**SCHEDULE 3 TERMS FOR THE JUNIOR STOCKS AND SHARES ISA**

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If you hold or are considering holding a Junior Stocks and Shares ISA (JISA) with WealthKernel the terms set out in this Schedule 3 apply in addition to the terms set out in Schedule 1 WealthKernel Retail Client Terms and Conditions. If there is a conflict between this Schedule 3 and Schedule 1, this Schedule 3 will take priority.

Please note that WealthKernel will be the ISA Manager and be entirely responsible for the provision of ISA manager services.

## 1. DEFINITIONS

| | |
|---|---|
| Eligible Child | A person who meets the conditions set out in section 2.1 below |
| HMRC | His Majesty's Revenue and Customs. |
| JISA | Junior Individual Saving Accounts, as provided for in the ISA Regulations |
| ISA Manager | WealthKernel Limited. |

| | |
|---|---|
| ISA Regulations | Means The Individual Savings Account Regulations 1998 (SI1998/1870) as amended from time to time. |
| Registered Contact | A person who meets the conditions set out in section 3.1 below |

**2. ELIGIBLE CHILD**

2.1 A child is eligible for a JISA as long as they meet the following conditions:

2.1.1 they are under the age of 18, and

2.1.2 they are resident in the UK or are a UK Crown Servant, are married to or in a civil partnership with a Crown Servant, or are a dependant of a Crown Servant.

2.2 The Eligible Child may only have one Junior Stocks & Shares ISA at any time. If the Eligible Child has a Child Trust Fund (CTF) this must be transferred across to WealthKernel in full, and then closed, in order to open the JISA with WealthKernel. Only the Registered Contact of a CTF can request the transfer of the CTF to the Account, and the same person must also be the initial Registered Contact for the JISA.

**3. REGISTERED CONTACT**

3.1 The Registered Contact for the JISA must be either the Eligible Child where they are aged 16 or over, or have parental responsibility for the Eligible Child. The Registered Contact must be aged 16 or over. The Registered Contact must apply to open the JISA. WealthKernel will only accept instructions on the management of cash and investments in the JISA from the Registered Contact.

3.2 The Registered Contact can be changed to another person who meets the condition for being a registered contact for the Eligible Child as set out in section 3.1 above. The existing Registered Contact must inform your Introducer if they consent to the change of the Registered Contact. Your Introducer will then instruct WealthKernel on the change.

3.3 The consent of the existing Registered Contact is not required to change to a new Registered Contact under section 3.2 above where:

3.3.2 the existing Registered Contact is deceased or incapacitated;

3.3.3 the Existing Registered Contact cannot be contacted after reasonable efforts have been made;

the new Registered Contact has already adopted the Eligible Child;

3.3.4 the Eligible Child is between 16 and 18 years of age, they can become the Registered Contact; or

3.3.5 the change in Registered Contact has been ordered by the courts.

3.4 In the case of the death of the Registered Contact, WealthKernel will require sight of the original death certificate. Where the Eligible Child is under 16 at the date of death of the Registered Contact, WealthKernel will also need a new Registered Contact for the JISA.

3.5 On receipt of documents and information supporting the change in Registered Contact acceptable to WealthKernel, the Registered Contact will be updated and WealthKernel will

no longer act on instructions from a previous Registered Contact.

3.6 The Registered Contact, who is not the Eligible Child, must inform WealthKernel as soon as possible if:

3.6.1 they cease to have parental responsibility for the Eligible Child; and

3.6.2 if they become aware that the Eligible Child has another JISA under their name.

## 4. HOW DO YOU INVEST IN A JISA?

4.1 You may only apply for a JISA with WealthKernel, if you are:

4.1.1 a child aged between 16 and 18 and resident in the UK, a UK Crown servant, a dependant of a UK Crown servant or are married to or in a civil partnership with a UK Crown servant; or

4.1.2 a person aged over 16 who has parental responsibility for an Eligible Child. For this purpose, you will be the Registered Contact unless and until you are replaced in accordance with section 3.

4.2 The Introducer will make available to you the JISA declaration confirming the application details and declarations made in the application form together with a notice of cancellation. It is important that the Registered Contact reads and checks this declaration carefully. If there are any errors within the declaration the Registered Contact must return it to the Introducer within 30 days of it being made available and identify the errors. If you don't do so, the JISA may be cancelled at a later date.

4.3 You must provide a valid National Insurance number if the Eligible Child has one. If the Eligible Child does not have one, then you must declare this in the application form. You must inform WealthKernel when the Eligible Child receives their National Insurance number so that WealthKernel can update their information. If you do not do so the JISA is at risk of being cancelled by HMRC at a later date.

4.4 You can only subscribe to one JISA of each type 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 JISA by the ISA Regulations for that tax year.

4.5 Your JISA investment will commence on the day WealthKernel has both a valid application and receipt of your first subscription, or where you are transferring to WealthKernel from another ISA manager, on the day WealthKernel has both a valid transfer application form and receipt of the proceeds of transfer from your previous ISA manager.

4.6 If the Eligible Child ceases to be resident in the UK after the commencement of the JISA, contributions may continue to be paid into the JISA on condition that they are paid from a UK bank account.

## 5. HOW IS THE JISA MANAGED?

5.1 WealthKernel will invest your JISA in accordance with your instructions and these terms, and are subject always to the requirements of HMRC.

5.2 For each new tax year, all contributions to your Account will be allocated to your JISA until the maximum subscription is reached for that year. Once the maximum subscription is reached, future contributions will be returned to the payer.

5.3 If WealthKernel decides to delegate any of our functions or responsibilities under this Schedule 3, WealthKernel will first satisfy itself that such person is competent to carry out any of those functions and responsibilities delegated.

6. **OWNERSHIP**

6.1 The Eligible Child must always remain the beneficial owner of any investments held in the JISA and no interest in any investment may be disposed of or transferred while it is held in the JISA. Additionally, no charge or security may be created on or over any investments held in the JISA; for example, investments must not be used as security for a loan.

6.2 investments held in the JISA will be registered in the name of WealthKernel Nominee Limited.

6.3 Share certificates and other documents evidencing title to JISA investments will be held. Please see Schedule 1 above for the terms governing the custodian service.

**7. SHAREHOLDER RIGHTS**

7.1 You can ask WealthKernel through your Introducer to arrange for you to:

7.1.1 attend and/or vote at shareholders' and securities holders' meetings; and

7.1.2 receive annual reports and accounts, and any other information issued to shareholders and security holders.

7.2 Please note that WealthKernel reserves the right, on providing prior notice, to charge you a fee purely to cover its administrative costs in making these arrangements.

**8. DISCLOSURE**

8.1 You authorise WealthKernel to disclose to HMRC all such information as required by law. Your Introducer will notify you if, by reason of any failure to satisfy the provisions of the ISA Regulations, your JISA has or will become void.

**9. TRANSFERS**

**Transfers to a WealthKernel JISA**

9.1 You can only transfer to a WealthKernel JISA as a 'Cash' transfer. Currently, WealthKernel does not allow the option to transfer to our JISA 'in specie' which is where the existing assets are not sold and are reregistered to WealthKernel from the existing ISA manager.

**Transfers from a WealthKernel JISA to another JISA Manager**

9.2 You can transfer all of your JISA, together with all rights and obligations, to another ISA manager (the **"New ISA Manager"**). If you want to transfer your whole JISA to the New ISA Manager then WealthKernel will transfer all subscriptions you have made in the current tax year and previous tax years, if applicable. WealthKernel does not allow partial transfers to a New ISA Manager, you must transfer all the funds held within your JISA with WealthKernel.

9.3 When WealthKernel receives through your Introducer your written instructions, WealthKernel will transfer your JISA to the New ISA Manager in accordance with the ISA

Regulations. WealthKernel will carry out the transfer in accordance with ISA Regulations, which will not exceed 30 calendar days.

9.4 You can only transfer out to a New ISA Manager as a 'Cash' transfer. This means that all assets and investments within your JISA will be sold and transferred to the New ISA Manager to reinvest the funds. Currently, WealthKernel does not allow the option to transfer out to the New ISA Manager 'in specie' which is where the existing assets are not sold and are reregistered to the New ISA Manager. Please note that during a cash transfer, unlike an in specie transfer, you will be exposed to market risk on your investments while they are liquidated and sent to your new provider as cash when only then they can then be reinvested. With market movements in prices from the date the investments are sold and purchased this does mean you may get less or more investments for the cash transfer amount.

## 10. WITHDRAWALS

10.1 No withdrawals may be made from the JISA before the Eligible Child reaches the age of 18 except:

10.1.1 On direct instruction from HMRC;

10.1.2 To pay any charges as set out in section 18 of the General Retail Terms applicable to all Product Wrappers;

10.1.3 Where a terminal illness claim for the Eligible Child has been made to HMRC and WealthKernel have received a letter from HMRC agreeing to the request. WealthKernel will complete the withdrawal within a reasonable period that may take up to 30 calendar days from the date WealthKernel receives your instruction through your Introducer.

10.2 Any withdrawals will cause the withdrawn investments to lose their tax-efficient status. Amounts invested into your JISA and later withdrawn will still count towards the Eligible Child's relevant annual JISA allowance.

## 11. CANCELLATION

In addition to the ability to withdraw from your JISA under section 10 above, you may also cancel your JISA if you meet the requirements set out in the "Cancellation Rights" provided for in Schedule 1. Exercising your cancellation rights within 14 days of opening the JISA will mean that your investments will be treated as never having entered the JISA, and so will not count towards the Eligible Child's annual JISA allowance. WealthKernel will not accept any liability to you nor for losses incurred by the Eligible Child should you cancel the JISA or if the JISA is cancelled by HMRC or otherwise.

## 12. CLOSING A JISA

12.1 A JISA cannot be closed, apart from under the following circumstances:
12.1.1 the death of the Eligible Child;
12.1.2 the Eligible Child reaching 18 years;
12.1.3 direct instruction from HMRC; or
12.1.4 a terminal illness claim for the Eligible Child has been accepted by HMRC.

12.2 If the Eligible Child chooses to close the JISA upon reaching the age of 18 years, all of the available investments held in the JISA must be withdrawn or transferred in one single amount

in which case WealthKernel will sell all investments in the JISA and pay the proceeds (minus any money owed to WealthKernel or HMRC) to the Eligible Child and then close the JISA.

## 13. Death of the eligible child

13.1 On the death of the Eligible Child before their 18th birthday the JISA shall terminate in accordance with the ISA Regulations.

13.2 An original death certificate of the Eligible Child will need to be sent to us before the JISA can be closed.

13.3 The Investments held within the JISA will cease to qualify for tax exemption under the ISA Regulations from the date of death of the child and no further subscriptions will be allowed. When WealthKernel has been notified of the death of the Eligible Child, WealthKernel will stop collecting any scheduled subscriptions.

13.4 Any interest, dividends or gains in respect of the JISA which are received by WealthKernel after the date of death of the Eligible Child will not be exempt from tax.

13.5 The JISA will remain invested in the current Investments until valid instructions are received from the personal representatives of the Eligible Child. On receipt of valid instructions from the personal representatives, and once these have been verified WealthKernel can make a payment out to the personal representatives.

## 14. Eligible Child's 18th birthday

14.1 When the Eligible Child reaches their 18th birthday WealthKernel will no longer accept any new subscriptions into the JISA. WealthKernel will open an ISA for the Eligible Child and transfer any cash and investments from the JISA to the new ISA. A new ISA declaration signed by the Eligible Child will be required before any subscriptions can be made to the new ISA.

14.2 60 days before the Eligible Child's 18th birthday WealthKernel will write to the Introducer to prompt them to inform the Eligible Child of the above change and the options open to them on their birthday.