

Share Dealing

# Lloyds TSB Share Dealing Nominee and ISA service.

Your Terms and Conditions from 1 June 2011.



Lloyds TSB | for the journey...

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## Part 3: ISA Terms and Conditions.

## Part 1: Risk warnings.

- The price and value of any investments and any income from them can fluctuate and may fall, so you may get back less than the amount you invested. Past performance is not a reliable guide to future performance.
- This is an execution only Service so we will not assess the suitability of investments held for you or other services provided to you under these Terms and Conditions and you will not benefit from the rules of the FSA on assessing suitability. Accepting your instructions does not mean that we approve or recommend the transaction. If you have any doubts about the suitability of an investment you should seek advice from a suitably qualified professional adviser. There is a risk that if you do not obtain appropriate advice from an adviser, you may make investment decisions that are not suitable for you with regard to your investment goals and risk appetite.
- Using the Service may alter your personal tax position. You are responsible for payment of all taxes due from any transactions we carry out for you, in the United Kingdom or elsewhere. The levels and basis of taxation can change and the value to an investor of any tax benefits depends on that individual's tax position. We cannot give you tax advice and you should consult your own tax adviser in order to understand any tax consequences. Your own tax treatment will depend on your personal circumstances.
- We may enter into transactions on your behalf in investments where there is a restricted market. This might make it difficult to deal in or obtain reliable information about their value. We reserve the right to decide against entering into a transaction involving any of these types of investment. There is therefore a risk that you might not be able to buy or sell such investments (and that you may not have control over the timing of buying and selling such investments).
- There is an extra risk of losing money when buying shares in some smaller companies, including Penny Shares. There may be a significant difference between the bid and offer price of these Shares. If you need to sell them, you may get back less than you paid. The price may change quickly and may go down as well as up.
- The Service does not cover every investment available in the marketplace. Using our search facility to view a selection of investments may result in you viewing and considering fewer investments than are available, and you should take your own steps to widen and diversify your investments, as appropriate.
- Whilst every effort is made to ensure that the news, prices, opinions and other information on the Site are accurate and complete, we cannot guarantee this, and the information will change from time to time. There is therefore a risk that you may make investment decisions based on inaccurate or out of date information, unless you check or confirm its accuracy.
- You must not regard either the information or any opinion expressed on the Site as an offer to buy, sell or otherwise deal in any particular investment.
- The information, advertisements and content on the Site apply to the UK and to UK residents only. You must be a UK resident to use the Service. None of the services offered on the Site are intended for use or distribution in other countries or jurisdictions where it would be illegal for us to provide them. If you access the Site from outside the UK you are responsible for satisfying yourself that such access does not breach any local laws, and you will not necessarily be protected by UK legislation.
- Foreign markets will involve different risks from UK markets and in some cases the risks will be greater. In certain foreign markets there may be different settlement, legal and regulatory requirements to those applying in the UK and also different settlement and custody practices. Foreign currency-based investments are subject to, or may expose you to, fluctuations in exchange rates, which may have an adverse effect on the value, price or income of your investment. The markets may also be less well regulated and so may carry greater risk relating to dealing, settlement and custody practices.
- We may, at our absolute discretion, offer a facility to deal in some warrants. Warrants offer a time limited right to subscribe for or to dispose of a defined amount of Securities in the future at a price specified now. Warrant investors should be aware that, if the underlying Security to the warrant moves in the opposite direction to that anticipated by investors, the losses incurred by the warrant will be greater in percentage terms than those incurred by a direct investment in the underlying Security itself. The prices of warrants can therefore be volatile. In addition, all warrants are limited in time with the consequence that if the investor fails to exercise their rights within the predetermined timescales then the investment becomes worthless.
- We may deal for you in Securities that may have been subject to stabilisation, which enables the market price of a security to be maintained during the period when a new issue of securities is on public sale. The FSA allows stabilisation as it helps avoid short-term price falls when a new issue comes onto the market and buyers are still to come forward. Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules he is entitled to buy back securities that were previously sold to investors or allotted to institutions that have decided not to keep them. This can affect the prices of both the new issue and other securities connected to it, and in particular may keep the price at a higher level than it would otherwise be during the period of stabilisation. After the stabilisation period has ended there is a risk that the price of the security will fall to adjust for the fact that it has been kept to a certain level up to that point.
- We may decide that, due to market conditions, we are not able to purchase or sell Securities for you within a reasonable time. In such a case, we will try to contact you for instructions. Alternatively, if the market counterparty recommends that it be given more time to complete the order, we may allow this. There is therefore a risk that you will not be able to sell or buy investments in the timeframe that you desire. This could lead to you missing out on favourable buying or selling prices.

# Part 2: General Terms and Conditions.

## 1 Introduction.

- 1.1** Part 2 of this document sets out the terms which govern the Lloyds TSB Share Dealing Service and the Lloyds TSB Share Dealing Account (the "Service"). If the Service is provided to you in the form of the Lloyds TSB Share Dealing ISA, these General Terms and Conditions will apply together with the ISA Terms and Conditions set out at Part 3 at the end of this document. Words in these General Terms and Conditions which are capitalised shall have the meanings set out in Section 2 of these General Terms and Conditions.
- 1.2** The Service is provided by Lloyds TSB Bank plc ("Lloyds TSB"). Lloyds TSB is authorised and regulated by the Financial Services Authority, under reference 119278. We are registered as a company in England and Wales, with our registered office at 25 Gresham Street, London EC2V 7HN and registered number 2065.
- Our address for correspondence in connection with the Service is:  
Lloyds TSB Share Dealing,  
PO Box 4605,  
Aspect House,  
Spencer Road,  
Worthing,  
BN99 6QY.
- 1.3** These General Terms and Conditions, together with the ISA Terms and Conditions (if applicable), Application Form, our Rates and Charges and the Risk Warnings (together the "Terms and Conditions") will take effect as a legally binding agreement between you and us once you have sent us an Application Form and we have accepted you as a customer. Please read the Terms and Conditions carefully.
- 1.4** You should carefully read the Risk Warnings at the start of this document as they set out important information about the risks associated with the Service. We may update our Risk Warnings from time to time in the future, and the current version is always available on our Site.
- 1.5** In relation to the Services, we will categorise you as a "retail client" for the purposes of the FSA Rules. However, regardless of our categorisation, if you are an "eligible counterparty" or a "professional client" under the FSA Rules, you may not necessarily have rights and protections under the Financial Ombudsman Service and the Financial Services Compensation Scheme. For more information on complaints/compensation, please see Sections 22 and 23 of these Terms and Conditions.

## 2 Definitions.

**Activation Code** – a code sent to you in accordance with Section 5.1 below to allow you to use your own choice of Personal Identification Number (PIN) to use the Service.

**Agent** – a person, who is not an Attorney, who is authorised to act on your behalf in accordance with Section 6.1.

**Agreement** – this agreement between you and us

**Applicable Guidance** – any guidance, voluntary code or standard from time to time relating to the provision or use of, or access to, this Service. Applicable guidance may be imposed by law, by the FSA or any other regulatory authority or competent body, or by any telecommunications provider or major payment association.

**Applicable Regulations** – any laws, rules, regulations, from time to time relating to the provision or use of, or access to, this Service.

**Application Form** – a completed Application Form for the Lloyds TSB Share Dealing Account (this definition includes the ISA Application Form where the Lloyds TSB Share Dealing Account is a Lloyds TSB Share Dealing ISA).

**Attorney** – a person authorised to act on your behalf under a power of attorney and in accordance with Section 6.1.

**Business Days** – mean any day, other than a Saturday, Sunday or public holiday on which banks in London are open for business.

**CDI or CREST Depository Interest** – a form of UK security representing an underlying interest in a non-UK security.

**Certificated Service** – the Lloyds TSB Share Dealing Service for dealing in certificated Securities which is a separate service and governed by separate terms and conditions.

**Collective Investment Scheme** – an arrangement to enable investors to participate in or receive profits or income arising from dealings with property, as defined in section 235 of the Financial Services and Markets Act 2000.

**Complex Instrument** – a warrant or a derivative including (without limitation), securitised derivatives, a future, an option.

**CREST** – the centralised system for registration and settlement of securities in the UK and Republic of Ireland, operated by Euroclear UK & Ireland.

**Customer Services** – Lloyds TSB Share Dealing customer services, available on the helpline numbers published on the Site and in our correspondence and promotional material.

**FSA** – the Financial Services Authority, of 25 The North Colonnade, Canary Wharf, London E14 5HS and at [www.fsa.gov.uk](http://www.fsa.gov.uk).

**FSA Rules** – The rules in the FSA's handbook of rules and guidance, as amended from time to time.

**Indemnified Person** – in relation to Section 20.1, Lloyds TSB plc, any of our associated companies, agents, licensors, sub-contractors, delegates or their respective directors, officers or employees.

**Instruction** – an instruction sent to us in accordance with Section 9.2.

**ISA** – an Individual Savings Account as governed by the Individual Savings Account Regulations 1998, as amended or replaced.

**ISA Terms and Conditions** – the terms and conditions which apply, together with these General Terms and Conditions, if this Service is provided to you in the form of an ISA, as set out at Part 3 of this document.

**Joint Account Holders** – people who hold a Lloyds TSB Share Dealing Account jointly in accordance with Section 6.9.

**Limit Order** – an order to buy or sell a Security in a specified quantity at a specified price or better.

**Lloyds Banking Group** – includes us and a number of other companies using brands including Lloyds TSB, Halifax and Bank of Scotland, and their associated companies. More information on the Lloyds Banking Group can be found at [www.lloydsbankinggroup.com](http://www.lloydsbankinggroup.com).

**Lloyds TSB Share Dealing Account** – the account(s) in which we hold your cash and Securities. This will be a Nominee Account and (if you have applied for one) Lloyds TSB Share Dealing ISA.

**Maximum Quote Size** – The largest number of Securities that market counterparties are prepared to trade online or by telephone at their quoted price at any given time.

**Nominated Bank Account** – a UK Sterling bank account, nominated by you and in your name in accordance with Section 7.2 to pay and receive money payable by and to you in connection with the Services.

**Nominee Account** – the account in which we hold cash and Securities for you which do not form part of a Lloyds TSB Share Dealing ISA.

**OEIC or Open Ended Investment Company** – a type of Collective Investment Scheme in the UK or elsewhere. Sometimes these are referred to as funds or ICVC (Investment Company with Variable Capital).

**Penny Shares** – shares in small companies where each share has a low value.

**Primary Account Holder** – if there are Joint Account Holders, the Joint Account Holder who has primary access to the Lloyds TSB Share Dealing Account as notified to us by the Joint Account Holders in accordance with Section 6.9.

**Rates and Charges** – The rates and charges for using the Service available on the site from Customer Services.

**Relevant Person** – in relation to Section 20.3, Lloyds TSB plc, any of our associated companies, agents, licensors, delegates or their respective directors, officers or employees.

**Risk Warnings** – the explanations of the risks associated with the Service set out at the beginning of these Terms and Conditions and as updated from time to time on the Site.

**Securities** – shares and other investments in which you can trade in under these Terms and Conditions by using the Service as determined by us in accordance with Section 3.2

**Service(s)** – the Lloyds TSB Share Dealing Account and the service we provide in accordance with these Terms and Conditions, as described in Section 3.

**Site** – The website at [www.lloydstsbsharedealing.com](http://www.lloydstsbsharedealing.com), or any other address(s) we notify you of from time to time.

**Stop Order** – an order executed only when the security you want to buy or sell reaches a particular price.

**Terms and Conditions** – These General Terms and Conditions, the ISA Terms and Conditions (if applicable), the Application Form, our Rates and Charges and the Risk Warnings.

**Transfer Form** – a completed transfer form for the Lloyds TSB Share Dealing Account.

**We, us, our** – Lloyds TSB, where appropriate, any other Lloyds Banking Group Company, our administrator, sub-contractors, delegates, agents and any other person we may transfer this service to, in accordance with Section 18.

**You, your, you** – the person who opened a Lloyds TSB Share Dealing Account under these Terms and Conditions, and any Joint Account Holders and any Attorney or Agent.

Any reference in the Terms and Conditions to specific statutes, rules or regulations includes any amendments made to those statutes, rules or regulations from time to time.

### 3 The service we provide.

#### Execution Only Services

- 3.1** The Service enables you to buy and sell Securities through the Site, by telephone and (if we agree) by post, in accordance with the Terms and Conditions. The Service is an execution-only dealing service. This means we do not give you any advice in relation to whether this Service or any Securities, investments or transactions are suitable for you. Therefore, you need to rely on your own judgment, or speak to a financial adviser, when making a decision about whether to deal in Securities.
- 3.2** We are solely responsible for specifying the Securities in which you can trade using this Service and we may change this selection from time to time. We may restrict the Securities available to buy and sell under the various dealing options.

#### Appropriateness

- 3.3** If you give us an order for a Complex Instrument we are obliged to assess whether dealing in that type of instrument is appropriate for you. We do this through requiring you to take our appropriateness test, which you can do on the Site or over the telephone. We are entitled to rely on the answers you give us and if, as a result of the test, we consider that the investment is not appropriate for you we will warn you of this. If you instruct us to proceed with the order after such a warning, we may agree to do so at our complete discretion. If we do so, you should note that it may not be appropriate for you and that you may be exposing yourself to risks that you do not have the knowledge or experience to understand or mitigate.

#### Tax

- 3.4** Neither we nor any of our associated companies will provide you with any tax advice in respect of the Service.

### 4 Application.

#### Eligibility

- 4.1** You must be aged 18 or over and resident in the UK, Channel Islands or the Isle of Man to use the Service. For an ISA you must be resident and ordinarily resident in the UK, not including the Isle of Man or the Channel Islands. You must tell us of any change of address or residency, and we will not be liable for any losses you suffer as a result of not doing so.
- 4.2** We will not knowingly accept any instructions from a corporate body or investment club except to the extent that is necessary to enable you to close or transfer your Lloyds TSB Share Dealing Account.
- 4.3** You may hold only one Lloyds TSB Share Dealing Account. If you hold more than one, they may, at our discretion, be merged into a single account.

#### Application

- 4.4** Before you can use the Service, you must complete an Application Form. You must complete all the mandatory sections on the Application Form. If you do not do this, it will delay your application.

#### Warranties

- 4.5** Before you begin using the Service it is important that you consider each of the statements set out in 4.6 below. You should only continue to use your Lloyds TSB Share Dealing Account if they are all correct on the date that you open your Lloyds TSB Share Dealing Account and on each date you place an order.
- 4.6** You warrant and represent to us that:
- you will promptly send us copies of any documents that we reasonably require;
  - you will not use the Service or the Site for any purpose that is unlawful, abusive, libellous, obscene or threatening;
  - you will ensure that all assets deposited with us are free of any mortgage or anything else that might stop you freely dealing with the assets; and

- while this agreement remains in force, you will not yourself mortgage or pledge or charge or otherwise deal with any part of your Lloyds TSB Share Dealing Account, nor will you authorise or instruct anyone else to do so;
- you have taken such advice in respect of the Service or any Securities, investments and transactions as you may need and have not relied on any information or representation provided by us as a recommendation or advice on the merits of entering into the Services, Securities, investments or transactions;
- you are duly authorised to and have the capacity to enter into the Terms and Conditions, to sign and deliver the Application Form, and to enter into transactions and give instructions in accordance with these Terms and Conditions;
- If you are notifying the Services as an Agent or Attorney, you have consent from the relevant person(s) to enter into these Terms and Conditions and you will give the relevant person(s) full details of all that you have agreed on their behalf.
- you will always be responsible for any tax payments that become due, whether in the UK or elsewhere, in connection with the Service.

#### Anti-Money Laundering Requirements

- 4.7** Prior to accepting you as a client, we may require you to complete certain documents and provide evidence of your identity in line with the law to prevent money laundering. If you do not provide the appropriate documents or we are not satisfied with them, we may:
- delay our acceptance of your Application Form;
  - refuse to accept your Application Form;
  - refuse to accept cash or Securities transferred by you;
  - refuse to buy, sell or subscribe for Securities;
  - refuse to make payments from your Lloyds TSB Share Dealing Account; or
  - close your Lloyds TSB Share Dealing Account.

As a result of such a delay or refusal, the price at which we eventually deal for you could be higher or lower than the price was at the time we received your application or Instructions.

### 5 Using the Service.

#### Getting Started

- 5.1** When you open a Lloyds TSB Share Dealing Account we will issue you with an account number and a separate PIN and/or Activation Code. Together they give you access to your Lloyds TSB Share Dealing Account, both at the Site and by telephone. You can log in and trade in your account straightaway, but we limit the account to £11,000 (or such other sum which we may decide at our absolute discretion from time to time) until you confirm your identity by logging into the Site with the Activation Code. If you do not log in using your Activation code within 30 calendar days of opening your Lloyds TSB Share Dealing Account, your Lloyds TSB Share Dealing Account is locked until you do provide the code. Your account is liable for account charges while it is locked.
- 5.2** We will only issue a PIN and/or Activation Code to you, or, if you are Joint Account Holders, we only issue a PIN and/or Activation Code to the Primary Account Holder, for their personal use. Therefore, any other Joint Account Holder, or any Attorney or Agent, can only access the account by telephone or post.

#### Access to the Service

- 5.3** The availability of the Service depends on whether you use the Service via the Site, by telephone or by post. Details of our dealing times are on the Site and available from Customer Services. We may alter our dealing times from time to time, and temporarily suspend the Service for routine system maintenance or in extreme market conditions. Where it is possible to do so, we will give you reasonable notice of any such suspension. We are not liable for any loss you may suffer because you cannot place an order outside our dealing times or where we have suspended the Service for these reasons.
- 5.4** You acknowledge and agree that when using the Service:
- you and any Joint Account Holders have the exclusive right to access and use any Lloyds TSB Share Dealing Account allocated to you;
  - you will safeguard and keep confidential your account number, Activation Code (if applicable) and PIN (if applicable)
  - we may rely on all Instructions that are received by us with your account number, Activation Code and PIN, in accordance with Section 9 and you accept any agreement entered into or expense incurred on your behalf when we rely on such orders and secure message Instructions.

- 5.5** You agree to notify us immediately if you become aware of any of the following:
- any change in your eligibility as set out at Section 4.1 of these General Terms and Conditions and at Section 4 of the ISA Terms and Conditions (if applicable);
  - of the loss, theft or unauthorised use of your Activation Code, Personal Identification Number (PIN) or account number;
  - that you have not received a message from us indicating that an Instruction was received and/or executed;
  - that you have not received an accurate contract note in respect of a transaction;
  - of receiving a contract note or confirmation of an Instruction that you did not place; or
  - of any inaccurate information in your account balances, list of assets held, transaction history or personal data.
- 5.6** The content published on the Site or in any communications is our property or the property of our licensors and is protected by copyright and other intellectual property laws. You may display, reformat and print it for your personal, non-commercial use only. You may not reproduce, retransmit or distribute the content of the Site to anyone without our written consent (or the written consent of the relevant licensor). In particular you may not post any content from this Site to newsgroups, mail lists or electronic bulletin boards without our written consent (or the written consent of the relevant licensor).
- 5.7** You are responsible for providing and maintaining the communications equipment (including personal computers and modems) that you need to access and use the Service and for all communications services fees and charges associated with this. This is subject, however, to our having complied with the FSA Rules on business continuity in all relevant respects.
- 5.8** It is your responsibility to take all reasonable measures to ensure that the computer or the device through which you access the Service is properly maintained and adequately protected against viruses.

## 6 Agents, Attorneys and Joint Account Holders.

### Agents and Attorneys

- 6.1** By completing and sending us the relevant third party authorisation form by post, you may appoint another person to act on your behalf under a power of attorney (an "Attorney") or to act on your behalf as your agent (an "Agent"). You can get the form from the Site or from Customer Services. If you are appointing an Attorney, we will also need to receive and accept the original power of attorney document.
- 6.2** You can only have one Attorney or Agent at any one time, and they must submit to the same identification procedures that apply to you under the Terms and Conditions. If we cannot verify the identity of your Attorney or Agent in accordance with Section 4.7, we will only accept Instructions from you.
- 6.3** In signing the relevant third party authorisation form, your Attorney or Agent is deemed to have read and accepted the Terms and Conditions and agrees to be bound by them. We are not liable for any loss you may suffer as a result of Instructions being given to us by your Attorney or Agent in accordance with the Terms and Conditions, except where we have been negligent, fraudulent or where we are in wilful default of the Terms and Conditions.
- 6.4** Subject to the terms of the relevant power of attorney, an Attorney can exercise all of your rights under the Terms and Conditions.
- 6.5** An Agent can exercise your rights to buy and sell Securities, but cannot change your address or bank details, close your Lloyds TSB Share Dealing Account or receive payments. An Agent cannot apply for a Lloyds TSB Share Dealing Account on behalf of a new customer.
- 6.6** We will continue to rely on an existing Attorney or Agency arrangement established under Section 6.1 as continuing unless and until you write and confirm that the arrangement is to end.
- 6.7** Agents and Attorneys may deal with us by telephone or post only. The commission rates for postal and telephone transactions may differ from those we charge for online transactions and are set out in our Rates and Charges.
- 6.8** We process and verify the personal data of any Attorney or Agent in accordance with Section 10.

### Joint Account Holders

- 6.9** Subject to the ISA Terms and Conditions (if relevant), a Lloyds TSB Share Dealing Account may be opened in the joint names of between two and four people. Each Joint Account Holder must submit to the identification verification procedures under the Terms and Conditions.

- 6.10** The Joint Account Holder whose name is entered first on the Application Form will be the Primary Account Holder.
- 6.11** Joint Account Holders who are not the Primary Account Holder may deal with us by telephone or post only. The commission rates for postal and telephone transactions may differ from those we charge for online transactions and are set out in our Rates and Charges.
- 6.12** The Primary Account Holder and any other Joint Account Holder are deemed to have read and accepted these Terms and Conditions and agreed to be bound by them.
- 6.13** The following will apply to all Joint Account Holders:
- each Joint Account Holder is jointly and severally liable for complying with the Terms and Conditions. This means that if any Joint Account Holder fails to comply with these Terms and Conditions, we can take action against any Joint Account Holder individually or all Joint Account Holders together;
  - we may give any information about the Lloyds TSB Share Dealing Account to any Joint Account Holder. Each Joint Account Holder agrees that we can act on any information that you may give us from time to time, as long as we treat such information in accordance with Section 10 of these Terms and Conditions;
  - we must have a letter signed by all Joint Account Holders to close or put the Lloyds TSB Share Dealing Account in the name of only one person;
  - if one of the Joint Account Holders dies we are entitled to treat the surviving Joint Account Holders as entitled to all assets held in the Lloyds TSB Share Dealing Account and may act on their Instructions;
  - we will write to all Joint Account Holders to confirm the opening of a joint Lloyds TSB Share Dealing Account. Except for specific situations already mentioned, a notice or report sent to one of you counts as a notice to you all.
  - We may close your Lloyds TSB Share Dealing Account and stop providing the Service if any Joint Account Holder notifies us by post that the Lloyds TSB Share Dealing Account can no longer be operated by a single Joint Account Holder. If this notification is by telephone, we will not close the Lloyds TSB Share Dealing Account until we receive confirmation in writing.
- 6.14** If a Lloyds TSB Share Dealing Account is a Joint Account, any Joint Account Holder may give us Instructions in relation to the Lloyds TSB Share Dealing Account without the others' knowledge. For the protection of all Joint Account Holders, we may, always at our sole discretion take steps to confirm that all Joint Account Holders agree to any particular Instruction. We are bound to do this if we receive a court order requiring us to do so. We are not liable for any loss a Joint Account Holder may suffer when we have complied with Instructions from any Joint Account Holder (unless we have received a court order to the contrary), and we are not liable for losses caused by any delay in executing such an Instruction caused by us confirming the Instruction.

## 7 Dealing.

### Settlement of transactions

- 7.1** There are a number of ways that you can pay for (or "settle") transactions made through your Lloyds TSB Share Dealing Account. In all cases, you will need to nominate a UK sterling bank account (a "**Nominated Bank Account**") and set up and maintain a Direct Debit with this account in our favour.
- 7.2** If you are the sole holder of a Lloyds TSB Share Dealing Account or the Primary Account Holder:
- you can use cash held in your Lloyds TSB Share Dealing Account to settle your transactions. You can pay into your Lloyds TSB Share Dealing Account by Maestro or Visa Delta debit card or any other card we choose to accept in the future (up to a maximum of £20,000 at a time), by cheque, by regular direct debit (in accordance with Section 7.4 below), or by BACS or CHAPS transfer; or
  - we can debit or credit your Nominated Bank Account directly to settle your transactions. In order to use this payment option, you will be subject to a dealing limit as described below at Section 7.6; or
- 7.3** If you are a Joint Account Holder who is not the Primary Account Holder:
- You can use cash held in your Lloyds TSB Share Dealing Account to settle your transactions. You can pay up to £20,000 at a time into your Lloyds TSB Share Dealing Account by Maestro or Visa Delta debit card or any other card we choose to accept in the future provided the debit card is held in your name and the address on the relevant bank account is the same as that of the Primary Account Holder; or

(b) where you have access, by Direct Debit from your Nominated Bank Account, by calling Customer Services.

- 7.4** You may make regular payments by Direct Debit to your Lloyds TSB Share Dealing Account from your Nominated Bank Account. Payment dates are available on the Site or from Customer Services and we may amend them from time to time. You can set up your payments on the Site, or by calling Customer Services. We normally collect payments on the next selected payment date or up to two Business Days after the selected date.
- 7.5** Whichever method you use to pay for transactions, unless we agree in writing that you do not need to, you must set up and maintain a Direct Debit instruction from your Nominated Bank Account in our favour, such obligation being a condition of this agreement. This is because we will collect Fees and Charges from your Nominated Bank Account in accordance with Section 13.4 below. If you do not comply with this obligation we may suspend the Service until you have complied with this obligation and if you continue to fail to do so we may end the Services provided to you in accordance with Section 14 of these Terms and Conditions.
- 7.6** If you use a Nominated Bank Account to settle transactions we give you an initial dealing limit which will apply to purchases that you make using the Nominated Bank Account. You must not exceed this limit, although you may write and ask us to increase it. We may ask for further information from you before deciding whether to raise your dealing limit, and we have the right to review and restrict it at any time without prior notice. We may delay dealing or refuse to deal where any Instruction from you results, or could result, in your dealing limit being exceeded taking into account any charges and commission.
- 7.7** If you wish to place a deal that exceeds the dealing limit set under Section 7.6 above, you cannot combine the cash held in your Lloyds TSB Share Dealing Account to the amount of the dealing limit to make a single transaction. Instead, you will need to place separate transactions using the Nominated Bank Account and the cash in your Lloyds TSB Share Dealing Account, and these will be subject to separate commissions and charges.
- 7.8** (Without prejudice to Section 7.18) we only accept orders to purchase Securities if (after allowing for any earmarked funds including those required for unsettled trades):
- where you are using cash in your Lloyds TSB Share Dealing Account, your cleared cash balance is enough to settle the transaction, or
  - where you are using a Nominated Bank Account, settling the transaction will not cause you to exceed your dealing limit.
- 7.9** If you are due to receive proceeds of a recent sale of Securities into your Lloyds TSB Share Dealing Account before a purchase of Securities has to be paid for, and you authorise us to use this money for your purchase, we may take this into account when deciding whether to accept an order.
- 7.10** In order to ensure that you have sufficient funds to settle a purchase as described at Section 7.8 above, we may need to:
- ask for funds to settle a purchase;
  - select a later settlement date;
  - ask Lloyds TSB Bank plc (if your Nominated Bank Account is with us) to reserve enough money in your account to meet your liability on the day of settlement.
- 7.11** If for any reason there is not enough money available in your Lloyds TSB Share Dealing Account, or where relevant, your Nominated Bank Account, to settle a purchase, we reserve the right to close out or reverse the transaction, or take any other action we consider necessary to limit our loss. If this happens you are liable for all costs, losses or expenses that we incur in purchasing, closing out, reversing a transaction or taking other reasonable action. This includes but is not limited to, interest due on late payments. You will find details of the interest rate applicable to late payments in our Rates and Charges on the Site.
- 7.12** We may agree that transactions made from your Nominated Bank Account and within your dealing limit may be settled up to 10 calendar days after the date of the trade. You may request such extended settlement by telephone at the time of placing the Instruction, but our agreement is at our complete discretion.
- 7.13** Transactions (except for those in unit trusts and OEICs explained at Section 8) are usually settled through CREST.

#### Transmission and Execution of orders

- 7.14** Unless you give us specific instructions in respect of execution, your order will be transmitted by us to Société Générale Securities Services or another agent selected by us for onwards transmission to the executing broker it has selected, in accordance with your best interests and taking into account the "best execution factors" required by the FSA Rules. This means that total

consideration (the price of the Security plus any costs related to execution) will be treated as the most important factor when dealing with or executing your order, and other factors such as speed, likelihood of execution and settlement, size or any other relevant considerations may also be taken into account.

- 7.15** Any agent selected by us for the transmission of orders is selected by us because it has demonstrated that it has policies, procedures and the integrated electronic solution that enables it to deliver the best possible result for you, given the types of order and the market conditions involved. We will periodically monitor our agents' execution performance and periodically review our internal arrangements and policies for dealing with client orders with a view to achieving the best possible result for you.
- 7.16** Your order will normally be executed on a regulated market but other execution venues (including off-exchange dealers) may be chosen where this is advantageous. By completing an Application Form and using the Service you consent to execution taking place outside regulated markets.
- 7.17** Further information about our order handling policy including criteria of monitoring for best execution is available on request.

#### Placing of orders

- 7.18** We reserve the right to refuse to accept an order from you at any time, in any circumstances.
- 7.19** We will normally only accept orders to sell Securities that are held in your Lloyds TSB Share Dealing Account. If you want to use the Service to sell Securities registered with another nominee, you must first transfer them to us. If you want to do this, Customer Services will explain the procedure. If you wish to sell Securities which you hold in certificated form you must either transfer the holdings into your Lloyds TSB Share Dealing Account, or sell them using our Certificated Service. You will have to register for this service separately, and agree to different Terms and Conditions and Rates and Charges.
- 7.20** Once we have given you a quote for an immediate trade through the Site or by telephone, you have only a few seconds to accept the quote. You will be told at the time how long you have, and once that time has passed you will need a further quote to place an order.
- 7.21** If we accept your Instruction we do everything we reasonably can to carry it out.
- However, as long as we have acted reasonably, we are not liable for any loss or expense you incur if we cannot do so for any reason or if there is a delay in implementing your Instruction as a result of:
- changes in market conditions before we effect the transaction;
  - our taking steps to check your authorisation of an Instruction;
  - our taking steps to ensure that money is available for settlement;
  - compliance with internal procedures and money laundering legislation;
  - a delay in receiving cleared funds necessary to carry out the transaction;
  - considering or dealing with any special request you have made;
  - placing a deal which exceeds the Maximum Quote Size; or
  - any other good reason.

- 7.22** If you wish to trade more than the Maximum Quote Size, we may, at our discretion, execute the transaction. In addition, we may apply limits to the size of orders for particular kinds of Securities from time to time, which may differ from the Maximum Quote Size. These may arise because of limits imposed on us by market counterparties or because of our own rules about the size of orders we deal with. We give you details when you place an order to which there is a limit, or as soon as possible afterwards.
- 7.23** Your order may be aggregated with orders from others where we think this will be to your advantage. However, aggregation sometimes results in a less favourable price for you, putting you at a disadvantage compared to if your transaction had been made on its own. Orders may be executed in separate transactions and on different days, if need be. If these transactions have different prices, we will calculate an average price for all of them in accordance with our order allocation policy.
- 7.24** All transactions made on an investment exchange are subject to the rules, regulations, customs and market practice of the relevant investment exchange on which the transaction is dealt. Both we and any entity engaged on your behalf as contemplated by the Terms and Conditions may take all such steps as may be required or permitted by such laws, rules, regulations, customs and/or market practice. All Applicable Regulations are binding on you.
- 7.25** Unless otherwise expressly stated in these Terms and Conditions, once we have accepted your order you cannot withdraw, amend or cancel it.

**7.26** We reserve the right to cancel a transaction without notice if we believe there is sufficient justification. This may include, but is not limited to:

- a request to do so by the relevant exchange or market;
- where we believe it is necessary to maintain an orderly market; or
- where you execute multiple trades in the same Shares within a short space of time and the aggregate size exceeds the Maximum Quote Size.

We are not liable for any loss or expense you incur as a result of our cancellation of a transaction in such circumstances.

**7.27** Unless otherwise expressly stated in these Terms and Conditions, if we receive an Instruction through the post, we will contact you by telephone to execute your order as soon as reasonably possible. Once you have sent your Instruction to us through the post it cannot be cancelled by you.

**7.28** You confirm that when you use the Service:

- (a) you will not instruct us to carry out any 'short sales' of Securities (that is, broadly, selling investments you do not own, except for settlement difference);
- (b) you will not submit orders to us if you are insolvent or bankrupt;
- (c) you will not enter into a transaction or transactions or take any other action which might create a false impression of the value or demand for Securities (including effecting artificial deals or creating false prices) or which might result in any other form of market manipulation;
- (d) you will co-operate with us and promptly supply information in connection with the enquiry, if you enter into a transaction which is the subject of any enquiry or cancellation by a regulatory authority;
- (e) you will not instruct us to carry out transactions in respect of any Securities where you are the issuer or an affiliate of the issuer of these Securities;
- (f) if you place an order for the sale or transfer of any Securities subject to Rule 144 or 145(d) of the US Securities Act of 1933, or any other rule relating to restricted or controlled Securities, you will inform us of the status of such Securities and provide us with the necessary documents (including legal opinions if so requested by us) to satisfy the legal transfer requirements.

If we believe that you have not complied with any or all of these provisions, we may refuse or cancel a transaction or cease to provide you with the Service in accordance with Section 14.

**7.29** We will not administer your Lloyds TSB Share Dealing Account if you become a US person and will give you notice that your Lloyds TSB Share Dealing Account must be closed or transferred. "US person" means any citizen or resident of the USA including the estate of any such person, or any corporation, partnership or other body created in or organised under the laws of the US, or any political subdivision of either country, or any estate or trust whose income, regardless of its source, is subject to US federal income tax.

References here to the USA include their territories, possessions and all areas subject to their jurisdiction.

#### Limit Orders and Stop Orders

**7.30** We may accept Limit Orders and Stop Orders, for certain Securities and certain markets as long as the order is above any minimum level we set from time to time (for details of which Securities and markets please contact Customer Services). Any Limit Order or Stop Order is valid from the date we receive it for a period that we set. In accordance with the FSA Rules, we will publish details of a Limit Order (but not your personal details) to the market unless you instruct us not to.

**7.31** If you decide to place a Limit Order or Stop Order with us you accept that:

- you place Limit Orders and Stop Orders at your own risk;
- you should review your Limit Orders and Stop Orders regularly; and
- we will use reasonable endeavours to execute your Limit Orders and Stop Orders if the price reaches the limit, but we do not guarantee that Limit Orders or Stop Orders will be executed even if the price you set is met. This could be as the result of:
  - (i) market conditions at the time, such as a "fast market" where the market is so volatile that prices quoted are only indicative, not guaranteed;
  - (ii) other clients having placed similar orders to yours before you did, in which case we execute their order before yours; or
  - (iii) your order failing to execute for reasons which are outside our control, in which case the order will be cancelled.
- where you have set a price range rather than a particular price as your Stop Order limit, if the price of the Securities goes through and past the

band the Stop Order is not executed (as there will be no match between your stop price and prices in the band);

- if the system underlying the Service is not running Limit Orders and Stop Orders that are placed are not always executed. For Limit Orders and Stop Orders already in the system, we try to execute them at the earliest opportunity if the criteria for the order are still met when the system comes back online;
- if your Limit Order or Stop Order is at or above the Maximum Quote Size it will not be executed automatically (even partially) when the price reaches the limit. Where possible, we will use our reasonable endeavours to execute such orders manually.

**7.32** When working out how much is available in your Lloyds TSB Share Dealing Account for purchases which are not Limit Orders and Stop Orders, we ignore all Limit Orders and Stop Orders. This may mean that when the price reaches the limit there is not enough cash available in your Lloyds TSB Share Dealing Account, or where relevant your Nominated Bank Account, to settle a purchase. In this case, we will not execute the Limit Order or Stop Order.

**7.33** We can only accept Limit Orders or Stop Orders on sales of Securities held in your Lloyds TSB Share Dealing Account.

**7.34** To counter volatile markets, we try to prevent Limit Orders and Stop Orders from executing if the difference between the bid price you would get if you sold Securities and the offer price you would pay if you bought the Securities exceeds a certain percentage. This percentage can vary between 2% and 20% depending on the unit price of the Shares. In these circumstances we endeavour to:

- continue to monitor the Limit Order or Stop Order until it meets all trade execution criteria or it expires;
- provide protection from extreme 'spike' prices by ensuring that the price persists for a minimum length of time or forms part of a trend, before trying to execute a Stop Order based on that price; and
- prevent Stop Orders from executing in the first 10 minutes of market trading when prices can be at their most volatile.

If a corporate action affects the Share price, we endeavour to delete any open Limit Orders and Stop Orders in the Securities. However, it remains your responsibility to review your limit orders and ensure that limit orders are suitable in prevailing market conditions.

## 8 Provisions relating to specific types of Security.

**8.1** You may trade in UK or Irish Securities and certain CDIs using the Service. If you wish to trade in CDIs relating to US Securities, you must first complete a W-8BEN form. This is required under US tax regulations and you can obtain it from the Site or from Customer Services.

**8.2** If you place an order for the sale or transfer of any Securities subject to Rule 144 or 145(d) of the US Securities Act of 1933, or any other rule relating to restricted or controlled securities, you will inform us of the status of such Securities and provide us with the necessary documents (including legal opinions if so requested by us) to satisfy the legal transfer requirements.

**8.3** We may deal for you in Securities that have been the subject of stabilisation. There is information on stabilisation in the Risk Warnings at Part 1 of this document.

#### OEICs and unit trusts.

**8.4** When you place an order with us in relation to a unit trust or OEIC, we will give you an estimated price for the transaction. This is because unit trusts or OEICs are valued each day after the market has closed. If you confirm the order you are bound to deal at the next available price rather than the estimated price and you cannot cancel the order. We set out the details of the actual price you pay in the contract note we provide to you under Section 12.

**8.5** If you want us to deal in an OEIC or a unit trust at the price calculated at a valuation point on a particular day, you must confirm your order as early as possible before that relevant valuation point, and certainly not later than the time the valuation is made. This enables us to contact the relevant fund manager in good time.

**8.6** Where a refund of commission paid upfront in relation to a unit trust or an OEIC is payable, this will be refunded to you as an additional allocation of units in the unit trust or shares in the OEIC.

**8.7** We settle transactions directly with the relevant fund manager or through a third party provider, which may include an associate company or subsidiary of the Lloyds Banking Group. We aim to effect settlement promptly. In the case of unit trusts and other Collective Investment Schemes we are governed by the timetable for settlement that the scheme manager sets from time to time.

**8.8** Holdings of unit trusts and OEICs that have been transferred into your Lloyds TSB Share Dealing Account but are not on our selected list may be traded only by telephone and in some cases cannot be traded at all.

## 9 Instructions and communications.

**9.1** The language of any contract between you and us is English, and all communications between us will be in English.

**9.2** You may give us instructions (including, but not limited to, orders) in writing, online or through Customer Services or any other method we may agree ("Instructions"). We do not accept email instructions.

**9.3** Subject to Section 6.14, when you give us an Instruction we will normally act on it without asking for further confirmation. However, at our complete discretion, for your protection we may take steps to check whether you have authorised an Instruction.

**9.4** We may rely on any communication in any form which we reasonably believe to have been made by you or by your Agent or Attorney. You will be bound by any agreement entered into, or expense incurred, on your behalf by us relying on such a communication, even if it did not in fact come from you.

**9.5** Unless stated otherwise in these Terms and Conditions, all communications we send you:

- (a) by post will be deemed received by you two days after posting;
- (b) by fax or email will be deemed to be received immediately on sending; or
- (c) by secure electronic message will be deemed to be received as soon as we have sent it to your secure mailbox within the Site.

**9.6** We are not obliged to seek any confirmation from you that you have received a communication from us, and we are not liable to you for any delay or failure of delivery of a communication (for whatever reason) that was not our fault.

**9.7** For accounts in the names of Joint Account Holders, we send all communications to the Primary Account Holder, unless the Primary Account Holder asks for them to be sent to all Joint Account Holders or unless we are required by the FSA Rules to communicate with all Joint Account Holders. We send any such communication by post.

**9.8** Communications you send us are deemed to be received only once we have actually received them.

**9.9** It is your responsibility to check your secure electronic messages from time to time. After 90 calendar days we reserve the right to delete any such messages, and we are not liable for any losses that result from us doing so.

**9.10** We may agree to a request to send some communications to your mobile phone as SMS text messages in addition to our usual communications. This is not a standard part of the Service and we are not liable for any delay or failure of delivery of communication, or inaccuracy of information due to the communication being provided by SMS.

**9.11** We normally send all cheques and share certificates by ordinary first class post. Items such as identity documents you send us to verify your identity are returned to you by ordinary second class post. We send them all to your last known address and once they are posted, they are at your risk.

**9.12** When you speak to us on the telephone, we (and our administrators, agents, delegates or sub-contractors) may record or monitor the call. We will remind you about this at the start of every telephone conversation you have with us. We may use any such recordings (and transcripts of them):

- to make sure we carry out your instructions accurately;
- to help us maintain and improve service quality ;
- for security purposes; and
- as evidence in any dispute relating to the Service.

## 10 Your personal data.

**10.1** You agree that we may keep the personal details that you or others give us during your relationship with us on a Lloyds Banking Group database. These details may include:

- information that you or your agents give us on application forms, in letters, via electronic messages or over the phone;
- what we know from providing you with this Service and analysing the transactions you carry out through us; and
- information that comes to us from credit reference and fraud detection agencies or services, and registration or stock broking industry exchanges.

**10.2** We may store, use and process your personal information in accordance with the Data Protection Act 1998 in order to:

- assess your application to participate in this Service;

- provide you with services;
- identify other products and services that might be suitable for you;
- keep our records about you up to date;
- check your identity;
- prevent and detect fraud and/or money laundering;
- recover debts; and
- carry out research and statistical analysis about our services and how we might improve them. Sometimes we may use an outside market research agency to do this for us, in which case we undertake to ensure that they appropriately protect any personal customer data we share with them.

**10.3** Unless you instruct us otherwise (either through your Application Form or in connection with any other account held by us), we may contact you about products and services available from the Lloyds Banking Group and from selected companies outside the Group which we believe may interest or benefit you financially, unless you have told us that you do not want to receive this information. Other companies, including those in the Group, will not make marketing approaches to you without your consent. If you prefer not to receive this kind of information from us, simply let us know by calling Customer Services.

**10.4** Under the Data Protection Act 1998 you are entitled to a copy of the information we hold about you on request, on payment of a fee which is currently £10. If you think any information we hold about you is inaccurate, do not hesitate to let us know so that we can correct it.

**10.5** The information we hold about you is confidential. We will only ever disclose it outside the Lloyds Banking Group:

- at your request or with your consent;
- in line with paragraphs 10.1, 10.2 and 10.3 above;
- if the law requires or permits disclosure, or there is a duty to the public to reveal it;
- if we are asked to do so by the Financial Services Authority, the London Stock Exchange, HMRC or any other relevant regulatory authority or exchange in the UK or overseas;
- to investigate or prevent fraud or other crimes;
- to our agents and others in connection with running accounts and other services for you; or
- to any individual or company to whom we propose to transfer our obligations and rights in line with Section 18 of this agreement.

**10.6** We may administer your Lloyds TSB Share Dealing Account and provide you with some services via agencies in countries outside the European Economic Area (EEA) such as India or the USA where data protection laws and standards differ from those in the UK. But even if we are processing your personal details outside the EEA:

- there will always be a contract in place to ensure that such information is appropriately protected; and
- we will continue to be strictly bound by the UK's Data Protection Act 1998.

**10.7** To confirm your identity we may make searches with credit reference agencies, including electoral register information. This search may be recorded by the credit reference agencies but it will not be used by other lenders or insurer when assessing lending or insurance risks, although it may be used for debt tracing and to prevent money laundering. We may check what you have told us and share information with fraud prevention agencies. You must give us accurate information as if you give false or inaccurate data and we suspect fraud, we will record this with the fraud prevention agencies. These records may be used by us and other organisations to help make decisions about you and members of your household:

- for credit and credit related services, and to manage your accounts;
- for motor, household, credit, life and other insurance proposals or insurance claims; and
- for fraud prevention, debtor tracing, debt recovery, and to check your identity to prevent money laundering.

If you ask, we will tell you which credit reference and fraud prevention agencies we have used so you can get a copy of your details from them.

**10.9** We monitor and record telephone calls in line with the FSA Rules and in case we need to check we have carried out your instructions correctly and to help maintain our quality standards.

**10.10** Information may be gathered from your use of the Site through "cookies" to help enhance the service we provide. Cookies are blocks of text placed in files on your computer's hard drive when you visit a website which contains information to recognise repeat visitors. A cookie does not contain any personal information unless the cookie is attached to personal information collected another way, such as by means of an Application Form.

**10.11** When you enter into any agreement to which these Terms and Conditions apply, you are freely consenting to the processing and disclosure of your personal information for these purposes. You also agree that we may amend the purposes to include other uses or disclosures of personal information, as long as we notify you by post, or by a secure electronic message on the Site.

## 11 How we hold your investments.

### Securities

- 11.1** You authorise Lloyds TSB to engage agents or sub-contractors to perform administrative, custodial and ancillary services in connection with the safekeeping of your Securities. Lloyds TSB accept responsibility for its own safe custody obligations and those of any custodian which is a member of the Lloyds Banking Group. Lloyds TSB exercise reasonable care in selecting and supervising other custodians, but beyond that do not accept responsibility for any default by them in the performance of their obligations, unless any loss is a direct result of Lloyds TSB's fraud, wilful default or negligence or a breach of the FSA Rules.
- 11.2** Your Securities will be registered in the name of a nominee or sub-custodian appointed by Lloyds TSB and held directly or indirectly to the order of Lloyds TSB. Your Securities will be held as part of an unallocated pool and Securities in the pool are not identifiable as belonging to any individual client. This means that if any nominee or sub-custodian becomes insolvent and there is a shortfall which cannot be reconciled, you and other account holders will share proportionately in that shortfall. If a nominee owned by Lloyds TSB defaults, Lloyds TSB accepts full responsibility for it.
- 11.3** You authorise us to arrange for foreign Securities to be held outside of the jurisdiction in which we provide the Services. In the event that we exercise this right, different settlement, legal and regulatory systems may apply in such jurisdiction to those in the jurisdiction in which we provide the Services. In particular, in some jurisdictions it may not be possible to identify Securities held by a third party custodian for our clients from those which it holds for itself or for us. This means that where you hold foreign Securities with us, there is a risk that those Securities could be withdrawn or used to meet the obligations of a third party custodian, or lost altogether if the third party custodian becomes insolvent.
- 11.4** You agree that any foreign investment or money may be subject to a lien, right of set-off or other security interest or similar rights in favour of any custodian, sub-custodian, nominee or agent appointed by us (or the sub-custodian, nominee or agent of any custodian appointed by us) in accordance with the agreement relating to the administration and safekeeping of such foreign Securities or money or of any depository or settlement system.
- 11.5** You remain the beneficial owner of your Securities but, subject to the ISA Terms and Conditions, you may lose any shareholder incentive and voting rights attached to your Securities when they transfer to a nominee company. Any nominee, custodian or sub-custodian used by us has no responsibility to vote and cannot exercise shareholder voting rights unless you have given specific instructions on how it should vote on your behalf. Without your Instruction neither we nor any nominee, custodian or sub-custodian will accept a take-over offer or offer for your Securities, unless they are compulsorily acquired. We will accept any compulsory purchase notices concerning your Securities on your behalf and where there is more than one option, we will accept the default option. If we do so, we will not be liable for any resulting tax or other financial liability.
- 11.6** Subject to the ISA Terms and Conditions, we shall not become involved or have any responsibility for any shareholder action in respect of any Securities registered in the name of any nominee, custodian or sub-custodian. If we find out about any such action that affects your Securities we may, at our discretion, inform you of it.
- 11.7** If there are compulsory capital events such as cash dividends, conversions and consolidations, we will notify you of these changes and adjust your relevant Lloyds TSB Share Dealing Account with the resulting cash or Securities.
- 11.8** If there is an optional capital event relating to your Securities, we will use reasonable endeavours to let you know and obtain your Instructions. However, we are not responsible for any losses that arise if the notification does not reach you, or because we could not carry out your Instructions as a result of circumstances beyond our control. If we do not receive your Instructions by the applicable deadline we will proceed in the way we notified to you at the time we sought your Instructions. As long as we receive your Instructions by the applicable deadline, we will take all reasonable steps to carry out your Instructions.

**11.9** If we are in the process of transferring Securities into any nominee, custodian or sub-custodian and a corporate action or company restructuring is pending in relation to them, we may not be able to complete the transfer and are not liable for the fact we cannot do so. If we become aware of any corporate action in relation to Securities, we may cancel any Instruction in relation to them, in which case we will notify you that we have done so.

**11.10** Restrictions on the transfer and redemption of loan notes and other debentures may mean that we cannot transfer or redeem all or part of your holding, for instance, if there is a capital event.

**11.11** Because of the collective way we hold your investments, when Shares are tendered in a special sale offer you may receive restricted or scaled-down allocations. If this happens we allocate the entitlement we receive among the customers concerned on a fair and equitable basis, pro-rated to the size of their individual holdings.

**11.12** Where a company offers shareholders the opportunity to receive dividends in the form of shares (scrip) rather than cash, we do not choose the scrip option unless you specifically instruct us to do so. If you decide to instruct us to take this option, we can only do so in relation to all of the Securities that offer script dividends in your Lloyds TSB Share Dealing Account. Once you have instructed us to choose the scrip option in respect of a particular holding that Instruction applies to all Securities in that holding that you own now or acquire in the future.

**11.13** We calculate your entitlement to shares arising on a corporate action to the nearest whole share, rounded down, and this may leave unallocated fractions of shares. Normally these fractions are of insignificant value. We deal with these fractions in a way that we consider is as near as possible to what would have happened if each of the customers concerned had a separate registered holding. Subject to this, we may add any remaining fractions together, sell them and keep the proceeds to set against our operating expenses.

**11.14** If you sell or transfer a share "cum dividend", "cum rights", "cum bonus" or with another entitlement, the dividend or other benefit goes to the purchaser. Amounts in respect of dividends and other payments we receive for you but which are due to the subsequent purchaser of your investments will be deducted from your Lloyds TSB Share Dealing Account or (if applicable) your Nominated Bank Account.

**11.15** If you wish to receive annual reports and accounts, attend company annual or extraordinary general meetings, or exercise voting rights in respect of Securities held in your Lloyds TSB Share Dealing Account, you need to contact us and make a separate request for each event.

### Cash Balances

**11.16** We hold all cash in your Lloyds TSB Share Dealing Account as banker and not as trustee, it is not treated as client money under the FSA's client money rules. It is held in an account in our name.

**11.17** As soon as is practicable after we receive payment, we pay dividends, interest and other cash from your investments into either your Lloyds TSB Share Dealing Account, or your Nominated Bank Account according to your standing Instruction. We are not responsible for losses caused by the default of others, including unpaid or late dividends and interest payments. We convert any sums we receive in a foreign currency into sterling at the ruling exchange rate. We are not responsible for the effect of exchange rate movements between the date the payment becomes due and its receipt by us.

**11.18** We pay interest quarterly on cash in your Lloyds TSB Share Dealing Account that is not earmarked for settlement of a purchase. We calculate this interest daily and pay it to you in line with our Rates and Charges and any Applicable Regulations.

**11.19** We do not apply credit or debit interest on money passing temporarily through our share settlement or dividend collection accounts.

## 12 Statements and Reports.

**12.1** Following the sale or purchase of Securities through the Service, we will send you a contract note by secure electronic message containing full details of any transaction no later than the first Business Day after we receive a confirmation that this has been carried out from the entity used by us to carry out the transaction. We may also post contract notes if you request it or if the FSA Rules require it. We only send contract notes to Joint Account Holders other than the first named where this has been requested. You cannot assume that any order placed through the Service has been executed until you have received a contract note, or we have confirmed the deal to you in some other way.

**12.2** You will be deemed to have received a contract note two days after posting, unless you inform us that it hasn't reached you.

- 12.3** If you think that the information on the contract note is incorrect you must notify us as soon as possible. You should keep the contract note for tax purposes. We keep a copy of your contract note for five years and can supply a duplicate copy for a fee (details are in our Rates and Charges).
- 12.4** You can view details of the Securities and cash in your Lloyds TSB Share Dealing Account via the secure section of the Site. We will send you a statement annually listing the Securities and cash balance in your Lloyds TSB Share Dealing Account, with a valuation of the Securities and other relevant information that may be required. Statements are based on transaction dates and may include transactions which have begun but not yet completed. We will send you your statement by post and secure message.
- 12.5** We will send you a portfolio valuation six months after the annual statement. You can also request a valuation of your Lloyds TSB Share Dealing Account, at any time. The cost of preparing and sending you additional valuations is in our Rates and Charges and will be collected from the cash in your Lloyds TSB Share Dealing Account or your Nominated Bank Account if you would prefer. If there are not enough available funds in either of the above-mentioned accounts to cover the cost of an additional valuation, we are not obliged to send one to you. We reserve the right to set off the cost of an additional valuation in accordance with Section 16.
- 12.6** If it is relevant, we will send to you a consolidated tax certificate with your annual statement, as referred to clause 12.4 above, in respect of your dividends and interest, after the end of the tax year. In the case of joint holders, we send the certificate to the first-named holder on the Lloyds TSB Share Dealing Account.

## 13 Rates and Charges.

- 13.1** The commission and charges you pay under these Terms and Conditions are set out in our Rates and Charges. We may change them from time to time and you can see them on the Site or request a copy from Customer Services at any time. You must also pay any applicable taxes, duties, and other transaction costs due on your transactions. When we calculate our Rates and Charges we round up fractions of a penny to the nearest penny.
- 13.2** We may charge separately if we supply any extra services outside those specified in this agreement or in our Rates and Charges. We will tell you about these separate charges before we supply you with any extra services.
- 13.3** If you deal on the telephone, by choice or because the Securities cannot be dealt online, or because you are not the Primary Account Holder of a joint Lloyds TSB Share Dealing Account, or because you are an Agent or Attorney, telephone rates will apply. We will give you the details of these rates at the time of dealing.
- 13.4** In the first instance we will collect Fees and Charges, any value added tax, any other taxes we are legally required to charge you and any interest due because of any late payments due to us by debiting your Nominated Bank Account if you have asked us to do so and there is enough available cleared funds in that account. We may deduct any charges due to us (or agents used by us) from your Lloyds TSB Share Dealing Account. We also accept Direct Debit, debit card or bank transfer payments. We may agree to accept payment by cheque or CHAPS.
- 13.5** You are at all times fully responsible for paying all taxes due in relation to any services we carry on for or with you, or any money and Securities in your Lloyds TSB Share Dealing Account. For example, depending on your circumstances you may have to pay capital gains tax on the proceeds of Securities you sell, and tax on dividends and interest you receive.
- 13.6** We may send you or publish promotional codes that give you preferential rates for some or all of our services. To gain any such preferential rates you have to use the codes in the way we lay down. There are no refunds for any codes you do not use. We reserve the right to withdraw any preferential rates at our discretion.
- 13.7** All sums due from you to us (including any administration charges arising for any late or non payment) which are not paid on the due date may, from the date upon which the sums become outstanding up until payment in full has been received, be charged interest by us. Such interest will be applied on a daily basis, and at an annual rate (which may be varied by us from time to time) as set out on the Site. We reserve the right to charge compound interest and/or statutory interest on any unpaid sums due from you to us.
- 14.2** We will retain any cash balances of £3.00 (and where in a foreign currency as converted to pounds sterling) or less of any future aggregate balances which are accrued to you from dividends, interest or tax reclaims or any other such balance which is paid to us after your Lloyds TSB Share Dealing Account is closed by us or you. You agree to relinquish any right, interest or claim over or in such cash balances.
- 14.3** We shall carry out your request to close your Lloyds TSB Share Dealing Account after making any deductions we are entitled to as set out in Section 16.
- 14.4** Ending this agreement will not affect any outstanding transactions or any rights or obligations which may already have arisen between us. Subject to section 14.8 we will complete any transactions in progress at the date this agreement ends in accordance with these Terms and Conditions as soon as practicable. Ending this agreement does not affect any rights or remedies created by these Terms and Conditions, and in particular anything contained in Section 20 of these Terms and Conditions, or any matters that arise before the date this agreement ends.
- 14.5** If any of your Lloyds TSB Share Dealing Accounts are closed (by us or you) we will arrange to send you, or a nominee you have notified to us in accordance with these Terms and Conditions, any cash or Securities in your relevant account subject to the rest of this Section 14 and Section 16. We will do this as soon as reasonably practicable.
- 14.6** We may deposit any Securities which have no beneficial value at all in an account of our choice after our agreement with you ends for whatever reason provided that we give you 30 calendar days' notice in writing of our intention to do so. If any of the Securities later regain any beneficial value, you agree by way of this agreement to assign to us or our nominee, custodian or sub-custodian all your beneficial right and interests in the Securities absolutely, with all other rights attached or accruing to them, on the date that the Securities regain any beneficial value to enable us or our nominee, custodian or sub-custodian to transfer such rights and interest in the Securities to ShareGift, its successors or assignees.
- 14.7** We may terminate the agreement between you and us and close your Lloyds TSB Share Dealing Account immediately or upon giving you such period of notice as we are reasonably able to provide in the circumstances, if you:
- (a) cease to hold a UK bank account;
  - (b) if your Lloyds TSB Share Dealing Account has not held any Securities or cash for more than 12 months;
  - (c) we reasonably suspect that you are using all or any of your accounts held by us for illegal purposes or we are required to by law or other regulations;
  - (d) if we find out that there is a disagreement about who owns or has authority to deal in the Securities held for you under this Service (including a disagreement between Joint Account Holders);
  - (e) where you have failed to perform, or we consider that you may not be reasonably able or willing to perform any of your obligations to us and you have failed to rectify such defaults within a reasonable time period (provided that any such default is capable of rectification). An example is where you have failed to make a payment by the settlement date notified to you by us; or
  - (f) where there is a change in market or economic conditions that mean that we are not reasonably able to continue providing the service to you.
- 14.8** Without prejudice to our right to terminate the agreement between you and us and close your Lloyds TSB Share Dealing Account as stated at clause 14.7 above, we may freeze your Lloyds TSB Share Dealing Account and all or some of the Securities held for you by our nominee, custodian or sub-custodian under that account, if any of the circumstances in 14.7 (b) to (f) arise. This means that we will not allow anyone to deal with those Securities or carry out any transactions until we are satisfied that you are not using your Lloyds TSB Share Dealing Account for illegal purposes or that any of the above circumstances or any further conditions you may be asked to meet are fulfilled to our reasonable satisfaction.
- Where you fail to rectify any of the circumstances in 14.7 (b) to (f) (provided that any such circumstance is capable of rectification) within a reasonable time period and we terminate the agreement between you and us and close your Lloyds TSB Share Dealing Account we will:

## 14 Ending the Agreement and closing the Lloyds TSB Share Dealing Account.

- 14.1** There is no minimum duration to this agreement and you can close your Lloyds TSB Share Dealing Account by giving us written notice, to take effect immediately or when you specify in the notice.
- treat any outstanding transaction in Securities as cancelled and terminated;
  - close out, replace or reverse any such transaction in Securities, or take, or refrain from taking such other action at such times and in a manner we consider reasonably necessary or appropriate.

- claim any outstanding amounts including any administration charges that you owe us together and interest on that amount at the rate set out in our Rates and Charges (calculated on a daily basis) from that date until payment in full has been received;
- apply any cleared funds from any account you may have with Lloyds TSB or any associated company towards settling the total amount owed by you to us on your Lloyds TSB Share Dealing Account or if there are insufficient cleared funds to arrange the sale of your Shares that we hold, or instruct our nominees, custodians or sub-custodians to do the same where you do not have sufficient funds, or you fail to settle any outstanding amounts and interest thereupon due from you to us and apply the proceeds towards settling the total amount owed by you. Any further shortfall will still be due from you in accordance with our rights in Section 16;
- take any further steps we reasonably believe necessary to cover, reduce or eliminate our loss or liability under or in respect to any contract, positions or commitments. An example would be that where we reasonably believe that any amount owed by you to us will not be paid we reserve the right to pass your details to a third party for debt collection purposes.

## 15. Arrangements on your death.

- 15.1** If we receive proof of your death that is satisfactory to us, our nominee, custodian or sub-custodian will continue to hold your Securities and any cash held in your Lloyds TSB Share Dealing Account and/or your Lloyds TSB Share Dealing ISA. If our nominee, custodian or sub-custodian was holding your Securities and, if applicable, cash only for you, our nominee, custodian or sub-custodian will follow the instructions of your personal representatives subject to your personal representatives satisfying us that they have the appropriate authority to act on behalf of your estate. If our nominee, custodian or sub-custodian was holding those Securities and, if applicable, cash for you and other joint holders, our nominee, custodian or sub-custodian will follow the instructions of the other joint holders.
- 15.2** When we have received satisfactory evidence of your death, and we are asked by your personal representatives or other person entitled to the Securities in your Lloyds TSB Share Dealing Account, we will sell those Securities and pay the proceeds and any other cash in your Lloyds TSB Share Dealing Account (less any money owed to us or the HM Revenue & Customs) to them subject to our verification of their identity and in accordance with the terms of this Agreement. Alternatively, if your personal representatives or any other person entitled to the Securities in your Lloyds TSB Share Dealing Account ask us to register them in the name of another person or persons, we will do this once we have been able to verify their identity (less any money owed to us or the HM Revenue & Customs). Your Lloyds TSB Share Dealing Account will then be closed.
- 15.3** Until we sell or transfer the Securities, they will be subject to daily price movements as normal. When we know who your personal representatives are, and subject to the above sub-clauses 15.1 and 15.2, we will tell them the value of the Securities and cash in your Lloyds TSB Share Dealing Account on the date of your death.
- 15.4** For an ISA, any tax exempt status will end on the date of your death and we will stop collecting any monthly subscriptions, if relevant.

## 16. Our Rights of charge, set off, and combination of accounts.

- 16.1** All of your Securities and any cash held in your Lloyds TSB Share Dealing Account from time to time whether or not in an ISA Account are subject to a general charge (security interest) in our favour to cover any outstanding amount due from you to us for the provision of the Services. This means that if you fail, within a reasonable time period, to pay any outstanding sum due from you to us in full we will keep and/or sell any or all of your Securities or cash held in your Lloyds TSB Share Dealing Account in order to pay off such outstanding sums due from you to us. You may lose part or all of your Securities or cash held in your Lloyds TSB Share Dealing Account and any ISA account if you fail to pay any outstanding sums due to us.
- 16.2** We will be entitled to collect the amount in question from your Lloyds TSB Share Dealing Account or your Nominated Bank Account, on the date it becomes due. If you fail to pay any amount due to us, we have the right at any time to debit and/or combine and/or consolidate all or any of your Lloyds TSB Share Dealing Accounts and any bank accounts you have with Lloyds TSB, or any associated company in such a reasonable manner as we may determine. If any account contains a deposit that has not matured, we may break the deposit for this purpose. If the accounts are in different currencies we may convert the balance on one account into the currency of another account.

- 16.3** You authorise us to apply any cleared funds that we hold or may be held for you under any other account you may have with Lloyds TSB or any associated company towards settling the total amount owed by you on your Lloyds TSB Share Dealing Accounts. Any shortfall will still be due from you.

## 17. Your cancellation rights.

- 17.1** You can cancel your Lloyds TSB Share Dealing account by writing to us within 14 calendar days of receiving our notice that we have accepted your Application form.
- 17.2** On cancellation we transfer any Securities and/or cash from your account into your own name, where possible. We do not reimburse you for any fall in the value of those investments, or any expenses and taxes paid out on your behalf, or for dealings in investments made at your request before cancellation. Your notice of cancellation does not cancel any orders already made to deal in Securities. The normal charges will apply to those orders.

## 18. Transferring this agreement.

- 18.1** The obligations under these Terms and Conditions are binding on you and us, and our respective successors and personal representatives. Similarly, the rights are enforceable by you and us, and our respective successors and personal representatives.
- 18.2** We may at any time transfer all or any part of our rights, benefits and/or obligations under the Terms and Conditions to any third party who is authorised by the FSA to offer the Service. The transfer becomes effective and we are released from our obligations when:
- we deliver a written notice of the transfer to you by post; and
  - the third party delivers a notice to you by post, undertaking to carry out the obligations arising under these Terms and Conditions.

Remember you have a right to close your account at any time as set out in Section 14.

- 18.3** As part of transferring our rights and obligations to a third party, we may transfer all the cash and Securities in your Lloyds TSB Share Dealing Account to the third party or its nominee, together with the information we hold about you.
- 18.4** Your rights under these Terms and Conditions are personal to you and you cannot transfer them to anyone else. No-one else may perform your obligations under these Terms and Conditions without our written agreement.

## 19. Our policy on conflicts of interest.

- 19.1** Lloyds TSB has established and implemented a Conflicts Policy (which may be revised and updated from time to time) in line with the FSA rules, which sets out how we must seek to identify and manage all conflicts of interest which arise in the course of our provision of the Service to you and entail a material risk of damage to the interests of a client. This clause 19 provides a summary of our Conflicts Policy.
- 19.2** We will take all reasonable steps to prevent a conflict of interest from constituting or giving rise to a material risk of damage to a client, in accordance with our Conflicts Policy. Such actions may include putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of information, and/or involve the appropriate management of staff activities and segregation of duties. Where implementing our Conflicts Policy would be insufficient to eliminate the potential material risk of damage to clients from specific conflicts, then we will disclose the general nature and/or source of those conflicts of interest to you prior to us undertaking the relevant business, so that you can decide whether to consent to us doing so.
- 19.3** We may carry out transactions on your behalf with product providers and other companies who pay us fees, commissions and/or provide us with other non-monetary benefits such as training, research reports, access to information terminals, hospitality, marketing materials, sales documentation, travel and accommodation expenses and other similar items. We may pay or receive such fees or commissions, or provide or receive such non-monetary benefits, to or from other third parties in connection with the business that we carry on with you.
- 19.4** In accordance with the FSA Rules, we will not pay or accept any fee, commission or other non-monetary benefit if it is likely to impair our ability to act in your best interests or which is not designed to enhance the quality of the Service to you.
- 19.5** Where you deal in a Collective Investment Scheme, as well as an initial dealing charge for purchases, which is deducted at the time of your investment, an ongoing or annual fund management charge is levied by the fund manager which may be deducted periodically or on an ad hoc basis. These ongoing or annual fund management charges will vary

according to the provider. We may receive a proportion of these ongoing or annual management charges whilst you remain invested in the relevant Collective Investment Scheme.

- 19.6** In accordance with the FSA Rules, we will provide details of any other fees or commission or non-monetary benefits that we may pay or receive before we do the relevant business with you.
- 19.7** If you would like further details of our policy on conflicts of interest please contact Customer Services.

## 20 Liability and Indemnity.

### Your liability to us

**20.1** You, and any Attorney or Agent agree to indemnify us and any Indemnified Person against all liabilities reasonably incurred in connection with the proper performance of the Service. This indemnity includes, but is not limited to, all losses, costs, liabilities or expenses (including, without limitation, loss of profit) incurred by any Indemnified Person in connection with these Terms and Conditions, including without limitation;

- any agreement we entered into on your behalf;
- any service performed under these Terms and Conditions;
- your access to the Service; or
- instructions to third parties in connection with any transaction entered by you or on your behalf.

This indemnity does not apply to any Indemnified Person insofar as such losses, costs, liabilities and expenses result directly from a breach of the FSA Rules by, or the negligence, wilful default or fraud, of such Indemnified Person.

### Our Liability to you

**20.2** When we accept an Instruction from you, we will do everything we can to carry it out. However, we will not be liable for any loss or expense you incur because:

- we were unable to carry it out for any reason, or
- there was a delay in implementing your instruction because of:
  - changes in market conditions before the transaction could be made
  - our taking steps to check your authorisation for the instruction
  - our taking steps to check there was money available to settle the transaction
  - a delay in our receipt of cleared funds
  - compliance with internal procedures or laws against money laundering
  - considering and handling any special request on your part
  - your placing an order that exceeds the Maximum Quote Size
  - any other good reasonas long as we have acted reasonably, and as long as we have not been guilty of negligence, wilful default, fraud or a breach of the Conduct of Business Sourcebook or the Client Assets Sourcebook of the FSA Rules.

**20.3** We will not be liable for any special consequential or indirect loss (including direct or indirect loss of profit), however caused, nor for any loss connected to the timing of a transaction, unless the loss results from fraud, wilful default or negligence by us, our employees or agents, or a breach of the FSA Rules on our or their part. This does not exclude or limit any obligations we owe you as our customer under the FSA Rules or the Financial Services and Markets Act 2000. It includes any losses, costs, damages or expenses you incur as a result of delay, interruption or suspension of the Service because of industrial action or any other cause beyond our reasonable control, subject to our having complied with the FSA Rules on business continuity in all relevant respects. If this type of situation arises, however, we will remedy the situation as soon as reasonably possible.

**20.4** While we take all reasonable security precautions to safeguard data and communications, we disclaim any liability if data or communications are intercepted. The Internet in particular, may be subject to interruption, transmission blackout and delayed transmission due to high Internet traffic or incorrect data transmission. Neither we nor any of our associated companies or third parties working for us to provide the Service will be responsible for any damages caused by line failure, unauthorised access, theft, systems failure, service interruption, computer virus and other factors beyond our reasonable control, provided we have complied with the FSA Rules on business continuity in all relevant respects. If this type of situation arises, however, we will remedy the situation as soon as reasonably possible.

**20.5** While we aim to be contactable by telephone during our dealing hours, there may be occasions (for instance, in extreme market conditions) when we are unable to handle all calls promptly or to place deals. We will not be liable for any loss you may suffer because you are unable to place an order in these circumstances.

**20.6** The Internet is not a completely reliable transmission medium. Neither we nor any of our associated companies accept liability for:

- any losses, costs, liabilities or expenses (including, though not limited to, any loss of profits) which may arise directly or indirectly if you cannot access or use the Service for any reason
- any delay in, or failure of, the transmission or receipt of any instructions or notifications sent through the Service.

Again, this is provided we have complied with the FSA Rules on business continuity in all relevant respects.

**20.7** We will not be liable to you if we fail to carry out any of our obligations when the cause is beyond our reasonable control. This includes (but is not limited to);

- any breakdown or failure of transmission, or any computer failure
- any failure of communications including industrial action, and/or
- the failure of any relevant stock exchange, clearing house, market counterparty and/or broker to perform its obligations.

**20.8** Nothing in this agreement excludes or restricts any liability that the FSA Rules say cannot be excluded. To the extent that the FSA Rules make us liable for something, this agreement will be deemed to say so explicitly.

## 21 Other matters.

### Changing these Terms and Conditions

**21.1** We may change any of these Terms and Conditions on giving you reasonable notice in accordance with the FSA Rules and Applicable Regulations, if and when it is necessary or appropriate to do so to:

- comply with legal, tax or regulatory requirements;
- correct any errors, omissions, inaccuracies or ambiguities;
- take account of any corporate reorganisations within the Lloyds Banking Group;
- reflect a change in market conditions or the overall cost of providing the Service to our customers;
- reflect a change in technology to cover a development or change in the Service or in the facilities we provide;
- reflect developments in market practices; or
- on a transfer in accordance with paragraph 18.2, to reflect the terms and conditions on which the new provider offers a similar service, or the computer systems the new provider will use to provide the Service.

**21.2** Any amendment that reflects a change of Applicable Regulations may take effect immediately, if the law requires this, or on a date we specify. All other amendments only take effect on the date we specify, which will be at least 14 calendar days after sending out the notice or secure electronic message.

### Governing Law and Jurisdiction

**21.3** These Terms and Conditions are governed by English law. You agree that legal action relating to this agreement may only be dealt with by the Courts of England and Wales.

### Delegation

**21.4** We may select and employ administrators, agents, delegates and subcontractors on any terms and for any purposes we think appropriate. The administrator of Lloyds TSB Share Dealing is currently Equiniti Financial Services Limited which is authorised and regulated by the Financial Services Authority. We reserve the right to change the administrator at any time.

### Third Party Rights

**21.5** Where the Terms and Conditions create rights in favour of third parties that are our associated companies, then those third parties shall be entitled to enforce those rights under the Terms and Conditions. Subject to anything earlier in this paragraph, a person who is not a party to these Terms and Conditions may not enforce their terms under the Contracts (Rights of Third Parties) Act 1999.

### Severability

**21.6** If any section, sub-section or sentence of the Terms and Conditions is void, voidable or unenforceable, it will be given no effect and treated as if it were not included in this Agreement, but the validity or enforceability of the remaining provisions will not be affected.

## No waiver

**21.7** Our rights and remedies, powers and privileges contained in these Terms and Conditions are cumulative and in addition to any legal rights or remedies. If we decide to waive a right or remedy on one occasion, it will not stop us from exercising it on another occasion.

## 22 Complaints.

- 22.1** If you have a complaint about the service we provide under this agreement you may complain to us by contacting The Service Quality Team, PO Box 4608, Worthing BN99 6NZ. We will investigate your complaint in accordance with the FSA Rules and our complaints handling procedure, and advise you of your options. If we are unable to resolve your complaint to your satisfaction you may refer your complaint to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall. London E14 9SR.
- 22.2** You can find full details of how we deal with complaints in our leaflet 'How to voice your concerns', which we send to you if you request it or if you make a complaint.

## 23 Compensation.

- 23.1** Lloyds TSB Bank plc is a member of the Financial Services Compensation Scheme (the "Scheme"), the UK's independent compensation fund of last resort for retail clients. Depending on the type of service or product giving rise to your claim and the circumstances of your claim, you may be entitled to compensation from the Scheme if we are unable, or likely to be unable, to pay claims. This will usually arise where we have stopped trading or have become insolvent.
- 23.2** The Scheme covers investment business (such as share dealing accounts, whether ISAs or not) for 100% of the first £50,000 per claimant per firm. If you would like a leaflet with further details, please either call the Scheme's Helpline on 02078927300, or log onto their website at [www.fscs.org.uk](http://www.fscs.org.uk) or write to: Financial Services Compensation Scheme, 7th floor Lloyds Chambers, Portsoken Street. London E1 8BN.

# Part 3: Terms and Conditions for the Lloyds TSB Share Dealing ISA.

## 1. Introduction.

- 1.1** These ISA Terms and Conditions will have effect if you apply for a Lloyds TSB Share Dealing ISA to be opened within a Lloyds TSB Share Dealing Account. They will take effect as a legally binding agreement between you and us once you have sent us an ISA Application Form and we have accepted you as a customer. Please read the Terms and Conditions carefully.
- 1.2** Except as otherwise provided in the ISA Terms and Conditions, the General Terms and Conditions also apply to your Lloyds TSB Share Dealing ISA, with references to 'us' in the General Terms and Conditions referring in these Terms and Conditions to us as your ISA Manager. Words in these ISA Terms and Conditions which are capitalised shall have the meanings set out in Section 2 below, or, if no meaning is given in Section 2 below, the same meaning as is given in Section 2 of the General Terms and Conditions. If the General Terms and Conditions conflict with these ISA Terms and Conditions, these ISA Terms and Conditions prevail. You cannot use the Lloyds TSB Share Dealing ISA service unless you have agreed to the General Terms and Conditions as well as these specific Terms and Conditions for the Lloyds TSB Share Dealing ISA.

## 2 Definitions.

- ISA Application Form** – the application form for the Lloyds TSB Share Dealing ISA which is available from us.
- ISA Investments** – Securities and cash held in a Lloyds TSB Share Dealing ISA.
- ISA Manager** – a person approved to manage ISAs under the Regulations.
- ISA Transfer Form** – the form to transfer an existing ISA to a Lloyds TSB Share Dealing ISA which is available from us.
- Cash ISA** – an ISA which provides for investments of cash only in accordance with the Regulations.
- General Terms and Conditions** – Lloyds TSB Share Dealing Terms and Conditions, (excluding these Lloyds TSB Share Dealing ISA Terms and Conditions).
- Lloyds TSB Share Dealing ISA** – An Individual Savings Account (ISA) governed by these Terms and Conditions and operated in accordance with the Regulations, as a stocks and shares account.
- Qualifying Investments** – Investments which can be held in an ISA in accordance with the Regulations.
- Regulations** – The Individual Savings Account Regulations 1998 as from time to time amended and in force.
- Stocks and Shares ISA** – an ISA which provides for investments into stocks and shares in accordance with the Regulations.
- Subscription Limits** – the limit to the amount you can subscribe to a Stocks and Shares ISA in any Tax Year as set by HM Revenue and Customs under the Regulations from time to time.
- Tax Year** – The period beginning on 6 April in any calendar year and ending on 5 April in the following year.

## 3 The service we provide.

- 3.1** Your ISA is a self-select Stocks and Shares ISA and you are responsible for making investment decisions. If you have any queries or questions on specific investments or whether an ISA is, or remains suitable for you, you should consult a suitably qualified professional adviser. Please see Section 3 of the General Terms and Conditions for further information.

## 4 Eligibility for an ISA.

- 4.1** You must be aged 18 or over to apply for a Lloyds TSB Share Dealing ISA.
- 4.2** You must be resident or ordinarily resident in the United Kingdom (excluding the Channel Islands and the Isle of Man) for tax purposes. If you are not, you must either be performing duties which by virtue of Section 28 of the Income Tax (Earnings & Pensions Act 2003) Crown employees serving overseas are treated as being performed in the United Kingdom, or be married to or in civil partnership with someone who does perform such duties.
- 4.3** You must not already have subscribed to another stocks and shares ISA in the same Tax Year that you subscribe to the Lloyds TSB Share Dealing ISA.
- 4.4** As an ISA cannot be in joint names, section 6.9 of the General Terms and Conditions and any other references to Joint Account Holders do not apply to the Lloyds TSB Share Dealing ISA.

- 4.5 You must tell us immediately if you cease to be eligible under these ISA Terms and Conditions or the Regulations.

## 5 Your application.

- 5.1 To open a Lloyds TSB Stocks and Shares ISA you will need to complete an ISA Application Form which includes personal information and a declaration as required by the Regulations.
- 5.2 To ensure that we can process your application before the end of the Tax Year we must normally receive your fully completed Application Form at least three weeks before the end of the Tax Year.
- 5.3 We reserve the right to refuse your application for a Lloyds TSB Share Dealing ISA if we believe that any of the information you provide is incorrect or if we believe you are not eligible to subscribe to an ISA under the Regulations.
- 5.4 If you do not fully complete your Application Form we will open your ISA provisionally and ask you to give us the missing details before we accept your application and open your ISA. You must give us all missing details within 30 calendar days of your application. If you do not respond with the missing details in this 30 day period, your application will be cancelled and any tax exemptions lost.
- 5.5 When you open a Lloyds TSB Share Dealing ISA we will automatically open a Nominee Account for you, if you do not already have one. Both the Nominee Account and the Lloyds TSB Share Dealing ISA sit within a Lloyds TSB Share Dealing Account and are subject to our General Terms and Conditions.
- 5.6 Another person may apply for a Lloyds TSB Share Dealing ISA on your behalf only where you are not able to do so by reason of mental disorder or incapacity, physical disability, illness or old age, in accordance with Applicable Regulations and Applicable Guidance.

## 6 Subscriptions.

- 6.1 In accordance with the Regulations you may subscribe to your Lloyds TSB Share Dealing ISA up to the Subscription Limit in any Tax Year. You cannot exceed these limits, which may change from time to time because of changes in Applicable Regulation.
- 6.2 You may make regular monthly contributions to a current Lloyds TSB Share Dealing ISA by Direct Debit. You cannot make further contributions to ISAs opened in previous tax years.
- 6.3 If you apply to open an ISA using cash held in a Lloyds TSB Share Dealing Nominee Account, we will not transfer money from your Lloyds TSB Share Dealing Nominee Account until we have accepted your application for an ISA.
- 6.4 When you make any subscription payment to us, if the funds do not clear then a valid subscription will not have been made, and this will not count towards your subscription limit. To the extent permitted by the FSA Rules, we are not liable for any loss or delay caused in the payment or transfer of funds to us.

## 7 Transferring ISAs.

### Transferring an ISA to Lloyds TSB

- 7.1 Under the Regulations you may apply to transfer:
- all of your subscriptions made during the current Tax Year and any investments bought with those subscriptions; and/or
  - subscription and investments made during the previous Tax Years in whole or in part, from another stocks and shares or cash ISA to a Lloyds TSB Share Dealing ISA. To do this you will need to fill in both an ISA Application Form and an ISA Transfer Form.
- 7.2 Under the Regulations, we can only accept:
- transfers from stocks and shares ISAs which are Qualifying Investments; or
  - transfers from cash ISAs.

### Transferring an ISA from Lloyds TSB

- 7.3 At your request, we will transfer your Lloyds TSB Share Dealing ISA, or part of an ISA, to another ISA Manager. The timing of this is as you specify, although we may insist that you give us a reasonable period (up to 30 calendar days) to do the necessary work.

## 8 Account Investments.

- 8.1 Your Lloyds TSB Share Dealing ISA will hold your Account Investments including all income and other rights and proceeds we have received and any tax we have reclaimed for you and received.

- 8.2 You can only hold Qualifying Investments and/or cash in Lloyds TSB Share Dealing ISA. If a Security ceases to be a Qualifying Investment, then it must either be sold within 30 days in which case the cash can remain in your Lloyds TSB Share Dealing ISA, or transferred into your Lloyds TSB Share Dealing Nominee Account.
- 8.3 Cash may only be held in the Lloyds TSB Share Dealing ISA for the purpose of investment in Qualifying Investments.
- 8.4 ISA investments are registered in the name of a nominee, custodian or sub-custodian and held in trust for you, you retain beneficial ownership. You cannot use the investments as security where this would result in you transferring your beneficial ownership, otherwise your tax exemption may be lost.
- 8.5 We will, if you so elect, arrange for you to attend shareholders', securities holders' and unit holders' meetings, to vote, and to receive any information issued to shareholders, securities holders or unit holders in respect of a Security held in your Lloyds TSB Share Dealing ISA. Please contact Customer Services who will arrange this.

## 9 Withdrawals.

- 9.1 We will transfer or pay to you from your Lloyds TSB Stocks and Shares ISA all or part of your ISA Investments and any proceeds from them, at your request. The timing of this is as you specify it, although we may insist that you give us a reasonable period (up to 30 calendar days) to do the necessary work.
- 9.2 If you make withdrawals from your Lloyds TSB Stocks and Shares ISA, you must remember that you cannot make any later subscriptions to your Lloyds TSB Stocks and Shares ISA that would cause you to exceed the Subscription Limit for that Tax Year.

## 10 Termination.

- 10.1 We may end this agreement in accordance with clause 14 of the General Terms and Conditions.
- 10.2 If you breach any of the Regulations or cease to be eligible for the Lloyds TSB Share Dealing ISA, you may lose the ISA tax benefits and your Lloyds TSB Share Dealing ISA may be voided. We will notify you when we become aware that your Lloyds TSB Share Dealing ISA becomes void because you have not satisfied the requirements of the Regulations.
- 10.3 If we have to void your ISA, you agree that we may dispose of any assets in the ISA and return any tax credits to HM Revenue & Customs. We will transfer the remaining cash and Securities to your Lloyds TSB Share Dealing Nominee Account.
- 10.4 If your Lloyds TSB Share Dealing ISA is closed (by us or you) we may deduct any charges or other amounts due to us, any tax liabilities under the account and any additional expenses we incur in closing the account.
- 10.5 Your Lloyds TSB Share Dealing ISA and the corresponding tax benefits cease at your death. The rights to your ISA pass to your legal personal representatives on your death. They must provide us with an original or certified copy (certified by a Solicitor, Commissioner for oaths or Justice of the Peace) of the Grant of Probate or Letters of Administration, before we can carry out their instructions.

## 11 Cancellation.

- 11.1 You can cancel your ISA by writing to us at Lloyds TSB Share Dealing, PO Box 4605, Aspect House, Spencer Road, Worthing, BN99 6QY within 14 calendar days of receiving our notice that we have accepted your application. If you do, you will pay no administration fees but are liable for any dealing fees incurred in buying and selling investments in accordance with your instructions. Cancellation only applies to the ISA "wrapper" and does not result in the unwinding of any transactions effected during the cancellation period.
- 11.2 If you cancel, we will transfer any cash or shares in your Lloyds TSB Share Dealing ISA into your Lloyds TSB Share Dealing Nominee Account, in line with the General Terms and Conditions.
- 11.3 If you ask us to sell any investments purchased within the ISA you receive any profit if they have risen in value, less the dealing costs of the sale. The value of any investments returned to you may be lower than their value when you bought them and you do not get back anything due to market loss between the dates you opened and cancelled the ISA.
- 11.4 If you cancel your ISA after the 14 day period described in 11.1, this will count as a termination under Section 10, and you will not be eligible for another Stocks and Shares ISA in that tax year.

**11.5** If you wish to cancel the whole of your Lloyds TSB Share Dealing Account (and not just the Lloyds TSB Share Dealing ISA) you must do this in accordance with Section 14 of the General Terms and Conditions.

## 12 Other matters.

**12.1** You agree that we may transfer our responsibilities as ISA Manager to another company that:

- is approved under the Regulations as an ISA Manager; and
- we are satisfied is competent to carry out the duties and obligations.

The transfer becomes effective and we are released from our duties and obligations to you when that other company writes to you and undertakes to carry out all our duties and obligations for your ISA.

**12.2** These Terms and Conditions are based upon our understanding of current HM Revenue & Customs legislation and practices. These may change from time to time.

**12.3** Your Lloyds TSB Share Dealing ISA is administered in accordance with the Applicable Regulations, which take precedence over this agreement if there is any conflict.

**12.4** You consent to us disclosing to HMRC, and any other competent regulatory authority, information about you and/or your Lloyds TSB Share Dealing ISA and your ISA Investments, as required by the Regulations and other Applicable Regulations.

Please contact us if you'd like this in Braille, large print or on audio.

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