

Oaksmore Innovative Finance ISA Terms and Conditions

These Terms and Conditions apply to the holding in an Innovative Finance ISA of eligible loans available through the Oaksmore ISA Investment website. The provisions of the Oaksmore Innovative Finance ISA Terms and Conditions apply to the services provided by Oaksmore Portfolios AIFM Limited in respect of loans held within an Oaksmore Innovative Finance ISA.

In these Terms and Conditions, references to the **ISA Regulations** means the Individual Savings Account Regulations 1998 (as amended or replaced from time to time) and other capitalized terms that are not defined herein shall bear the meaning given to them in the ISA Regulations, where applicable.

1. Your Innovative Finance ISA account

- 1.1. Gallium PE Depositary Limited (“Gallium”) will be the manager of your Oaksmore Innovative Finance ISA. Gallium will only facilitate the holding of loans through the Oaksmore ISA website within your Oaksmore Innovative Finance ISA pursuant to these Terms and Conditions. No other than investments will be facilitated through your Oaksmore IF ISA.
- 1.2. Gallium may delegate functions under this agreement to another person, including Gallium Capital Limited and Oaksmore Portfolios AIFM Limited, where this is permitted by law. References to “we”, “us” and “our” in these Terms and Conditions are to Gallium or its delegates.
- 1.3. To open an Oaksmore Innovative Finance ISA account, we must be in receipt of a completed ISA application form, together with your payment (including a transfer of cash from an existing ISA) for any whole pound (£) amount between any minimum stated in the Loan Note Instrument or Offer Document and (other than for transfers from existing ISAs) the maximum annual subscription allowance for an Innovative Finance ISA.
- 1.4. You may subscribe to an ISA in any tax year (i.e. period starting on 6 April of one year and ending 5 April of the following year) for which you are either resident and ordinarily resident in the United Kingdom; or, although non-resident in the United Kingdom, perform duties of a Crown employee which are treated as being performed in the United Kingdom, or are the spouse or civil partner of such a person.
- 1.5. When you open an Innovative Finance ISA account, we will ask you to make a declaration to allow you to subscribe for an Innovative Finance ISA for each subsequent tax year.
- 1.6. In accordance with the Individual Savings Account Regulations 1998 (ISA Regulations), you are not eligible to apply if you have already subscribed to an Innovative Finance ISA, or have already subscribed the maximum available allowance to a Cash and/or Stocks and Shares ISA, in the same tax year as you are applying for this ISA. These restrictions do not apply if you are:
 - 1.6.1. transferring an existing Innovative Finance ISA from another ISA Provider to this Innovative Finance ISA (in circumstances where this is permitted under the ISA Regulations), or
 - 1.6.2. where you have already subscribed the maximum allowance to a cash and/or stocks and shares ISA and this is transferred to this Innovative Finance ISA.
- 1.7. ISA investments will be, and must remain in, your beneficial ownership and must not be used as security for a loan.
- 1.8. Any documents evidencing your title to the Innovative Finance ISA investments will be held by us or as we may direct.

- 1.9. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under the terms agreed with the investor is competent to carry out those functions and responsibilities.
- 1.10. We will notify you if, by reason of any failure to satisfy the provisions of the ISA Regulations, an ISA has, or will, become void. If the failure cannot be corrected or if you fail to take any action requested by us in writing within a reasonable period of time, we may close your account by written notice.
- 1.11. If you do not place any money in your account during a tax year, you will need to make a new declaration should you wish to subscribe to your Oaksmore Innovative Finance ISA in the following tax year.
- 1.12. We are obliged to confirm the true identity of all applicants and reserve the right to decline an application to open an account from you or any deposit.

2. Payments and withdrawals

- 2.1. Subscriptions can be made into your Innovative Finance ISA account by bank transfer or, where we offer this service, a transfer made in accordance with condition 7.
- 2.2. If money is subscribed into your Innovative Finance ISA account which exceeds the amount prescribed in the ISA Regulations, then the excess subscription will be returned to your Nominated Account.
- 2.3. You may make withdrawals from your Innovative Finance ISA account; however, you cannot withdraw money which is invested in a loan note (although you may seek to sell the loan note in accordance with the Bond instrument).
- 2.4. We will pay any cash sums (subject to the deduction of fees, if any) out of your Innovative Finance ISA account to you within such reasonable period as you may stipulate, provided that the withdrawal process may take up to 30 days from the later of the date you sell your rights under the relevant loan note and the date you notify us of the withdrawal request. If you stipulate a period of less than 30 days, we will try, but cannot guarantee that we will be able, to accommodate your request.
- 2.5. Your Innovative Finance ISA will be flexible. This flexibility means money which is withdrawn can be replaced (in whole or in part) within the same tax year and this will not affect your ISA subscription limit for that year. You will not be able to replace loan notes if you cease to hold them in the Innovative Finance ISA account.

3. Uninvested cash

- 3.1. Your Oaksmore Innovative Finance ISA must be fully invested into qualifying loan notes at all times. Cash may only be held temporarily for the purpose of purchasing those qualifying loan notes.
- 3.2. All uninvested cash shall be treated by us as “client money” for the purposes of the rules of the Financial Conduct Authority and pursuant to condition 1.3 of the Oaksmore Terms and Conditions.

4. Fees

- 4.1. If we do not charge fees to you directly.

5. Cancellation and account closure

- 5.1. If you decide you no longer want an Innovative Finance ISA, you will have the right to cancel your account within 14 calendar days of the date your account is opened. You can

do this by telephoning us on 020 7872 5450 or by e-mailing us at info@oaksmore-isa.co.uk. Please note that this will cancel your Innovative Finance ISA account, but your right to cancel any loan notes held within it will be governed by the Bond Instrument.

- 5.2. When your account is cancelled pursuant to condition 5.1, any money or loan notes will be credited to your Nominated Account or, if you request, transferred to another ISA manager or held pursuant to the Terms and Conditions as they apply to investments held outside an ISA.
- 5.3. If you have subscribed to your Innovative Finance ISA during a tax year and then close the account otherwise than pursuant to condition 5.1, and do not arrange with another ISA provider to transfer the money in your account to them, you will not be able to subscribe to another Innovative Finance ISA with another ISA provider in the same tax year.
- 5.4. If you have subscribed to your Innovative Finance ISA during a tax year and then close the account, you will be able to re-open the account with us during the same tax year.
- 5.5. We may close your account with immediate written notice to you if we are directed to close it by HM Revenue & Customs.
- 5.6. If you or we close your Innovative Finance account, any money credited to your account will be transferred to your Nominated Account or, if you request, to another ISA manager.

6. Death or bankruptcy

- 6.1. In the event of your death, ISA tax exemptions will no longer apply. Any interest or gains in respect of investments that arise after the date of death to the date of closure will not be exempt from tax.
- 6.2. When we receive notification of your death we will close your Innovative Finance ISA account and we will transfer any loan notes and cash to your executors or on their instructions. We will hold such assets outside of your ISA account pursuant to the Terms and Conditions.
- 6.3. We may require a grant of probate or letters of administration before releasing any monies in your account to your executors.
- 6.4. Your Innovative Finance ISA account will be valued for probate as at the time of death and dealt with as instructed by your executors.
- 6.5. We may support the setting up of an Innovative Finance ISA based on additional permitted subscriptions (within the meaning of the ISA Regulations) for your spouse.
- 6.6. In the event of your bankruptcy, ISA tax exemptions will no longer apply from the date on which a trustee is appointed to manage your estate.
- 6.7. When we receive notification of your bankruptcy we will close your Innovative Finance ISA account and transfer any loan notes or cash into a non-ISA account in the name of the trustee.
- 6.8. Whilst you are bankrupt, your trustee will have the authority to request that we sell your loan notes and/or send monies in your account to them.

7. Transfers in

- 7.1. Where we indicate that we will do so on the Oaksmore ISA website, you may transfer money (but, subject to condition 7.3, not investments) into your Innovative Finance ISA with us from an existing ISA in your name with another provider. An online transfer-in form will need to be completed and then we will send you a Transfer Authority form to approve

and sign. We can then arrange for the money to be transferred to us from your existing ISA provider in accordance with your instructions and ISA Regulations.

- 7.2. The transfer process will begin on the date on the Transfer Authority form or the date you stipulate for us to begin the transfer process, whichever is later. We will then send your request for the transfer of money in your existing ISA to your existing ISA Provider together with confirmation that we will accept the ISA transfer, within 30 days of receiving your Transfer Authority form. We will not be responsible for any delay to the transfer where this is due to a matter that we cannot reasonably control.
- 7.3. Loan notes purchased from an existing loan noteholder in accordance with the Oaksmore Terms and Conditions can be included within an Oaksmore Innovative Finance ISA account.

8. Transfers out

- 8.1. If you wish to transfer your ISA to another ISA manager, the transfer must be made in cash and you cannot transfer your loan notes. You cannot call for repayment by the issuer of your loan notes within an Innovative Finance ISA to fund a transfer out; however, where a purchaser can be found, loan notes within an Innovative Finance ISA can be sold pursuant to the Oaksmore Terms and Conditions and the proceeds of sale retained within the ISA pending re-investment or transfer.
- 8.2. You may transfer all (but not part only) of the money in your account in the current tax year, together with all or parts of any money (together with interest) in your account from previous tax years to another ISA Provider in accordance with the ISA Regulations and these Terms and Conditions. You will need to contact your other ISA provider in order to arrange a transfer and you can choose the date money is transferred subject to us being allowed up to 30 days to implement that transfer.

9. Amendments to these Terms and Conditions

- 9.1. We may, at any time, change the Innovative Finance ISA Terms and Conditions by giving you written notice via email. Such amendment will take effect on the date specified in the written notice. For the avoidance of doubt, these changes may impact our fees and charges or the level of service provided. Any amendment that adversely affects you will not apply to sums already invested, but will apply to re-investment of the proceeds.
- 9.2. We may amend these Innovative Finance ISA Terms and Conditions if we believe it necessary in order to respond proportionally to changes in law and regulations.
- 9.3. We may also amend the Innovative Finance ISA Terms and Conditions to reflect changes to our systems, administrative processes and procedures, market practice or client requirements and to reflect other legitimate cost increases (or reductions) associated with providing your Oaksmore Innovative Finance ISA.
- 9.4. You will be given at least 30 days' notice in respect of any changes to these Innovative Finance ISA Terms and Conditions that adversely affect you unless the specific circumstances require a shorter or longer period. Any amendments will comply with any applicable laws and regulations.

10. ISA Regulations

- 10.1. The management of your Innovative Finance ISA Account will be subject to the ISA Regulations. Any changes made by HMRC to the ISA Regulations that affect these terms will apply as soon as they come into effect.

11. We will inform you if your Innovative Finance ISA Account has or will lose its tax exemption through any failure to meet the ISA Regulations. If an investment which was previously allowed under the ISA Regulations ceases to be allowed, we will notify you and request your instruction to either sell the investment and reinvest the proceeds in the account, or transfer it out of the account.
12. **General**
 - 12.1. These Terms and Conditions are governed by and to be construed in accordance with English law. In the event of any matter or dispute arising out of or in connection with these Terms and Condition, you and we shall submit to the non-exclusive jurisdiction of the English courts.
 - 12.2. If any of these Terms and Conditions is found to be illegal, invalid or unenforceable by any court of competent jurisdiction, the remainder shall, so far as possible, continue in full force and effect.
 - 12.3. No single or partial exercise, or failure or delay in exercising any right, power or remedy by us shall constitute a waiver by us of, or impair or preclude any further exercise of, that or any right, power or remedy arising under these Terms and Conditions or otherwise.
 - 12.4. We and Oaksmore Portfolios AIFM Limited may exercise any of our rights or discharge our obligations under these Terms and Conditions in our or Oaksmore's own capacity or through any company or other legal entity which has all relevant legal authorisations, licences or permissions to discharge those functions. Other than Oaksmore, which shall be entitled to exercise rights under these Terms and Conditions, no other person shall have rights to enforce terms under the Contracts (Rights of Third Parties) Act 1999.
13. **Contacting us**
 - 13.1. If you have any questions about these Terms and Conditions, or wish to contact us for any other reason, you can contact us in writing at: Gallium P E Depositary Limited (Oaksmore ISA), Unit 2, Station Court, Borough Green, Sevenoaks, Kent TN15 8AD.