavery Act 2015.
- (c) **"App"** means the customer interface which enables users to receive the Services (as defined in clauses 1.5 and 3).
- (d) **"Authority"** means any government instrumentality or agency or any government-funded entity (including any multilateral development bank) or any subdivision thereof that is wholly or partially responsible or empowered to review, consider, analyse or investigate any person's activity, and/or regulate, sanction and/or prosecute any person for compliance or non-compliance with law, regulation or best practice in the UK.
- (e) **"Bribery Act"** means the Bribery Act 2010.
- (f) **"Claro"** is the trading name of Claro Wealth Limited (Company Number 12158514) of 10th Floor, 240 Blackfriars Road, London, England SE1 8NW.
- (g) **"FCA"** means the Financial Conduct Authority, whose address is 12 Endeavour Square, London E20 1JN.
- (h) **"Order"** means any one or more of the available Instructions to buy or sell an investment received from you via the App.
- (i) **"Platform Provider"** means WealthKernel Limited (Company Number 09686970) of City Place House, 55 Basinghall Street, 6th Floor, London, England EC2V 5DU.
- (j) **"Prohibited Act"** means:
 - (i) directly or indirectly offering, promising or giving any person working for or engaged by us a financial or other advantage to:

- (A) induce that person to perform improperly a relevant function or activity; or
 - (ii) reward that person for improper performance of a relevant function or activity;
 - (iii) directly or indirectly requesting, agreeing to receive or accepting any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with these Terms; or
 - (iv) committing any offence:-
 - (A) under anti-bribery laws, being any and all statutes, statutory instruments, bye-laws, orders, directives, treaties, decrees and laws (contract with us; or
 - (v) defrauding, attempting to defraud or conspiring to defraud us.
- (k) **"Tax Evasion Offences"** includes:
 - (i) any offence of cheating the UK or a foreign public revenue;
 - (ii) any offence under the law of any part of the United Kingdom consisting of being knowingly concerned in, or in taking steps with a view to the fraudulent evasion of tax or in the facilitation of the evasion of tax; and
 - (iii) any other equivalent offences under the laws of other jurisdictions.
- (l) **"TrueLayer"** means TrueLayer Limited (Company Number 10278251) of 3rd Floor, 1 Hardwick Street, London, United Kingdom EC1R 4RB.
- (m) **"Modern Slavery"** means the applicable anti-slavery and human trafficking Laws, including the Modern Slavery Act 2015.

2.2 **"We", "us" or "our"** refer to Claro and its employees. **"Client", "you" and "your"** refer to any person operating or intending to operate an account with us.

2.3 In these Terms, unless the context otherwise requires: references to clauses, sub-clauses and schedules are to clauses, sub-clauses of, and schedules to, these Terms; the singular includes the plural and vice versa; **"person"** denotes any person, partnership, corporation or other association of whatever nature; and any references to any directive, statute, statutory instrument or regulations shall be references to such directive, statute, statutory instrument or regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force and any reference to the FCA and rules made by it shall, apart from in this clause, include its successor as regulator and rules made by the successor as regulator in substitution for those rules. References to any rules by number will include references to the corresponding rules (if any) made by the successor.

2.4 In these Terms references to any law, statute or statutory provision will include any subordinate legislation made under any of them and will be construed as references

to such statute, statutory provision and/or subordinate legislation as modified, amended, extended, consolidated, re-enacted and/or replaced and in force from time to time. For the avoidance of doubt, any such references include references to the preservation, continuation of effect, conversion or incorporation of any of them into the law of England and Wales, Scotland and Northern Ireland, whether by the European Union (Withdrawal) Act 2018 or any other legislation relating to the withdrawal of the UK from the EU.

- 2.5 Words and expressions given a particular meaning in the Bribery Act the Financial Services and Markets Act 2000 ("**FSMA**") and the applicable rules and principles contained in the FCA Rules (in their latest version from time to time, and including any waivers or dispensations given, except as expressly set out herein) shall have such meanings in these Terms (unless it expressly states otherwise).
- 2.6 Headings are for convenience only and have no bearing on the interpretation of these Terms.

3 WHO REGULATES US?

- 3.1 Claro Wealth Limited (Firm Reference Number: 945930) is an appointed representative of WealthKernel Limited (Company Number 09686970) of City Place House 55 Basinghall Street 6th Floor, London, England EC2V 5DU which is authorised and regulated by the FCA (Firm Reference Number: 723719).
- 3.2 Claro is an agent of TrueLayer for the purposes of the Payment Services Regulations 2017. TrueLayer is authorised by the FCA under the Payment Services Regulations 2017 as an Authorised Payment Institution to provide account information services and payment initiation services (Firm Reference Number: 793171) and under the Electronic Money Regulations 2011 as an authorised Electronic Money Institution (Firm Reference Number: 901096).
- 3.3 We will provide all required information to regulators and operators of trading venues to satisfy our reporting obligations.
- 3.4 All correspondence and communication from us to you will be in English.

4 SERVICES

4.1 Model Portfolio Service

- (a) Claro makes available model portfolios for selection by you. This is a limited service under which Claro will, having undertaken a suitability assessment on your investment needs and personal circumstances, provide you with model portfolios which are capable of meeting your needs. You will then have the ability to select which model portfolios you prefer.
- (b) The Model Portfolio Service enables you to select from the Claro range of model portfolios, a specific portfolio designed to achieve specific objectives and risk-rated returns. With investment expertise from Claro and investment management servicing from The Platform Provider, the Model Portfolio Service aims to provide you with the option to invest leaving decision-making with the Platform Provider's professional investment managers. This means that the Platform Provider manages model portfolio(s) selected by you within

the defined investment mandate. This mandate will be explained to you in your Personal Investment Report, made available to you in the App.

- (c) Using the App, you will provide personal information to us so that we can first determine if investing is suitable for you. If it is, we may proceed to open an Account for you. You must answer suitability questions yourself and once Claro has assessed your suitability needs, those model portfolios which are suitable for you will be available for you to select.
- (d) Please note that neither Claro nor the Platform Provider will provide investment advice to you other than the model portfolio(s) which are suitable for you. If you have any questions regarding your investments, including the risks associated with investing in a particular product or market, you should consider seeking independent advice from a suitably qualified professional advisor. This might include, but may not be limited to, financial advice, investment, legal and tax advice. Neither Claro nor the Platform Provider can give you any investment, legal, taxation or other advice in connection with your investments, which will depend on your individual circumstances and may be subject to change in the future. You must ensure that you have obtained appropriate information to enable you to make an independent assessment of your investments and any instruction to buy or sell investments is based on your own judgement and not on any representations, research, tools or information you may have received from Claro, the Platform Provider or any of their representatives. We will only assess whether or not you are suitable for the model portfolios which are made available to you within this service. If you are unsure or feel that your needs go beyond the scope of the service, it is recommended that you seek independent financial advice.
- (e) How are the model portfolios managed?
 - (i) The Platform Provider's professional investment managers will manage the investments held within the model portfolio on a discretionary basis in accordance with these Terms. This means that the Platform Provider will, normally acting as your agent, have complete discretion in respect of the model portfolio in which you are invested enabling it to enter into any kind of transaction on your behalf, using a broker or agent if the Platform Provider chooses.
 - (ii) The Platform Provider also has the right to change your investments should circumstances change, for example you withdraw your money so that what is left is not sufficient to justify the strategy being used.
 - (iii) The Platform Provider does not delegate any element of the Model Portfolio Services it provides. However, the Platform Provider reserves the right to do so, for example, in order for the Platform Provider to provide you with an improved level of service. We will notify you before any delegation of any aspect of the Model Portfolio Service.
- (f) Ongoing suitability

Every 12 months we will send you an App reminder to make sure the model portfolio service is still suitable. In the event that this is not the case, we may recommend an alternative investment selection, or that you close your

Account. Should you decide not to follow our recommendation, your account may be disinvested and/or closed without further notice. We will not be liable for any losses you incur as a result. Furthermore the Platform Provider will stop managing your investments on a discretionary basis.

(g) Exit

If we find that you are not suitable for investing in the model portfolio(s) we reserve the right to exit you from the model portfolios. We will explain why this happened and offer you a way to resolve the issue.

(h) Executing transactions

(i) For an explanation of how transactions are executed on your behalf, please see the Platform Provider's policy located on their website: <https://static1.squarespace.com/static/5f3285e76ba9e505c9851dec/t/5f7ede6a74815b7a1d7cdc54/1602149994899/Order%2BExecution%2BPolicy.pdf> . This sets out how the Platform Provider ensures that, when executing transactions on your behalf, all sufficient steps are taken to obtain the best possible result for you on a consistent basis, taking into account relevant factors, including: price, cost, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of your order.

(ii) Please note that the Platform Provider needs to comply with the rules and regulations of the relevant investment markets and exchanges. As such, by agreeing to these Terms, you authorise us to take all steps that may be required or permitted by these relevant markets or exchanges, as well as to generally act in accordance with good market practice.

(i) Furthermore, you confirm that:

(i) The Platform Provider may aggregate your order with those of other clients.

(j) Voting Rights

(i) In providing its discretionary investment management service to you the Platform Provider may decide at our discretion whether or not to procure the exercise of any voting rights attaching to your investments. Unless instructed otherwise, the Platform Provider shall be entitled to exercise such rights at its discretion, providing that it is in compliance with its conflicts of interests policy, a summary of which is provided here: <https://www.wealthkernel.com/policies>.

(ii) Please note that, if we are managing a Stocks and Shares ISA on your behalf, this right is subject to your "**Shareholder rights**", as set out in the specific Stocks and Shares ISA Terms set out in Schedule 3.

(k) How to keep track of investments and performance?

(i) A statement showing the composition and initial value of your portfolio is provided in the portfolio section on the App. When you instruct us to

start providing our Model Portfolio Service, the App will acknowledge our instruction to you in writing, usually by email or in App messaging.

- (ii) We will report to you at least every 3 months with valuations of your investments, so that you can see how they are performing. In order to help you assess the success of your investments, we will also include in these reports a comparison against a suitable benchmark.
- (iii) Unless we inform you otherwise, the benchmark used is the Consumer Price Index.

4.2 Coaching Service

- (a) We will provide you with access to a team of experienced professionals with a good understanding of financial instruments available in the UK for retail clients ("**Coach**") on an appointment-only basis for a fee.
- (b) The Coach will provide guidance about financial products, including general information about different types of investments or general principles for you to consider when investing.
- (c) Coaching is not a regulated activity. The Coach is not an investment adviser and will not recommend a specific course of action to you or give a personal recommendation about how you should invest.
- (d) The guidance provided can help you understand the different investment options before you decide for yourself whether to place an Order.
- (e) Full details of the Coaching Service are available on our website: <https://claromoney.co.uk/>.

4.3 Account Information Service

- (a) We use a tool provided by TrueLayer Limited ("**TrueLayer**") that allows you to send information on your payment accounts to us and other service providers. In order to use our services, you will be asked to agree to their Terms of Service (https://truelayer.com/enduser_tos#section) and enter your payment account details with TrueLayer or, for Open Banking connections, you will be redirected to your bank by TrueLayer in order to authenticate yourself. The Terms of Service set out the terms on which you agree to TrueLayer accessing information on your payment accounts for the purposes of transmitting that information to us. TrueLayer is subject to UK and EU data protection laws and is required to treat your data in accordance with those laws, as well as the Terms of Service and TrueLayer's Privacy Policy (<https://truelayer.com/privacy>). TrueLayer is authorised by the UK Financial Conduct Authority under the Payment Services Regulations 2017 to provide account information services and payment initiation services (Firm Reference Number: 793171).
- (b) We are acting as an agent of TrueLayer, who is providing the Account Information Service. Claro Wealth Limited is registered with the Financial Conduct Authority (FRN: 945930) as an agent of TrueLayer Limited, who is providing the regulated Account Information Service, and is authorised by the

Financial Conduct Authority (FRN: 901096) under the Electronic Money Regulations 2011.

- (c) Through the App you may access an account information service that enables you to view securely balances and transaction information from the last 12 months on your online payment accounts held with banks and other payment service providers. The App will also enable you to keep track of your spending by analysing this information for you in various ways – for example, by categorising your spending by type or merchant.

4.4 Custody Service

- (a) You hereby authorise us (acting as your agent) to appoint the Platform Provider for the clearing and settlement, safe custody and other associated services to us and to you in relation to transactions in investments and the holding and transfer of cash. We have entered into the Platform Provider Agreement to provide clearing and safe custody services. Please see Schedule 1 for further details of the terms of the Platform Provider's services as custodian.
- (b) We reserve the right to replace such appointee(s) as we think fit from time to time. We will undertake an appropriate risk assessment and exercise due skill, care and diligence in the selection, appointment and periodic review of the appointee.

5 REPORTING

5.1 For the Model Portfolio Service the Platform Provider will notify us and we will in turn:

- (a) Provide you with periodic reports on your investments on a monthly basis. Such periodic statements will detail the value of your investments, and the value and composition of your portfolio. You acknowledge that variations in market conditions will mean that the prices shown in periodic statements and any other reports do not necessarily reflect realisable values. The basis of valuation will be stated in the valuation;
- (b) Provide you with an annual report regarding all costs and charges (including costs and charges in connection with the Model Portfolio Service and holding the financial instruments in your portfolio); and
- (c) Notify you where the overall value of your investment portfolio, as evaluated at the beginning of each quarterly reporting period, depreciates by 10% (and thereafter multiples of 10%) on the next Business Day following depreciation.

5.2 You should check Contract Notes and periodic reports carefully and notify us promptly if there is any inaccuracy.

6 WHAT ARE THE SPECIFIC RISKS OF THE PRODUCTS YOU ARE INVESTING IN?

It is very important to us that you understand the risks involved when making an investment. In addition to our general description of the relevant risks we set out in our terms, we set out in Schedule 2 the risks of investing in the different types of asset we may select for you.

7 WHAT ARE YOUR OBLIGATIONS?

7.1 To the extent relevant to the Services, to provide you with a proper service, we require you to do the following:

- (a) agree to these Terms which govern our relationship;
- (b) confirm that you have not supplied us with information in your suitability questionnaire or otherwise which is inaccurate or misleading;
- (c) notify us promptly of any change to the information supplied by you to us;
- (d) supply us with all information, documentation or copy documentation that we require in order to allow us to carry out our account opening procedures;
- (e) provide us with any additional information which may be reasonably required in order that we can fulfil our legal, regulatory and contractual obligations;
- (f) confirm that the investments and cash within your account portfolio are within your complete ownership and free from all liens, charges and any other encumbrances;
- (g) not, except through us, deal, or authorise anyone else to deal in the investments in your account; and
- (h) undertake to sign and/or produce, by the time we ask you to, any documents we need to enable us to carry out our duties on your behalf.

8 USING THE APP

8.1 Who can use the App?

- (a) The App will be available for access in read only mode once you have verified the email address given in the sign up process.
- (b) The Services will only be available once you have completed our verification and anti-money laundering checks as described in section 21 of these Terms.
- (c) We own or have a licence to all content and material in the App and its arrangement. If you register, we'll give you a non-exclusive right to use the App. This is personal to you and you can't transfer it to anyone else.

8.2 When can you use the App?

We want to make the App available for you to use whenever you want but your ability to use the App may be interrupted from time to time due to system maintenance, software updates, equipment malfunction or for other technical, security, legal or regulatory reasons. You may not be able to use the App if your device or network fails or due to unusual events or circumstances beyond our reasonable control, such as if one of our service providers stops providing services for whatever reason. The App may also not be available if you do not keep it updated. We will not be liable to you for any loss in these circumstances.

8.3 Content hub and community

- (a) Through the App, you will also gain access to the 'Content hub' which contains articles related to financial news and the latest in investing. The content of such articles should not be construed as financial or other professional advice and we disclaim all liability and responsibility arising from any reliance placed on such materials.
- (b) You will also be able to access other useful information, such as: (i) details of virtual and physical events organised by our marketing team; (ii) details of how to follow us on social media and join our social media groups.

8.4 What must you do?

You must always keep your device and your login details and security credentials secure and not share them with anyone. You should also ensure that only biometric information relating to you (such as your fingerprint or face) is registered on a device you use to access the App. If you think someone else may be able to access the App you should let us know immediately. If you think there has been unauthorised access to your payment account, you should contact your bank or payment service provider immediately. You need to notify us immediately so we can reset security access to your account.

8.5 Are there any things you shouldn't do?

The App is intended for your personal use to manage your spending and learn about investing. You must not use the App for any other purpose. In particular, you must not:

- (a) use the App or any software for anything illegal or inconsistent with these terms or TrueLayer's Terms of Service;
- (b) seek to copy, adapt, alter, modify, or reverse-engineer any part of the App or allow someone else to do the same;
- (c) introduce viruses or other material that are either malicious or technologically harmful;
- (d) use the App in a way that could damage or affect our systems or security or interfere with other users, or restrict or inhibit anyone else's use of the App; or
- (e) collect data from the App or our systems or attempt to decipher any transmissions to or from the servers running any of the functions provided by the App.

8.6 What will we do?

- (a) We'll do all we reasonably can to keep the App secure, such as by providing software and security updates, but we are not responsible for your use of the App.
- (b) We'll never contact you asking for your App login details. You will however need to use TrueLayer's tool to enter your payment account details or authenticate yourself to your bank every 90 days so that we can continue to receive your account information from TrueLayer and display it through the App, and we may remind you to do this.

- (c) The terms and conditions you have with banks and payment service providers for your accounts should allow you to share your online login details with TrueLayer. If not, you should check that they are happy for you to share this information before you use the account information service.

8.7 When can we restrict use of the App?

We may also suspend or restrict your access to the App or end these Terms immediately at any time if we reasonably think this is necessary, for example, for one of these reasons:

- (a) user access to the App is restricted for maintenance and upgrade purposes;
- (b) you seriously or repeatedly breach any of these Terms;
- (c) we suspect fraudulent or unauthorised use of the App or that your mobile device is not secure or contains, or is vulnerable to, viruses or malicious software;
- (d) we have to comply with or you have caused us to, or may cause us to, breach a legal requirement that applies to us;
- (e) the manufacturer of your mobile device or your operating system withdraw the App or we stop supporting it; or
- (f) you've behaved improperly towards us (for example, you've been threatening, abusing or harassing a member of staff).

We will, if possible, tell you before we do this.

9 FEES

- 9.1 We will provide you with appropriate information about costs and related charges of using the Services before they are provided. The fees charged for the provision of the Services are described in a separate fees section on our website, details of which can be found at <https://claromoney.co.uk/pricing/> and are briefly set out at clause Schedule 1 - 9 Fees below.
- 9.2 The Fee will comprise payments for the services provided by Claro, the Platform Provider being based on a percentage of the value of the investments and cash in your Account.

The annual Fee accrues daily and is charged monthly on the value of your investments and cash.
- 9.3 Please note that it is possible that taxes or costs may exist in addition to those which we pay or impose.
- 9.4 We do not charge you for using the App but your network operator may charge you for using the internet.
- 9.5 In the event of non-payment or late payment of our fees, you agree that we may use, sell, retain or set-off assets held by us on your behalf. We will only exercise this right

if we have asked for payment in writing and the sum is outstanding for 30 calendar days from the date of our request.

10 CLIENT PROTECTION AND COMPLAINTS

10.1 We will treat you as a retail client. This means that you will have the highest level of protection under the rules made by the Financial Conduct Authority ("**FCA Rules**"). You will also have the right to take any complaint which you cannot settle with us to the Financial Ombudsman Service. You may at any time ask us to re-categorise you as a professional client or an eligible counterparty, but it is not our general policy to re-categorise retail clients and we can reject your request. When we refer to the FCA and the FCA Rules we also mean any regulator which may replace the FCA and the rules it may make to regulate our business.

10.2 We are covered by the Financial Services Compensation Scheme ("**FSCS**"). This means you may be entitled to compensation from the scheme if we cannot meet our obligations. The level of compensation depends on the type of business and the circumstances of your claim, and you are covered up to a maximum of £85,000 per person.

10.3 Further details of the Financial Services Compensation Scheme are available from:

Financial Services Compensation Scheme
10th Floor, Beaufort House
15 St Botolph Street
London EC3A 7QU
www.fscs.org.uk

10.4 We are committed to providing you with a first class service. If anything does go wrong, we aim to put it right quickly and efficiently. If we cannot resolve a problem immediately, we will contact you to tell you what we are doing about it. If you wish to complain about any aspect of our service, please contact us by emailing support@claromoney.com and we will provide you with a summary of our complaints process and procedures.

10.5 If we do not deal with your complaint to your satisfaction, you can refer it to the Financial Ombudsman Service. This does not prevent you from taking legal proceedings. The Financial Ombudsman Service's contact details are:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Tel: 0800 023 4567
Email: complaint.info@financial-ombudsman.org.uk
www.financial-ombudsman.org.uk

11 HOW WILL WE COMMUNICATE?

11.1 We will communicate with you in English by email. You may communicate with us in English via the App, by email and in accordance with procedures notified to you by us (including security procedures and use of passwords) from time to time.

- 11.2 You accept that we are deemed to have received any email correspondence at the time we access it. You accept that there may be a delay in responding to correspondence received via email. You also acknowledge and accept the risks inherent in email, particularly of its unauthorised interception and of its not reaching the intended recipient.
- 11.3 Although we take all reasonable care to ensure all electronic communications and attachments we send to you are free from any known virus or bug, we will not be responsible for any loss or damage resulting from any attack by a third party on our systems, any computer virus or any other malicious or technologically harmful material that may infect your computer equipment, computer programs, data or other material due to your use of our service.
- 11.4 We will communicate with a third party, who you authorise, at the address(es) you notify us in writing. As long as we act reasonably, you authorise us to rely on instructions by whatever means transmitted which appear or purport to be sent by you or a third party authorised by you.
- 11.5 We may record and monitor conversations we have with you, and we will keep a record of all communications for as long as we consider to be necessary or desirable to comply with applicable law and regulation.

12 **COMMUNICATION BY SOMEONE NOT SIGNED UP TO THESE TERMS**

If you authorise us to accept the instructions of a person not signed up to these Terms, such as your Introducer, we will do so until we receive notice to the contrary from you. The same rules (set out under "**How will we communicate**", above) apply to instructions received from this authorised person as they do to instructions received from you and you must ensure that your authorised third party complies with these rules.

13 **CHANGING OR REPLACING THESE TERMS**

- 13.1 We may make changes to these Terms and fees or charges for the following reasons:
- (a) Changes to relevant law or regulation, or a decision of the Financial Ombudsman Service.
 - (b) Changes to the way we are taxed (including the requirement to pay any government or regulatory levy), or you and your product are taxed.
 - (c) Changes required by any regulatory or tax authority or industry guidance or codes of practice.
 - (d) Changes in the way investment markets work, including changes in investment/securities dealing or administration which may affect your account.
 - (e) To make the Terms easier to understand and any other changes that are not detrimental to you.
 - (f) If it becomes impossible or impractical, in our reasonable opinion, to carry out any of the Terms as a result of circumstances beyond our reasonable control.

- (g) To reflect changes to our services or the manner in which we provide them to you.
- (h) To reflect changes to the level of charges applicable to your account.
- (i) To reflect changes to the range of investments we make available to you from time to time.
- (j) To reflect improvements to our online service that technological, service or propositional enhancements have allowed us to make.

13.2 Changes to these Terms which are due to reasons outside our control (eg changes in legislation) or are not detrimental to you (eg improvements to the service we are able to offer you) will take effect immediately and we will notify you at the next appropriate opportunity. We will not be liable to you for any failure or delay in performing our obligations under the Terms if such failure or delay is due to any cause outside our reasonable control. Events outside our reasonable control include, but are not limited to:

- (a) Acts of God, fire, earthquake, storm or flood.
- (b) Explosion, nuclear accident or collision.
- (c) Sabotage, riot, civil disobedience, strikes, terrorism.
- (d) Epidemic, national emergency (whether in law or fact), or act of war.
- (e) Any change to the law or regulation of a governmental or regulatory body.
- (f) Market conditions affecting the execution or settlement of transactions in respect of your account.
- (g) Any targeted network attack or interruption of the internet or other telecommunications service.
- (h) Loss of supply of essential services including electrical power and third party services. Any other cause beyond our reasonable control which prevents us administering your account for a given period of time.

13.3 If changes to the Services, these Terms or the App (for example, updates to the App) impose any additional obligations on you, we will tell you before we make the change. You can delete or deactivate the App at any time if you don't want to accept the change.

13.4 Otherwise, we will write and tell you about any material changes at least 30 calendar days before a change becomes effective and where this is reasonably possible. If it is not, we will write to you at the earliest opportunity after the change has taken place.

13.5 Depending on the update, you may not be able to use the App until you have downloaded the latest version and agreed to any new information. We will let you know through your device if there is a new version of the App.

14 OUR LIABILITY

- 14.1 We are committed to providing you our Services with reasonable skill, care and diligence under these Terms. As long as we do this, we cannot and do not accept any liability for loss (or the loss of an opportunity to gain) which arises from the exercise of our discretionary investment management for and on your behalf.
- 14.2 We will not be responsible for the Account Information Service provided by TrueLayer.
- 14.3 We will use reasonable skill and care to ensure that the App is safe and secure and does not contain viruses or other damaging property, for example by incorporating security features into the App, however, we can't guarantee that this will be the case or that no damage will occur to your mobile device or other digital content. If we fail to comply with this and you suffer loss and/or damage to your device, digital content and/or equipment used in connection with the device, we will be liable.
- 14.4 We provide the App "as is" and we do not give you any guarantee as to how you may use it or what it will allow you to do.
- 14.5 If you use the App outside the UK, we will not be liable to you if this does not comply with any local laws.
- 14.6 Please note we do not provide, nor do we accept responsibility for, legal, tax or accounting advice.
- 14.7 Please note, however, that despite the above we do not limit or exclude our liability for fraud or death or personal injury as a result of our negligence or that of our employees.

15 CANCELLATION RIGHTS

- 15.1 Cancelling this Agreement:
- (a) we will always honour your statutory rights. After agreeing to invest with us, you are still entitled to cancel this Agreement for up to 14 calendar days after having opened your Account (the "**cancellation period**"). This is done by sending us written notice of the cancellation to support@claromoney.co.uk;
 - (b) if you choose to cancel this Agreement in accordance with clause 15.1(a), you will be relieved of all duties and obligations arising from these Terms;
 - (c) if you do not exercise your right to cancel as described in clause 15.1(a), this Agreement and these Terms will remain in effect until otherwise terminated in accordance with these Terms. You cannot cancel this Agreement after the cancellation period, but you may terminate your Account in accordance with clause 16;
 - (d) if you choose to cancel this Agreement in accordance with clause 15.1(a), you will not incur any cancellation fee, charge or penalty except for any trading loss. This includes where we carry out transactions in accordance with your instructions during the cancellation period, where you will bear the applicable market risk. Please be aware that if the value of your investment(s) has fallen you will not get back the full amount you invested.

You will also be liable for any costs we have to pay on your behalf in order to sell the investments;

- (e) if you cancel this Agreement within the cancellation period, we will sell your investments and return the money from any sale to you. We will sell your investments within 2 business days (on which the relevant markets are open) of receiving your cancellation instruction, subject to circumstances beyond our control;
- (f) cancellation rights will not apply to instructions received from you which have been completed before you exercise your right to cancel under clause 15.1(a).

15.2 In respect of cancellation rights applying to individual products:

- (a) any cancellation rights in respect of specific individual products, such as funds and exchange traded funds (ETFs), will not apply in respect of the Services via the App relating to such products; and
- (b) for details of withdrawal and cancellation rights in respect of ISAs, please see Schedule 3.

16 **TERMINATION**

16.1 You can delete the App at any time – if you do this, you will not be able to use the App but you will still be registered. If you wish to deregister and terminate the Services, you must notify us in writing by email to support@claromoney.co.uk and termination will take effect from the date of receipt.

16.2 As well as our rights to restrict your use of the App, we may end the agreement as per these Terms at any time by giving you at least 14 days' notice.

16.3 Please note that if and when our Services are terminated, unless we agree with you otherwise, we will sell your investments and return the money we receive as a result to you. Subject to circumstances beyond our control, we will sell your investments within 2 business days (on which the relevant markets are open) of receiving your termination notice/our decision to exit you from our system.

16.4 Please note that by terminating a Stocks and Shares ISA, and therefore selling the investments within it, will have the effect of the Stocks and Shares ISA losing its tax free status. Should you instead wish to transfer a Stocks and Shares ISA please do so in accordance with Schedule 3 to ensure its tax free status is maintained.

16.5 If the value of your investment(s) has fallen you will not get back the full amount you invested. Also, please be aware that we offer no refunds for payments already made to us.

17 **DORMANT ACCOUNTS**

17.1 We may release your cash balance if there has been no movement for a period of at least six (6) years (notwithstanding any steps taken by us to trace you) and gift these to a registered charity of our choice. We undertake to make good any valid claims against any released balances; and

17.2 We may liquidate or release any financial instruments where there has been no movement for a period of at least twelve (12) years (notwithstanding any steps taken by us to trace you) and gift these to a registered charity of our choice. We undertake to make good any valid claims against any released balances.

18 RESEARCH

All research will be paid for directly by us and such costs will not be passed to you.

19 CONFLICT OF INTERESTS

19.1 We will always endeavour to act in your best interests as our client. However, circumstances can arise where we or one of our other clients may have some form of interest in business being transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interests, we will write to you and obtain your consent before we carry out your instructions. We will also describe the steps we will take to ensure fair treatment.

19.2 We have systems and controls in place for ensuring that our control structures and procedures are adequate to ensure compliance with all relevant laws, regulations, codes and practices relating to our business activities. We are committed to operating in the best interests of our clients and managing conflicts of interest fairly. Where there is a conflict of interests, we will not knowingly deal or advise unless we have taken reasonable steps to ensure fair treatment for our clients.

Minor non-monetary benefits

19.3 As part of providing our service to you, we may receive acceptable minor non-monetary benefits. Minor non-monetary benefits are those which:

- (a) are capable of enhancing the quality of service provided to you;
- (b) is of a scale and nature that it could not be judged to impair our compliance with our duty to act honestly, fairly and professionally in your best interests;
- (c) is reasonable, proportionate and of a scale that is unlikely to influence our behaviour in any way that is detrimental to your interests; and
- (d) consists of:
 - (i) information or documentation relating to a financial instrument or an investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;
 - (ii) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;

- (iii) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;
- (iv) hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned under paragraph (iii);
- (v) research relating to an financial instruments issued by an issuer, which is:
 - (A) produced:
 - (I) prior to the issue being completed; and
 - (II) by a person that is providing underwriting or placing services to the issuer on that issue; and
 - (B) made available to prospective investors in the issue; or
- (vi) research that is received so that we may evaluate the research provider's research service, provided that:
 - (A) it is received during a trial period that lasts no longer than 3 months;
 - (B) no monetary or non-monetary consideration is due (whether during the trial period, before or after) to the research provider for providing the research during the trial period;
 - (C) the trial period is not commenced with the research provider within 12 months from the termination of an arrangement for the provision of research (including any previous trial period) with the research provider; and
 - (D) we make and retain a record of the dates of any trial period accepted under this rule, as well as a record of how the conditions in (i) to (iii) were satisfied for each such trial period.

20 ANTI-CORRUPTION, PROHIBITED ACTS AND ANTI-TAX EVASION

Anti-Corruption and Prohibited Acts

- 20.1 Each party will, and will take reasonable steps to ensure that its agents and delegates will:
- (a) not do or omit to do any act or thing which constitutes or may constitute a Prohibited Act;
 - (b) without prejudice to clause 20.1(a) not do or omit to do any act or thing which causes or may cause the other party to be guilty of an offence under section 7 of the Bribery Act (or would or may do so if the other party was unable to prove that it had in place adequate procedures designed to prevent persons

associated with it from undertaking such conduct, complaint with the guidance published under section 9 of the Bribery Act);

- (c) have, and comply with, adequate procedures designed to prevent persons associated with it from undertaking conduct causing it to be guilty of an offence under section 7 of the Bribery Act and complying with the guidance published under section 9 of the Bribery Act;
- (d) from time to time, at the reasonable request of the other party, confirm in writing that it has complied with its undertakings under clauses 20.1(a) to 20.1(c) (inclusive) and will provide information reasonably requested by the other party in support of such compliance; and
- (e) promptly give written notice to the other party upon a breach, or suspected breach, of any of its obligations under clauses 20.1 to 20.3.

20.2 If we or to our actual knowledge, acting reasonably, anyone acting on our behalf commits any Prohibited Act in relation to these Terms or any other contract with you or in relation to any matter or activity pertaining to any public body in the United Kingdom, we shall promptly inform you of the occurrence of such Prohibited Act and render all such assistance to you as you may reasonably require in investigating such acts.

20.3 You agree and confirm that our Chief Operating Officer, Information Officer and Compliance Officer are authorised as persons to whom you may make a qualifying disclosure under the Public Interest Disclosure Act 1998 and declare that any of our representatives and employees making a protected disclosure (as defined by that Act) shall not for that reason be subjected to any detriment or disadvantage.

Anti-Tax Evasion

20.4 We will, and will use all reasonable endeavours to procure that our officers, employees, agents, sub-contractors and any other persons who perform services for or on our behalf will:

- (a) not do or omit to do any act or thing which constitutes or may constitute a Tax Evasion Offence;
- (b) not do or omit to do any act or thing which causes or may cause us or you to commit a Tax Evasion Offence;
- (c) without prejudice to clause 20.4(a) and 20.4(b), not do or omit to do any act or thing which may cause us to compromise the reasonableness of the prevention procedures we have in place to prevent tax evasion or the facilitation of tax evasion; and/or
- (d) provide you (at our cost) with such assistance or any information as you may require from time to time to enable you to:
 - (i) perform any activity or provide any information required by any relevant Authority in any relevant jurisdiction for the purpose of compliance with any proceeds of crime, anti-money laundering, prevention of tax evasion or prevention of facilitation of tax evasion law, guidance, investigation and/or Authority or court direction, or

- (ii) self-disclose any conduct to or to co-operate with any Authority in its sole discretion acting reasonably.

Modern Slavery

- 20.5 We will, and will use all reasonable endeavours to procure that our officers, employees, agents, sub-contractors and any other persons who perform services for or on our behalf take all such measure reasonably available to prevent the risks of modern slavery arising in our supply chain.

21 ANTI-MONEY LAUNDERING

- 21.1 We will not provide a Service to you until such time as we have completed our anti-money laundering and know your customer checks to our satisfaction.
- 21.2 The anti-money laundering regulations require us to verify your identity, to gather information as to the purpose and nature of the business which we conduct on your behalf, and to ensure that the information we hold is up-to-date. We will ask for the following information for the purposes of verifying your identity: full name, date of birth, email address, phone number, residential address, photo identification (e.g. driving licence or passport), and a 'selfie' picture. We use electronic identity verification systems, at the beginning and throughout our relationship with you.
- 21.3 This means your personal information will be shared with third parties, ie the relevant agencies who operate the identity verification systems. In addition, we will verify the validity of your bank account information and this will involve us sharing your personal and financial information with the third party. Their services compare your data against: bank account data, electoral roll, UK Companies House (and this includes the bankruptcy and insolvency register and database of disqualified directors), and other publicly available information such as media reports. Please note that we cannot provide our services to you until you have passed our money laundering checks.

22 DATA PROTECTION

All of your personal information and financial information (called personal data) will be processed in accordance with our privacy policy located on our website: <https://claromoney.co.uk/privacy-policy/> .

23 OTHER INFORMATION

23.1 Transfers

Unless we agree specifically in writing otherwise, all transfers into and out of your account will be in cash and payments by you will be by debit card, direct debit or bank transfer to us. A one-off direct debit will need to be made to initially invest. Following the initial investment, direct debits can be set up on a monthly basis to either top-up an existing investment or buy new securities.

23.2 If you the client are more than one person

Each of you will be jointly responsible for complying with your obligations, and each of you bear full liability for any breach of these obligations. Any notice given to any of

you will be deemed to be given to all of you, and we may act on the instructions of any of you.

23.3 If you die

We will suspend taking instructions in relation to your estate. This means that we will continue to manage your account in accordance with any instructions you have given us so far. We also reserve the right to exercise our absolute discretion to make payments to HMRC to help you deal with inheritance tax. Otherwise, we will only take further instructions once we have been presented with a valid grant of representation from a court.

23.4 No Assignment

- (a) You may not assign or transfer any of your rights or responsibilities in relation to your account with us.
- (b) We may transfer our rights and our obligations under these Terms to someone else but we will tell you if we do this.

23.5 Only parties to this contract may enforce it

Unless and to the extent we agree otherwise in writing, a person who is not a party to this investment management agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

23.6 Enforceability and validity

Each part of these Terms operates separately. If a court says that any part of these Terms is invalid or unenforceable, the remaining parts will continue to apply fully.

23.7 Entire Agreement

These Terms constitute the entire agreement between the parties to it and supersedes any prior agreement or arrangement in respect of its subject matter and:

- (a) neither party has entered into these Terms in reliance upon, and it will have no remedy in respect of, any misrepresentation, representation or statement (whether made by the other party or any other person and whether made to the first party or any other person) which is not expressly set out in these Terms;
- (b) the only remedies available for any misrepresentation or breach of any representation or statement which was made prior to entry into these Terms and which is expressly set out in these Terms will be for breach of contract; and
- (c) nothing in this clause will be interpreted or construed as limiting or excluding the liability of any person for fraud or fraudulent misrepresentation.

24 GOVERNING LAW AND JURISDICTION

- 24.1 These Terms apply to all investments you make, and provide information about the way in which the Services will be provided to you. The law of England and Wales

governs your Account with us and any matters or disputes related to these Terms will be subject to the exclusive jurisdiction of the courts of England and Wales. Our Terms are in English as will be all communications between us.

- 24.2 If you have any questions or something doesn't make sense please let us know by emailing us at: support@claromoney.co.uk. Unless we agree otherwise in writing, these Terms apply to all services we provide to you and any associated work.

25 CONTACT US

- 25.1 Please contact us by emailing support@claromoney.co.uk, or speaking with an agent on live chat accessed via the App in case of questions about our processing of personal data, or about these Terms generally. We will also send you in App push notifications in relation to activity on your account.
- 25.2 If you want to get in touch or have a complaint about the account information service, please contact complaints@truelayer.com. If you have a complaint about your bank or payment service provider which provides your account please contact them.

26 CONSENT

- 26.1 It is important to us that you understand and are happy with these Terms and any Personal Investment Report you receive. If you have any questions or something doesn't make sense please let us know by emailing support@claromoney.co.uk. Unless we agree otherwise in writing, these Terms and any Personal Investment Report you receive apply to all services we provide to you and any associated work.
- 26.2 If you are happy with both our Personal Investment Report and these Terms, please can you indicate below that you consent to be bound by these documents, in addition to our terms and conditions. We need this consent before we can provide you with our Model Portfolio Service.
- 26.3 Please note that by agreeing to these Terms:
- (a) You acknowledge receipt of Terms and that these Terms apply to investments you make with us through the App.
 - (b) You acknowledge that you have read these Terms carefully.
 - (c) Elect not to receive information on every transaction we execute on your behalf, but rather to receive our reports every 3 months (unless we have agreed otherwise).
 - (d) Agree that any Personal Investment Report you receive is an accurate and fair description of your financial situation, and you agree to be bound by its requirements.
 - (e) You authorise the transfer of information, on a confidential basis, as required under these Terms, between third parties.

Schedule 1
Customer Special Terms Custody

EXPLANATION OF RELATIONSHIP BETWEEN WEALTHKERNEL AND YOU

YOU HAVE A RELATIONSHIP WITH WEALTHKERNEL BECAUSE YOU HAVE AN
ACCOUNT WITH US

1 RELATIONSHIP WITH WEALTHKERNEL

- 1.1 We have entered into an agreement ("**the Platform Provider Agreement**") with WealthKernel Ltd, company number 09686970, registered office City Place House 55 Basinghall Street 6th Floor London England EC2V 5DU, ("**the Platform Provider**"), on behalf of ourselves and each of our customers ("**Customers**") whereby the Platform Provider has agreed to provide clearing and settlement, safe custody and associated services for our Customers to use and safe custody services. the Platform Provider may also provide additional services such as investment dealing services as we may from time to time agree with the Platform Provider.
- 1.2 The Platform Provider Agreement covers us and you as one of our Customers. When you become a Customer by signing our application form, you will also accept and be bound by the terms of the Platform Provider Agreement. It is important for you to understand that this means you will be both our Customer and also a Customer of the Platform Provider.
- 1.3 The Platform Provider is authorised and regulated (Firm Reference Number: 723719) by the Financial Conduct Authority ("**FCA**") which is at 12 Endeavour Square, London E20 1JN.
- 1.4 In consideration of the Platform Provider making their services available to you, you agree that:
- (a) we are authorised to enter into the Platform Provider Agreement on your behalf as your agent;
 - (b) you are bound by the terms of the Platform Provider Agreement as summarised in this Schedule and acknowledge that the Platform Provider Agreement constitutes a contract between you and ourselves and also between you and the Platform Provider;
 - (c) we are authorised to give instructions to the Platform Provider on your behalf (as provided for in our terms of business ("**Terms**") and the Platform Provider Agreement) and to provide information concerning you to the Platform Provider and the Platform Provider shall be entitled to rely on any such instructions or information without further enquiry;
 - (d) the Platform Provider is authorised to hold cash and investments on your behalf and is authorised to transfer cash or investments from your account to meet your settlement or other obligations to the Platform Provider.
- 1.5 The Platform Provider will not provide you with investment advice nor give you advice or offer any opinion regarding the suitability or appropriateness (as appropriate) of any transaction or order and relies on information provided to it by us in respect of all such matters. In the same way we are not responsible for the Platform Provider's

actions, omissions or any obligation they may owe you under the FCA Rules or the regulatory system.

2 COMMUNICATION AND INSTRUCTIONS

- 2.1 The Platform Provider shall only accept instructions concerning your account(s) from us (via the App) and not directly from you, unless a separate specific agreement has been made relating to instructions, (including such further mandate and/or indemnities as the Platform Provider may require). Unless we notify the Platform Provider in good time in writing to the contrary to prevent the processing of any instructions, the Platform Provider shall be entitled to rely upon and act in accordance with any instruction which the Platform Provider believes in good faith to have been given by us or our agents on your behalf. the Platform Provider reserves the right to take such action as it considers appropriate, in accordance with our agreement with them. the Platform Provider will not be required to verify or clarify any instruction received unless they believe they need to. the Platform Provider will not be responsible for any delays or inaccuracies in the transmission of any instructions or other information due to any cause outside the Platform Provider's reasonable control.
- 2.2 The Platform Provider may, in its absolute discretion, refuse to accept any order or other instruction for your Account(s) held through us. the Platform Provider will advise us of its decision and may advise us of the reason for its decision unless prevented from doing so by law, Court order or instruction by the FCA.
- 2.3 You should direct all enquiries regarding your Account to us and not to the Platform Provider.
- 2.4 Any communications (whether written, oral, electronic or otherwise) between you, us and/or the Platform Provider shall be in English.

3 CUSTODY

- 3.1 The Platform Provider will register your investments either:
- (a) in an account designated with your name, if this has been requested by us; or
 - (b) in the name of our nominee specified in the Platform Provider Agreement.
- 3.2 All investments held in custody will be pooled and allocated between Customers in accordance with the FCA Rules in particular the FCA custody rules, as we tell the Platform Provider. Accordingly, individual entitlements may not be identifiable by separate certificates, documents of title or entries on the issuers register. In the event of an irreconcilable shortfall following a default by any custodian or any third party holding or delivering your investments, you may not receive your full entitlement and you may share in any shortfall on a pro rata basis with other Customers. If you need more information on this please let us know.
- 3.3 The Platform Provider will be responsible for receiving and claiming dividends and interest payments to be credited to your account held through us. the Platform Provider will also credit any other payments received for your interest to your accounts with us. All dividends, interest and commission credited to your account or paid to you will be net of any withholding tax and other deductions required to be made by the Platform Provider and/or the payee in accordance with applicable legal

or regulatory requirements. the Platform Provider will provide details of all such deductions required to be made by it and will pass on such information in relation to such deductions by others as it may receive. We will be responsible for any costs and expenses the Platform Provider may incur in receiving and claiming dividends, interest payments and any other payments. the Platform Provider, its nominee and any relevant custodian will not be responsible for reclaiming any withholding tax and other deductions but nonetheless may do so if we ask them to.

- 3.4 The Platform Provider shall not be responsible for informing you or us of any Corporate Actions or events concerning investments held in custody including take-over offers, capital reorganisations, company meetings, conversion or subscription rights but will nevertheless do so, so far as reasonably practicable. the Platform Provider will take up or participate in such events as instructed by us provided that such instructions are received within such time as the Platform Provider may stipulate. All entitlements relating to Corporate Actions in connection with investments held in pooled accounts will be allocated as far as is reasonably possible on a pro-rata basis, however, the Platform Provider may if this is not possible adjust the allocation of entitlements in such a way as appears to them to achieve a fair treatment for all participants in the pool.
- 3.5 The Platform Provider may appoint agents, nominees and custodians (whether in the United Kingdom or overseas), to hold investments held in custody. the Platform Provider may also appoint sub-custodians (including sub-custodians overseas) being qualifying custodians for the purposes of the FCA Rules, to hold investments for your account or us (as the case may be) on such terms as the Platform Provider considers appropriate.
- 3.6 The Platform Provider will exercise due skill, care and diligence in the selection of agents, nominees and custodians and before nominating a custodian it will undertake a risk assessment of that custodian in accordance with the FCA Rules. the Platform Provider may from time to time notify us of its arrangements for holding securities in its own name or the name of its nominees and by accepting the terms of the Platform Provider Agreement as summarised in this Schedule 1, you agree that any such arrangements as so notified shall be binding on you. the Platform Provider will be responsible for the acts and omissions of its nominee, however, in the absence of its fraud or wilful default, the Platform Provider shall not be responsible for the default of any agents, nominees and custodians, securities depository, intermediate broker, clearing or settlement system or participant in such a system. In the case of any investments held overseas there may be different settlement, legal and regulatory requirements in overseas jurisdictions from those applying in the United Kingdom and there may be different practices for the separate identification of investments.

4 **CLIENT MONEY**

- 4.1 Any identifiable money (in any currency) received by the Platform Provider for the account of any Customer ("**Client Money**") will be received and held by the Platform Provider in accordance with the FCA Rules detailed in the Client Asset Sourcebook agreed between them and us. Your Client Money (unless the we instruct the Platform Provider to pay such money into an individual client account) will be pooled with Client Money belonging to our other Customers and will be held in an omnibus Client Money account with an approved banking institution, appointed by the Platform Provider in accordance with the FCA Rules ("**Approved Bank**").
- 4.2 In the event of an irreconcilable shortfall in the omnibus Client Money account following a default of an Approved Bank or any third party holding Client Money (such

as a clearing house, settlement or money transfer system) you may not receive your full entitlement and may share in any shortfall on a pro rata basis with other affected Customers. It will be our responsibility to bring these arrangements to your attention.

- 4.3 The Platform Provider may, from time to time, hold Client Money in a Customer bank account with an Approved Bank outside the United Kingdom. In such circumstances, the legal and regulatory regime applying to the Approved Bank with which that money is held may be different from that of the United Kingdom and, in the event of a default of the Approved Bank, such money may be treated differently from the position that would apply if the money was held by an Approved Bank in the United Kingdom and the rights and protections under the FCA rules will not be available to you in respect of these overseas Approved Banks. It will be our responsibility to bring these arrangements to your attention.
- 4.4 The Platform Provider does not pay interest on Client Money.
- 4.5 You agree that the Platform Provider will cease to treat as Client Money any unclaimed balances after a period of six years and the Platform Provider has otherwise taken reasonable steps to trace you and return any balance to you and paid the sums to charity. the Platform Provider will nevertheless make good any subsequent valid claim against such balances.
- 4.6 The Platform Provider may also appoint agents, sub-nominees and sub-custodians (whether in the United Kingdom or overseas), to hold investments held in custody. the Platform Provider will exercise reasonable care in the selection of agents, sub-nominees and sub-custodians and before nominating a custodian it will undertake a risk assessment of that custodian in accordance with the FCA Rules. the Platform Provider will be responsible for the acts and omissions of its nominee, however, in the absence of its fraud or wilful default, the Platform Provider shall not be responsible for the default of any sub- nominee, custodian, sub-custodian, securities depository, intermediate broker or agent, clearing or settlement system or participant in such a system. In the case of any securities held overseas there may be different settlement, legal and regulatory requirements in overseas jurisdictions from those applying in the United Kingdom and there may be different practices for the separate identification of securities.
- 4.7 The Platform Provider reserves a right to retain all cash, investments or other assets of any description paid or delivered (or which are due to be paid or delivered) to the Platform Provider for your account.

5 SECURITY

- 5.1 As continuing security for the performance of your obligations pursuant to the terms of the Platform Provider Agreement including, without limit, the payment of all sums due to the Platform Provider by you, or through your Account held through us, you agree to grant and grant the Platform Provider:
 - (a) a right over all investments held for your account from time to time in respect of which title has been transferred to the Platform Provider its agents, nominees and custodians;
 - (b) a right over all certificates or documents of title relating to investments held from time to time for your account by or to the order of the Platform Provider;

- (c) a right over your rights in respect of any investments which are held by the Platform Provider (or to its order) for your account;
- (d) a pledge, lien and right of set-off over and in respect of, all and any investments, documents of title to property, documents representing property and all money, investments and other assets of any nature held by or subject to the control of the Platform Provider (its nominees and custodians) for the your account (including, without limitation, the benefit of all contractual rights and obligations and any proceeds of sale), (together, the "**Charges**") to recover its costs, charges and any other sums incurred in relation to the services it provides under the Platform Provider Agreement that has not been recovered as provided for in the Platform Provider Agreement from you, including as appropriate to realise sell, charge, pledge, deposit, borrow against or otherwise deal the cash or assets within your Account held through us to meet those costs charges and other sums.

5.2 The Platform Provider shall have, to the greatest extent permitted by law and the FCA Rules, all of the rights of a secured party with respect to any money or other assets charged to it and you confirm that you will, at the request of the Platform Provider, take such action as may be required to perfect or enforce any security interest and each irrevocably appoints the Platform Provider as their attorney to take any such action on their behalf.

5.3 You represent and warrant to the Platform Provider that you are the sole and beneficial owner of all money, investments or other assets of any nature transferred to or held by the Platform Provider their nominees and custodians or the same are transferred to or held by the Platform Provider their nominees and custodians with the legal and beneficial owner's unconditional consent and, in any event, are and will be transferred to or held by the Platform Provider their nominees and custodians free and clear of any lien, charge or other encumbrance and that you will not charge, assign or otherwise dispose of or create any interest therein.

5.4 Provided the Platform Provider has not been negligent, fraudulent or wilful default, the Platform Provider shall have no liability to you for any cost, loss, liability and expense, including without limit any loss of profit or loss of opportunity incurred or suffered by you in consequence of any exercise by the Platform Provider of any right or remedy under this clause 5 and any purchase, sale, or other transaction or action that may be undertaken by the Platform Provider shall be at such price and on such terms as the Platform Provider shall, in its absolute discretion, determine.

5.5 In exercising any right or remedy pursuant to this clause 5, the Platform Provider is authorised to combine accounts, effect such currency conversions and enter into such foreign exchange transactions with, or on behalf of, you, at such rates and in such manner as the Platform Provider may, in its absolute discretion, determine.

5.6 No third party shall be required to enquire as to the validity of the exercise by the Platform Provider of its powers under this clause 5.

6 **LIABILITY**

6.1 Neither the Platform Provider, nor any of its directors, employees or agents, shall be liable for any loss or damage sustained by you as a direct or indirect result of the provision by the Platform Provider of its services, save that nothing in the terms set

out in this Schedule exclude or restrict any liability of the Platform Provider resulting from:

- (a) death or personal injury;
- (b) breach of any obligation owed to you under the regulatory system; or
- (c) the negligence, fraud or wilful default of the Platform Provider.

6.2 The Platform Provider shall not in any event be liable for loss of profits, loss of opportunity, loss of business, loss of savings, loss of goodwill, claims by third parties, loss of anticipated savings (whether direct or indirect) or for any type of special, direct, indirect or consequential loss howsoever caused, even if caused by the Platform Provider negligence and/or breach of contract and even if such loss was reasonably foreseeable or the Platform Provider had been advised of the possibility of the Customer incurring the same.

7 CONFLICTS OF INTEREST

7.1 The Platform Provider or its associates may provide services or enter into bargains in relation to which the Platform Provider, or its associates, has, directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you. the Platform Provider or any of its associates may, for example:

- (a) for its interests be the counterparty to a transaction that is executed by the Platform Provider (whether or not involving a mark-up or a mark-down by the Platform Provider or its associates);
- (b) be the financial adviser to the issuer of the investment to which any instructions relate;
- (c) for its interests have a (long or a short) position in the investments to which any of your instructions relate; or
- (d) for its interests be connected to the issuer of the investment to which any instructions relate.

7.2 The Platform Provider may receive remuneration from fund managers or Approved Banks in connection with the Platform Provider providing services to them. These payments are calculated by reference to the agreement the Platform Provider has with that person. If that means there will be a deduction in the value of the account held by you through us, that deduction will be disclosed to you as set out in the FCA's then current rules.

7.3 The Platform Provider has adopted conflict of interest policies in accordance with the FCA's requirement for authorised firms to pay due regard to the interests of their Customers, treat them fairly and manage conflicts of interest fairly, both between themselves and their Customers and between different Customers.

7.4 You acknowledge that neither the Platform Provider nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above, except as set out in the FCA's then current rules.

8 CLIENT PROTECTION AND COMPLAINTS

- 8.1 The Platform Provider will treat you as a retail client. This means that you will have the highest level of protection under the rules made by the Financial Conduct Authority ("**FCA Rules**"). You will also have the right to take any complaint which you cannot settle with the Platform Provider to the Financial Ombudsman Service. You may at any time ask the Platform Provider (via us) to re-categorise you as a professional client or an eligible counterparty, but it is not the Platform Provider's general policy to re-categorise retail clients and the Platform Provider can reject your request. References to the FCA and the FCA Rules also mean any regulator which may replace the FCA and the rules it may make to regulate our business.
- 8.2 In the event of any complaint regarding the Platform Provider's services you should contact us and we will handle your complaint for you.
- 8.3 We will, as soon as is practicable, investigate the matter with any employees who may be directly concerned to determine the appropriate course of action. After investigating we will write to you detailing the results of the investigation and offering, where appropriate, redress.
- 8.4 The Platform Provider will consider a complaint to be closed in any of the following circumstances:
- (a) If at any time a complainant has accepted in writing an offer of redress or has written to the Platform Provider confirming that he/she is satisfied with the Platform Provider 's response to the complaint (or simply confirms in writing that he/she wishes to withdraw the complaint). The Head of Compliance will write to the complainant acknowledging receipt, making redress (if appropriate) and confirming that the complaint has been closed; or
 - (b) If you have not replied to an initial or interim letter offering redress having been invited to do so within eight weeks of the date of the letter and such offer of redress has been made, or set aside for you to claim if it cannot be made because you have not replied.
- 8.5 If we do not deal with your complaint to your satisfaction, you can refer it to the Financial Ombudsman Service. This does not prevent you from taking legal proceedings. The Financial Ombudsman Service's contact details are:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Tel: 0800 023 4567
Email: complaint.info@financial-ombudsman.org.uk
www.financial-ombudsman.org.uk

9 FEES

- 9.1 The Platform Provider does not charge you directly for their Services, rather they provide their services on the basis that we pay their fees on your behalf from your Account held with us. To see more information about your account fees (which include those of the Platform Provider), please read the explanation of our charging

structure. Please note that it is possible that taxes or costs may exist in addition to those which we pay or impose.

- 9.2 In the event of non-payment or late payment of fees, you agree that we may use, sell, retain or set-off assets held by us on your behalf. We will only exercise this right if we have asked your Introducer for payment in writing and the sum is outstanding for 30 calendar days from the date of our request.

10 INVESTOR COMPENSATION

- 10.1 The Platform Provider is authorised by the FCA and as appropriate this may give you certain rights under the UK Financial Services Compensation Scheme. Depending on the type of business and your circumstances, the happening of certain events compensation may be available from that scheme if the Platform Provider cannot meet its obligations to you. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

11 AMENDMENT

- 11.1 You agree that the Platform Provider has the right under these Terms to alter the Platform Provider Agreement and this summary of those terms at any time, upon giving prior notice to us unless it is impracticable in the circumstances to give such notice, provided they conform to the requirements of this clause.
- 11.2 The Platform Provider may vary the terms set out in this Schedule and their charges at any time if they have a valid reason to do so. They consider the following to be valid reasons:
- (a) Changes to relevant law or regulation, or a decision of the Financial Ombudsman Service.
 - (b) Changes to the way we are taxed (including the requirement to pay any government or regulatory levy), or you and your product are taxed.
 - (c) Changes required by any regulatory or tax authority or industry guidance or codes of practice.
 - (d) Changes in the way investment markets work, including changes in investment/securities dealing or administration which may affect your account.
 - (e) To make the Terms easier to understand and any other changes that are not detrimental to you.
 - (f) If it becomes impossible or impractical, in our reasonable opinion, to carry out any of the Terms as a result of circumstances beyond our reasonable control.
 - (g) To reflect changes to our services or the manner in which we provide them to you.
 - (h) To reflect changes to the level of charges applicable to your account.
 - (i) To reflect changes to the range of investments we make available to you from time to time.

- (j) To reflect improvements to our online service that technological, service or propositional enhancements have allowed us to make.

11.3 Changes to the terms set out in this Schedule which are due to reasons outside our control (e.g. changes in legislation) or are not detrimental to you (e.g. improvements to the service we are able to offer you) will take effect immediately and we will notify you at the next appropriate opportunity.

11.4 In the case of changes that we have to make for the purposes of complying with Regulatory Requirements, the Platform Provider may vary these explanations of your relationship with them with immediate effect.

12 **TERMINATION**

12.1 If we give notice that we will close your Account with us your relationship with the Platform Provider ends at the date of closure of your Account.

12.2 If for whatever reason the Platform Provider and our relationship ends, we will tell you if we have:

- (a) made arrangements with another service provider, and we will tell you what that means to you
- (b) will close your account and tell you what that means to you in either case your rights will be similar to the rights set out in the main agreement between us and you.

12.3 If the Platform Provider needs to end the relationship with you in respect of an account or accounts held by you through us we will:

- (a) make arrangements with another service provider, and we will tell you what that means to you
- (b) will suspend or close your Account and tell you what that means to you.

In either case your rights will be similar to the rights set out in the main agreement between us and you.

13 **DATA PROTECTION**

13.1 All of your personal information and financial information (called personal data) will be processed by the Platform Provider in accordance with its Fair Processing Notice available at <https://www.wealthkernel.com/privacy/>.

14 **GENERAL**

14.1 The Platform Provider's obligations to you shall be limited to those set out in this Schedule and the Platform Provider shall, in particular, not owe any wider duties of a fiduciary or any other nature to you.

14.2 The Platform Provider is required to and will observe and apply the requirements of the laws of England applicable to the provision of their services under the Platform Provider Agreement as more particularly agreed between them and us.

- 14.3 No person other than you, us and your legal representatives shall be entitled to enforce these terms set out in this Schedule in any circumstances.
- 14.4 Any failure by the Platform Provider (whether continued or not) to insist upon strict compliance with any of the Terms set out in this Schedule shall not constitute nor be deemed to constitute a waiver by the Platform Provider of any of its rights or remedies.
- 14.5 The terms set out in this Schedule shall be governed by English law and you hereby irrevocably submit for the benefit of the Platform Provider to the non-exclusive jurisdiction of the courts of England and Wales.

Schedule 2 Risk Warnings

1 General risks:

Please note that the value of your investments can fall as well as rise and you may not get back the full amount you invested. The price and value of investments may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance.

2 Your portfolio will generally contain a combination of the following:

(a) Bonds:

- (i) the price of bonds can go down as well as up, for example the price of bonds tends to fall when interest rates rise;
- (ii) if the proceeds from holding bonds are reinvested in bonds, the new bonds may not provide as large an investment return as the previous bond;
- (iii) the interest rate provided by bonds can be fixed, in which case you may receive a return that does not keep up with inflation;
- (iv) if the provider of the bond becomes insolvent or otherwise unable to pay its debts, then the bond may become valueless; and
- (v) there is the risk, if selling a bond back into the marketplace, that there is difficulty finding someone willing to buy it, lowering the value of the bond.

(b) Company equity (also called company shares):

- (i) share prices can go down as well as up – this is particularly so for smaller companies, as the combination of both less shares and less buyers of those shares means the share price can change more rapidly;
- (ii) dividend growth is not guaranteed, nor are companies obliged to pay a dividend to you as an investor;
- (iii) companies may go insolvent rendering the shares you hold valueless;
- (iv) the market for equity may decline in value;
- (v) the company's earnings and financial markets generally may be volatile; and
- (vi) for smaller companies, shares may not obtain their full value on sale if there is difficulty finding a buyer for those shares.

(c) Exchange Traded Funds (ETFs):

ETFs are investment funds which hold assets such as shares, commodities or bonds, and are traded on the stock market like shares. Usually, they closely track the performance of a financial index, so their value can go down as well as up and you may get back less than you originally invested. Most EFTs are intended to be medium to long term investments. Some ETFs rely on complex investment techniques, or hold riskier underlying assets, to achieve their objectives. You should always ensure you read the relevant documentation to ensure you fully understand the risks before you invest.

3 Overseas investments:

These have the risk that they are priced in a currency other than pound sterling (this being the currency of your initial investment). If the exchange rate between pound sterling and other overseas currency changes, such that the same value of overseas currency is worth less pounds sterling, this will cause your investment to lose value. Also the opposite may happen, in which case there will be an increase in the value of your investment. Please note that the effect of investing overseas is separate to and in addition to the actual investment itself.

4 Investments in emerging markets:

have, in addition to the risks involved in investing overseas, significant political, regulatory and economic risks. These may differ in kind and degree from the risks presented by investments in the world's major markets. These investments have a greater risk of a sudden fall in value, for example if there is difficulty selling them, or as a result of governmental interference.

5 Please note that there may be other risks in addition to those outlined above in relation to your investment, and there may be further risks that arise in the future.

6 If any of the risks outlined above are unclear or if you would like to discuss the risks you face in further detail, please let us know by sending an email to support@claromoney.co.uk.

Schedule 3

Terms For The Stocks And Shares ISA

- 1 This Schedule applies in addition to the rest of these Terms if you hold or are considering holding a Stocks and Shares ISA with us. If there is a conflict between this schedule and the rest of these terms, this Schedule will take priority.
- 2 If you are an individual aged 18 or over you may subscribe for a Stocks and Shares ISA with us, if you are:
 - 2.1 a UK resident;
 - 2.2 performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat); or
 - 2.3 married to, or in a civil partnership with, such a person

Please note that, if you decide to hold a Stocks and shares ISA with us, you and we are required to comply with the terms set out in this Schedule.

3 How do I invest in an ISA?

- 3.1 You may subscribe to an ISA for the current tax year and each subsequent tax year by sending funds from your bank or transferring a current tax year ISA. You may do so by cheque, bank transfer or cash from an existing portfolio held with us or by transfer from another ISA Manager (subject to HMRC's ISA transfer rules).
- 3.2 You can only subscribe to one Stocks and Shares ISA within each tax year. The total of contributions to be invested in any tax year cannot be more than the maximum permitted to be invested in a stocks and shares ISA by the Individual Savings Account Regulations 1998 ("**Regulations**") for that tax year.
- 3.3 Your ISA investment will commence on the day we have both a valid application and receipt of your first subscription, or where you are transferring to us from another ISA Manager, on the day we have both a valid transfer application form and receipt of the proceeds of transfer from your previous ISA Manager.

4 How do we manage your ISA?

- 4.1 We will invest your Stocks and Shares ISA in accordance with your instructions and these Terms, and subject always to the requirements of HMRC.
- 4.2 For each new tax year, all contributions to your account will be allocated first to your Stocks and Shares ISA account until the maximum subscription is reached for that year, or until your own pre-set limit. Once the maximum subscription or your own pre-set limit is reached, future contributions are allocated to the non-ISA remainder of your account.
- 4.3 If we decide to delegate any of our functions or responsibilities under the terms agreed with you, we will first satisfy ourselves that any person to whom we delegate is competent to carry out any of those functions and responsibilities.

5 Ownership

- 5.1 You must always remain the beneficial owner of any investments held in your Stock and Shares ISA and you must not dispose of or transfer any interest in any investment while it is held in your ISA account. Additionally you must not create any charge or security on or over any investments held in your ISA account; for example you must not use them as security for a loan.
- 5.2 Your investments will be registered in the name the Platform Provider's nominee company. Share certificates and other documents evidencing title to ISA investments will be held by the Platform Provider in its capacity as Custodian or as we otherwise direct. Please see Schedule 1 above for the terms governing the Platform Provider's service as Custodian to you.

6 Shareholder rights

- 6.1 You can ask us to arrange for you to:
- (a) attend and/or vote at shareholders' and securities holders' meetings; and
 - (b) receive annual reports and accounts, and any other information issued to shareholders and security holders.
- 6.2 Please note that we reserve the right, on providing prior notice, to charge you a fee purely to cover our administrative costs in making these arrangements.

7 Disclosure

You authorise us to disclose to HMRC all such information as required by law. We will notify you by email if, by reason of any failure to satisfy the provisions of the Regulations, your Stocks and Shares ISA has or will become void.

8 Transfers

- 8.1 You can transfer all or part of your ISA, together with all rights and obligations, to another ISA Manager (the new ISA Manager). If you want to transfer your whole ISA to the new ISA Manager then we will transfer all subscriptions you have made in the current tax year and previous tax years. If you only want to transfer part of your ISA to the new ISA Manager then you can transfer any part of the previous tax years' subscriptions but if you want to transfer your current tax year subscriptions then all of these must be transferred as it is not possible to transfer only part of your current tax year's subscriptions.
- 8.2 When we receive your written instructions we will transfer all or part of your ISA to the new ISA Manager in accordance with the Regulations. We will carry out the transfer within a time stipulated by you, subject to a reasonable period, which will not exceed 30 calendar days, to allow us to carry out the transfer.

9 Withdrawals and cancellation

- 9.1 You can also instruct us to transfer to you all or part of your ISA investments and any interest, dividends, rights or other proceeds arising from them, or sell all or some of the investments in your ISA and pay you the sale proceeds in respect of your investments (a "**withdrawal**"). We will complete the withdrawal within a reasonable

period stipulated by you but it may take up to 30 calendar days from the date we receive your instruction.

- 9.2 Please note any withdrawals will cause the withdrawn investments to lose their tax-efficient status. Amounts invested into your ISA and later withdrawn will still count towards your relevant annual ISA allowance.
- 9.3 In addition to the ability to withdraw from your ISA, you may also cancel your ISA, if you meet the requirements set out in "**Cancellation Rights**", in clause 16 above. Exercising your cancellation rights within the relevant period will mean that your investments will be treated as never having entered the ISA, and so will not count towards your annual ISA allowance.