

Personal Assets Trust

Zero Charge Investment Plan & Individual Savings Account

The Financial Services Authority is the independent financial services regulator. It requires us to give you this important information to help you to decide whether our Personal Assets Trust Zero Charge Investment Plan or Individual Savings Account is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

keyfacts[®]

Key Features

The aims

The Zero Charge Investment Plan and Individual Savings Account (“Plans”) provide cost-effective ways of investing in the Ordinary shares of Personal Assets Trust plc (“the Company”) without incurring any initial or annual plan charges for so doing. The costs of administering the Plans are paid for by the Company directly rather than by individual plan holders.

Shares are acquired for the Plans either in the stockmarket or through the issuing of new shares by the Company at no less than 101% of the net asset value (“NAV”), whichever method would be cheaper to the investor. When shares are issued by the Company, no stamp duty is payable by the investor.

The investment objective of the Company is to protect and increase (in that order) the value of shareholders’ funds over the long term and to earn as high a total return as is compatible with a lower level of volatility than the FTSE All-Share Index.

The Company can invest globally with no specific restrictions.

Personal Assets Trust was launched in 1983 and had shareholders’ funds of £289 million at 28 February 2011.

The capital of the Company consists only of Ordinary shares.

Your investment options

The Investment Plan

The Investment Plan offers three options:

1. **The Single Investment Option** (minimum investment £5,000, no maximum) allows investors to acquire shares to be held within the Plan without having to do so through a stockbroker. Planholders can choose to have dividends re-invested or to receive them in the normal way, as cash.

2. **The Monthly Investment Option** (minimum investment £500 per month, no maximum) allows

investors to make regular investments by direct debit only. Planholders can choose the date they wish to make regular payments but if no date is specified payments will be requested on, or just after, 1st of each month.

Planholders can choose to have dividends reinvested or to receive them in the normal way, as cash.

3. **The Cash Income Option** allows investors to specify one of three annual percentages (4%, 7% or 10%) of the starting value of their investment under this Option to be paid to them quarterly as a cash income from the sale of shares held by them within the Option. The minimum starting sums for the Cash Income Option are £100,000 at 4%, £60,000 at 7% and £40,000 at 10%. There is no maximum.

Planholders’ dividends are not re-invested but paid out as cash as part of the quarterly income.

The Individual Savings Account (“ISA”)

An ISA is a scheme of investment with no tax liability on income or capital gains arising from assets held within it.

Details of such income or capital gains do not have to be disclosed on the investor’s tax return.

There are two types of ISA: a Stocks and Shares ISA and a Cash ISA. The annual subscription limit for the 2011/2012 tax year is £10,680, of which up to £5,340 can be held in a Cash ISA with one provider. The remainder of the £10,680 can be invested in a stocks and shares ISA with either the same or another provider. Alternatively, the full £10,680 can be invested in a stocks and shares ISA with one provider.

The Personal Assets Trust ISA is a Stocks and Shares ISA, with a minimum investment of £10,680 or the maximum stocks and shares allowance in the any given tax year.

Investments can be made by either lump sum or regular monthly investments.

March 2011

The Monthly Investment Option allows investors to make regular investments by direct debit only. Planholders can choose the date they wish to make regular payments but if no date is specified payments will be requested on, or just after, 1st of each month.

Planholders can choose to have dividends reinvested or to receive them in the normal way, as cash.

The ISA can also accept the transfer of an existing ISA account with another ISA manager. You may transfer the cash value of other Stocks and Shares ISAs or existing Cash ISAs held with other ISA managers into the Personal Assets ISA. This is done by completing a transfer application form, which is available on the Company's website – www.patplc.co.uk, or on request from Personal Assets Trust or Halifax Share Dealing.

You may close your ISA and sell all your shares at any time.

Shares are acquired for the Plans either in the stockmarket or through the issuing of new shares by the Company at no less than 101% of the net asset value ("NAV"), whichever method would be cheaper to the investor.

When shares are issued by the Company, no stamp duty is payable by the investor.

Risks

The favourable tax treatment given to ISAs may not be maintained. The rates of and reliefs from taxation depend on your own circumstances and may change over time.

Investment trusts have long suffered from volatile discounts to net asset value. Sometimes, too, the shares of individual investments trusts may sell temporarily at a significant premium to their net asset value per share. This can put those investing regularly through investment plans at a disadvantage because they may find themselves buying shares at a sizeable premium which almost certainly will not be sustained and which will therefore have an adverse effect on the return from their investment. In view of the disadvantages to shareholders of such discount and premium fluctuations, the Board's policy, which is enshrined in the Articles, is to ensure that the Shares always trade close to the Net Asset Value per share. The Board seeks to achieve this through a discount and premium control policy which involves a combination of share buy-backs and, of equal importance, the issue of new Shares at a premium to the Net Asset Value per Share where demand exceeds supply.

Stockmarket and currency movements may cause the value of your investment and the dividends received from it to fall as well as rise and you may not get back the amount you originally invested.

Although no charges are levied within the Plan, the Company itself (like all public limited companies, including other investment trusts) incurs operating expenses which reduce the return to shareholders from its portfolio.

Investment Trust Characteristics

An investment trust is a public limited company the shares of which are traded on the London Stock Exchange. Its sole business is investing in the shares of other listed companies in the UK and overseas and other assets.

Your questions answered

How do I invest?

You should complete the application form applicable to the Plan you have chosen and return it to Personal Assets Trust plc, Halifax Share Dealing Limited, Lovell Park Road, Leeds LS1 1NS.

Lump sum investments can be made by cheque (payable to Personal Assets ISA or Personal Assets Investment Plan) or, if you already have a Personal Assets Investment Plan you may invest or subscribe over the telephone by debit card. Regular investments are made by direct debit. However, your initial subscription should be made by cheque. You should complete the direct debit instruction on the application form.

You will receive a letter of welcome which will confirm your account information and a contract note for each transaction. You will not receive a share certificate.

Shares bought for you will be held on your behalf by HSDL Nominees Limited, Trinity Road, Halifax, HX1 2RG.

How can I follow the progress of my investment?

Every six months you will receive a statement of your holding and a description of any transactions that have taken place in the previous six months.

The share price, estimated NAV, discount/premium and dividend yield can be found in the Financial Times.

These details can also be obtained from the Company's website – www.patplc.co.uk, or from the Shareholder Information line on 0131 538 6605.

You will receive copies of all shareholder communications and will be entitled to vote at any General Meeting of the Company.

What dividends will I receive?

Dividends are paid four times a year, usually in January, April, July and October. Planholders can choose to have dividends reinvested in your Plan or to receive them as cash.

As at 28 February 2011, the estimated net yield on the ordinary shares was 1.75%, based on the dividends declared by the Company in respect of the year to 30 April 2011, amounting to £5.40 per share.

When will I receive any quarterly income under the Cash Income Option?

Sales are transacted on the last dealing date of April, July, October and January. Proceeds will be delivered within five working days from the date of sale, directly into your bank account.

Is there any tax?

Investment trusts are exempt from tax on capital gains realised within their investment portfolios.

Within the ISA there is no tax to pay on income or capital gains. As this is a Stocks and Shares ISA, in accordance with ISA regulations there is a deduction (currently 20%) on interest paid on cash held on deposit. This will be deducted from your account and paid to HM Revenue and Customs.

Rates and relief from taxation depend on your own circumstances and may change over time.

How will charges and expenses affect my investment?

There are no charges for the Plans. The costs of administering the Plans are paid by the Company directly.

Like all shares traded on the London Stock Exchange, investment trust shares are priced at an "offer" price when you buy and at a "bid" price when you sell. The difference between these is the "spread", which can differ according to the number of shares being bought or sold and the availability of shares in the market. Information on the spread can be obtained from the Personal Assets Shareholder Information Line.

Any costs of buying shares would be your proportionate part of the total dealing costs, which may include stockbrokers' commissions and stamp duty.

Stockbrokers' commissions, if incurred, will be at institutional rates. Stamp duty is currently at a rate of 0.5%.

There are no charges for selling shares.

Personal Assets Trust incurs certain expenses, as follows:

The advisory fee payable to Troy Asset Management, which is based on shareholders'

funds, is as follows: 0.5% on the first £100 million, 0.625% on the next £50 million, 0.75% between £150 million and £500 million and 0.625% thereafter.

Other expenses, some of which are subject to VAT, include employee and office costs, directors' remuneration, secretarial fees, printing costs, audit fees, Investment Plan fees and registration fees.

The above costs generate a total expense ratio for the Company of approximately 1.0%.

What are the charges for?

There are no charges for the Plans. The expenses shown cover the Company's operating expenses and the appropriate buying and selling costs.

Can I withdraw my application?

Cancellation rights are not provided for the Plans. After your investment is made you will be able to withdraw in full only if you close your Plan. You may withdraw all or part of your investment at any time by selling or transferring your shares. If you withdraw your entire holding your Plan will be closed.

How can I close my Plan?

You may close your Plan at any time by informing Halifax Share Dealing Limited ("HSDL") by telephone or in writing. If you are making regular investments, you should stop your payments and inform HSDL by telephone or in writing of your intention to close your Plan.

Further Information

Dealing

The normal dealing days are Wednesdays and Fridays. Lump sum subscriptions will be invested on the first dealing day following receipt and administration of funds. For regular savings, the direct debit will be collected on or around the requested date for investment on the next dealing day.

Shares will be bought at the price ruling at that time. The Administrator will seek to get best execution on all deals, including dealing with the Company directly if appropriate. If deals are executed through the stockmarket, they will be reported through the London Stock Exchange.

Selling shares or transferring your ISA

To sell shares a written or telephone instruction should be made to Halifax Share Dealing Limited.

To transfer your ISA to Personal Assets Trust please complete an ISA transfer form which is available from the Company's website www.patplc.co.uk, or from the Shareholder Information line on 0131 538 6605.

Shares will be sold as soon as practicable following receipt of your completed instruction and you will be sent a contract note confirming the number of shares sold, the price and the settlement date. Proceeds will be sent as per Planholders' standing instructions. The sale proceeds will be the number of shares sold times the market price at the time of the sale.

For the Cash Income Option, shares will be sold on the last business day of April, July, October and January at the market price. Proceeds under the Cash Income Option will be sent as per Planholders' standing instructions.

Please see the Order Handling Policy and Personal Asset Trust Terms & Conditions, which are available at www.patplc.co.uk for further details on how we will deal with your purchase and sale instructions.

Interest

Any money waiting to be invested in the Investment Plan, which includes the Cash Income option, will be held on your behalf in a non-interest bearing bank account.

Any money waiting to be invested in the ISA will be held on your behalf in an interest bearing bank account.

Administrator & Plan Manager

The Administrator & Plan Manager is Halifax Share Dealing Limited, Registered in England No. 3195646 Registered Office: Trinity Road, Halifax, HX1 2RG. Authorised and regulated by the Financial Services Authority, a Member of the London Stock Exchange and an HM Revenue & Customs approved ISA Manager.

Investment Adviser

The Company is independently run and has one executive Director, Robin Angus. The Company has outsourced the Investment Adviser role to Troy Asset Management. Further details on Troy can be found on their website, www.taml.co.uk.

Nominee

The Nominee is HSDL Nominees Limited, Trinity Road, Halifax HX1 2RG.

Alterations to the ISA

HSDL may alter the ISA or cease to act as an ISA Manager at any time. You will be given written notification in advance of any alteration and advised of your options. Further details can be found in the Terms and Conditions of the ISA.

Queries and complaints

If you have any queries or complaints in relation to the operation of your Plan you should write to Halifax Share Dealing Limited, Lovell Park Road, Leeds LS1 1NS who will investigate the complaint and within five business days of receiving your complaint either acknowledge receipt or provide you with a written statement of their views in relation to that complaint. This procedure will not affect your right to lodge a complaint with the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR (Tel: 0800 023 4567). As required by the FSA Rules, a statement of your rights to compensation in the event of an inability to meet liabilities to you is available on request.

Compensation

The Plan Manager is covered by the Financial Services Compensation Scheme. As you have been categorised as a retail client, you may be able to make a claim on this Scheme if we default in our obligations to you. Compensation of up to 100% of the first £50,000 of assets held is available to eligible claimants. If you ask, we will send you a summary of your rights under the Financial Services Compensation Scheme. Further information can also be obtained from the Financial Services Compensation Scheme.

Marketing

Personal Assets Trust will send a newsletter to you quarterly and may from time to time inform you of other Personal Assets Trust products or services that may be of interest to you. Personal Asset Trust will not send your personal details to any outside agency for marketing purposes.

Corporate activity

Where appropriate, if Personal Assets Trust is involved in a rights issue, an issue of new shares, a takeover bid or anything similar, you will be given information to allow you to take whatever action you decide on.

Additional information

Further information on Personal Assets Trust can be found in the Annual Report and Accounts, copies of which are available on the Company's website www.patplc.co.uk. You may also telephone the Shareholder Information Line on 0131 538 6605 for any information you require.

All documentation will be provided in English and contracts are subject to English law.

Terms and Conditions and Order Handling Policy

The Plan Administrator and Plan Manager of the Personal Asset Trust Investment Plan and ISA is Halifax Share Dealing Limited (HSDL). These Terms and Conditions, along with the PAT Key Facts form the services being offered by HSDL.

How do these terms and conditions operate?

These conditions and the latest published Personal Asset Trust (PAT) **Key Facts** explain the relationship between you and us. The conditions are split into sections to make them easier to read and they apply to you regardless of which product you have chosen. *There are supplementary conditions for ISA. These should be read with the rest of the conditions.*

You should read these conditions and the PAT **Key Facts**, our **Order Handling Policy** and our summary **Conflicts of Interest Policy** by visiting www.halifax.co.uk/sharedealing/share.dealinghome.asp (which, taken together form the full terms and conditions of our service) carefully to understand how they work. They also set out your and our rights and duties. If you want a copy of the latest published PAT **Key Facts** these can be downloaded from www.patplc.co.uk, or if you need to contact us for any other reason, please e-mail or telephone us. By accepting these terms and conditions you acknowledge the creation of a contractual relationship which has legal consequences.

What do the words and phrases in bold type mean?

In these conditions, the following words and phrases in bold type have the special meanings given below:

Account

Your Investment Plan and/or ISA. When we say credit or debit your Investment Plan and/or ISA, we mean credit or debit the cash element of the account;

Additional security details

The additional information you give us to help us identify you including the additional security details you provide yourself;

Approved bank

A bank registered in the UK where we may deposit money. In the majority of cases this will be a member of the **Lloyds Banking Group**;

Assured Valuation Point (AVP)

The point at which the fund manager defines the price for valuation and trading of a Unit Trust or Open Ended Investment Companies (OEIC) based on the value of the collective assets held within the Unit Trust or OEIC;

Conflicts of Interest Policy (COIP)

Our policy on the management of conflicts of interest. It describes the steps we take to identify

and manage conflicts that may arise. A summary of our COIP can be viewed on www.halifax.co.uk/sharedealing/share.dealinghome.asp;

Contract note

A written record, giving the details of a **deal**, including all charges and the total amount payable by or to you;

Corporate action

A rights issue, take-over, merger, capital reorganisation, conversion, subscription rights or similar event affecting any of your **investments**;

CREST

An electronic system for the transfer and registration of shares traded on the London Stock Exchange and other **Markets**;

Deal

The purchase of or sale of or subscription for **investments** by you. We also use the word trade;

Dealing Period

The period during which a **deal** can take place on the **Market** on which we carry out that **deal**. For UK **Markets** the **dealing period** is 8.00 a.m. to 4.30 p.m. Monday to Friday excluding English public holidays, but this may change from time to time. For **Markets** outside the UK the **dealing period** will follow the opening hours of that **Market**. Details of the international exchanges' dealing hours can be found on our website and in the latest published **Key Facts**. Unit Trusts and Open Ended Investment Companies (OEICs) are priced once a day. Orders received in these investments will be traded at the next available Assured Valuation Point (AVP) if submitted 45 minutes prior to the AVP. Orders submitted after this time will be traded at the subsequent AVP;

Dealing Day

Normally means the Wednesday or Friday following receipt and processing of an Investment Plan or ISA Application Form and/or investors subscription or as soon as reasonably practicable thereafter;

Debit card

A card through which money can be deducted from a **nominated bank account** and which is acceptable to us;

Dividend Reinvestment

If you dividend reinvest, your cash dividend will be used to buy as many shares as possible for you on the next **dealing day** following the dividend payment date, after taking into account the costs;

FSA

The Financial Services Authority Limited, an independent organisation that authorises and regulates us, whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS;

Identity details

Any of the following:

- your PIN for your account: or
- the temporary password we may provide you with;

Income

Money from dividends or interest on cash balances we hold;

Investments

Details of which **investments** we can buy, subscribe for or hold for you are set out in the **Key Facts**. We will only hold **investments** in your ISA which are “**qualifying investments**” for a stocks and shares ISA, under the **ISA Regulations**;

ISA Regulations

The Individual Savings Account Regulations 1998, as amended or replaced;

Key Facts

The latest published PAT Key Facts together with these conditions form the terms upon which we offer our service;

Lloyds Banking Group

The corporate group of which we are a member (including its subsidiaries and subsidiary undertakings from time to time);

Markets

This includes both regulated markets, such as the London Stock Exchange plc (LSE), Multilateral Trading Facilities (MTF), which bring together buyers and sellers of securities and investments (including Retail Service Providers and Market Makers) and investment firms who deal outside regulated markets or MTFs;

Mobile device

A portable electronic device which allows you to process, receive and send data without the need to maintain a wired connection with the internet;

Nominated bank account

Your personal bank, building society or savings account, registered in the UK, Jersey, Guernsey or the Isle of Man, that you have nominated and that we will electronically debit (using a direct debit instruction or a debit card) or credit (via BACS or debit card);

Nominee

HSDL Nominees Ltd or any other **nominee** company wholly owned by us, or any other **nominee** from time to time, where your **investments** will be registered;

Online service

the service we provide through an internet or mobile internet connection, at www.halifax.co.uk/sharedealing;

Order Handling Policy (OHP)

The Order Handling Policy sets out the arrangements we have adopted to ensure that your orders achieve the best possible result;

Password and username

The password and name you use to identify yourself when you use our online service;

Safe custody

The safeguarding and administration of investments;

Settlement

This happens when the seller delivers **investments** to the buyer and the buyer delivers the purchase consideration to the seller either in the **Market** (through a settlement system such as **CREST**) for shares or directly with the Fund Manager for Unit Trusts and OEICs. The **settlement** date is the date on which the buyer and seller agree that this must happen;

Tax year

This runs from 6th April of one year to 5th April of the next;

Us/we/our

Halifax Share Dealing Limited, the administrator of the PAT Investment Plan and Manager of the ISA. We are approved as an ISA Manager by HM Revenue & Customs. The **FSA** authorises and

regulates us. We will manage your ISA in line with these conditions and the **ISA Regulations**. For ease of reading, these words are not shown in bold type;

Warrant

Gives the holder the right (but not the obligation) to subscribe for shares;

Website

www.halifax.co.uk/sharedealing, or any other Internet address which we may notify to you;

Working day

Any day other than a Saturday, Sunday, or English public holiday;

You/your

Our client, being the person who becomes registered with us to use the PAT products and services. For ease of reading, these words are not shown in bold type. Where an account is held jointly, all named parties will have joint and several duties and responsibilities. This means that any one joint PAT Investment Plan or can place or confirm an instruction which will bind all parties to the account.

1. Opening an account, and how it works

1.1 – Our PAT Investment Plan and ISA products can hold both **investments** and/or cash and where relevant we will maintain separate records of these for you. Your **investments** will be pooled with those of other clients and held electronically in our **nominee**. Our **nominee** has legal title to the **investments** and you retain the beneficial entitlement at all times. We maintain a separate client bank account for our products with an **approved bank** that contains the money we hold that belongs to our clients. In respect of the holding of both cash and **investments**, our arrangements fully comply with the requirements of the FSA and HM Revenue & Customs rules and regulations.

1.2 – We cannot give you any investment, taxation or other advice in connection with your **account**. If you need advice, you should consult an appropriate professional financial adviser.

1.3 – When you apply to become a client, we will allocate to you a personal reference number (PRN), a personal identification number (PIN) and give your account an Account Code. We will not accept any instructions or subscriptions from you unless you satisfy our security verification procedures. We will also send you details of these procedures. When we accept you as a client we will send you a welcome letter.

Who can open an account?

You must be 18 years of age or over and be resident in the UK, Jersey, Guernsey or the Isle of Man, or if not resident, is performing duties as a crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat) or is married to, or in a civil partnership with, such a person. You must inform us if you cease to be resident in the UK, Jersey, Guernsey or the Isle of Man. For an ISA you must be resident and ordinarily resident in the UK, not including the Isle of Man or the Channel Islands.

1.4 – We will not knowingly accept instructions from a corporate body or investment club, except to the extent that is necessary to enable you to close or transfer your **account**.

What needs to be provided when opening an account?

1.5 – To activate your account a minimum initial subscription of £10,680 or a regular monthly payment amount of £890 for an ISA or a minimum initial subscription of £5000 or a regular monthly payment amount of £500 for an Investment Plan is required.

The Cash Income Option – allows investors to specify one of three annual percentages (4%, 7% or 10%) of the starting value of their investment under

this Option to be paid to them quarterly as a cash income from the sale of shares held by them within the Option. The minimum starting sums for the Cash Income Options are £100,000 at 4%, £60,000 at 7% and £40,000 at 10%. There is no maximum.

1.6 – You must provide details of a nominated bank account in your name or which you hold jointly with someone else that we will electronically credit (send money to you) or electronically debit (take money due to us from you) in line with these terms and conditions. You are responsible for making sure that any payments that you make will not affect any benefits available under your **nominated bank account**. If the **nominated bank account** is a joint account, you must make sure that you have the permission of the other account holders before you nominate that account. All payments to or from your **nominated bank account** will be in pounds sterling. You must make sure your nominated bank account continues to be able to make and receive payments. If it is not, you must provide details if a replacement **nominated bank account**. If you have more than one account with us, we will use the same **nominated bank account** for each.

1.7 – 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 accepting your application for an **account**;
- refuse to accept your application for an **account**;
- refuse to accept cash or stock;
- refuse to buy, sell or subscribe for **investments**;
- refuse to make payments to you from your **account**; or
- close your **account**.

As a result, the price at which we then **deal** for you could be higher or lower than the price at the time we receive your application or instructions.

2. Funding your account

2.1 – **Lump sum investments must be made by cheque (payable to Personal Assets ISA/Investment Plan) unless you already have a Personal Assets ISA/Investment Plan** in which case you can subscribe by debit card. Regular investments are made by direct debit. (However your initial subscription should be made by cheque).

2.2 – The proceeds from the sale of **investments** will be paid to your **nominated bank account**.

2.3 – You can fund your **account** in a number of ways:

- by **debit card** – provided that we receive an ‘authorisation’ from your card provider, we will deem this to be cleared funds immediately. You must ensure there are sufficient funds available;
- by direct debit – if you have set up a direct debit facility on your **account** we will request the subscription from your **nominated bank account** on the same working day as we have received your instructions. We will deem these to be cleared funds immediately. You must ensure there are sufficient funds available;
- by cheque – cheque will normally be dealt on the next dealing day up to 3 working days after receipt.

3. Dealing

When can deals be placed and how will instructions be carried out?

3.1(a) – You can buy or subscribe for **investments** on the next **dealing day**. Any cash balance on your active Investment Plan or ISA over the value of one PAT share, plus costs, will be used to purchase the appropriate number of shares on the next **dealing day**.

3.1(b) – If we accept instructions, they will be carried out as soon as reasonably practicable. If we accept them outside the **dealing day**, we will carry them out as soon as reasonably practicable after the start of the next **dealing day**.

3.2(a) – You can sell investments during the **dealing period**. You must tell us the exact number, or value of **investments** you want to sell.

3.2(b) – If we accept sale instructions by telephone or in writing, they will be carried out as soon as reasonably practicable. If we accept them outside the **dealing period**, we will carry them out as soon as reasonably practicable after the start of the next **dealing period**.

3.3 – We will carry out your instructions in accordance with our **Order Handling Policy (OHP) and Conflicts of Interest Policy (COIP)**. Where there is a conflict between our OHP and COIP and these terms and conditions, the latter will take precedence.

3.4 – We may buy, sell or subscribe for **investments** for you and other clients as part of the same **deal**. When we do this, we must reasonably believe that the aggregation of orders is unlikely to work to your disadvantage. However, it could result in a slightly less favourable price than if we had bought or sold your **investments** separately.

3.5 – When you instruct us to buy, sell or subscribe for **investments**, you cannot change your mind afterwards. Your instructions will not bind us until we have accepted them. We will confirm that your order has been accepted by giving you an order or bargain reference. See also condition 8.9

3.6 – On occasions the demand for our service and **market** conditions may fluctuate. Consequently once we have accepted your instructions to buy or sell or we cannot accept any responsibility for any actual or potential financial loss or expense you incur if for any reason (other than our negligence) there is a delay or change in **market** conditions before execution of your order is complete.

3.7 – When we have accepted your instructions to buy, sell or subscribe for **investments** we may, at our discretion, contact you to confirm your instructions. We will do this if we reasonably believe that it is in your interests to do so. We will not be liable to you if we do not contact you.

3.8 – If, after an order is placed on your behalf on a **Market** and we are asked by them to cancel any dealings in the relevant stock, we will not be liable for any loss that you incur. In particular, we reserve the right to cancel any duplicate or repeated instruction you give to us where the circumstances indicate that the deal has been split into smaller orders to take advantage of any market limitations or restrictions.

Are there any times when deals can't be placed?

3.9 – We may refuse to sell **investments** that you have purchased or subscribed for through us until we have received cleared funds for that purchase or subscription. If we do accept instructions to sell **investments** that you have purchased or subscribed for through us before we receive cleared funds for that purchase or subscription, we may delay the transfer of the proceeds of sale from those **investments** into your **nominated bank account** or ISA until we have received cleared funds for your purchase or subscription.

3.10 – We may refuse to accept any instructions. In particular, we may ask you for proof that you have the right to **deal** in **investments** for which you have given us instructions. We may not **deal** for you until you have provided us with proof that is satisfactory to us. In particular, we may not accept your instructions unless:

- we have verified any changes to your personal information;
- we have received any documents (correctly filled in) we may have asked for;

- we have all the documents (including any share certificates) and information we need to carry out your instructions (this includes any evidence we need to confirm a change to your name or address);
- where **investments** are held in certificated form and registered in joint names, those instructions are confirmed in writing by all the joint holders; and
- where **investments** are held in the name of another person and you wish to give us instructions to sell those **investments**, we have received satisfactory proof of your authority to **deal** for that other person.
- If we negligently fail to carry out your instructions that we have accepted we will try to return you to your original position or the equivalent.

Who has authority to deal?

3.11 – We will accept instructions to buy, sell or subscribe for **investments** for you:

- from you, where you warrant that you have the right to trade and that no other person has any rights or interests in those **investments** that prevents you from trading them in line with these conditions. Any instructions that we accept in good faith will form a legally binding contract between you and us. In particular, you authorise us as your agent for the express purposes of following your instructions in line with these conditions;
- from a person who has a legal right to give us instructions (for example, your trustee if you are made bankrupt or your personal representative);
- from a person that you have authorised in writing to give us instructions (for example, someone who has a Power of Attorney for you) as long as we have accepted your written authority to do so; or
- from all account holders who are named on your **account**.

4. Settlement

How will money settle?

4.1 – Your **account** will be denominated in pounds sterling (or in Euros if the Euro has been adopted as the UK's currency). We will carry out **deals** and settle them with you in pounds sterling (or Euros as appropriate).

4.2 – If as a result of **deals** or otherwise we have to apply more than one payment to or from your **nominated bank account** where we can, we may

combine them into a single net payment. Also, if at any time we owe you more money than you owe us, we may pay you the difference to settle the amounts that we owe each other.

Conversely, if at any time you owe us more money than we owe you, we may require you to pay the difference to us. If such a payment is due to us and you have authorised us to deduct payments through your direct debit instruction, we will inform you of this at least **1 working day** before we do so.

4.3 – We may decide to make payments by cheque. If we make a payment by cheque because we have not been able to complete the transfer of funds into your **nominated bank account**, we reserve the right not to pay you any interest on the funds transferred to you in these circumstances.

4.4 – If you are going to make a payment by **debit card** and your bank imposes a floor limit on your **debit card**, it is your responsibility to notify them of the payment that we will request so that we can collect it.

4.5 – We will not be liable for any loss arising directly or indirectly from the late collection of a direct debit payment that is not due to our fault, including any loss of investment opportunity or loss of tax relief.

4.6 – We accept no responsibility for default or other failure to perform by a third party settlement agent, depository, clearing or settlement agent or system or any participant in one of them except where such default or failure is directly caused by our wilful default or negligence in connection with the performance of services under these terms.

When will money be received when shares are sold?

4.7 – If you make a sale within your PAT Investment Plan or ISA, subject to conditions 3.9 and 4.2 we will transfer the net sale proceeds into your **nominated bank account**. We will start this process once we have received **settlement** funds from the market.

What happens if funds aren't supplied for a deal?

4.8 – If you fail to make payment by the **settlement** date stated on the **contract note** and notified to you at the time of the **deal**, we may:

- treat any outstanding transaction as having been cancelled and terminated;
- apply a charge to cover our extra administration costs;
- claim from you the total amount that you owe us together with interest on that amount at a rate of 2% above the Halifax variable mortgage

base rate from time to time in force (calculated on a daily basis) from that date until payment in full has been received;

- realise any of your assets that we hold, or instruct our **nominee** to sell any of your **investments** or connected rights that it holds for you, and apply the proceeds towards settling the total amount owed by you. Any shortfall will still be due from you; and
- you authorise us to ask you to apply any cleared funds that we hold for you towards settling the total amount owed by you on your **account**. Any shortfall will still be due from you.

4.9 – Until we receive in cleared funds any outstanding amounts that you owe us you authorise our **nominee** to keep your holding, share certificate(s) and/or connected rights and we may also refuse to carry out any instructions relating to your holding, share certificate(s) and/or connected rights.

4.10 – Title to any **investments** shall not pass to you until you have paid for them and our related charges in full.

5. Looking after investments and cash held pending investment

How will shares and other investments be looked after?

5.1 – **Investments** that you buy or subscribe for or transfer into your **account** will be held in **safe custody** in your **account**.

If you ask us to, we will accept a transfer of **CREST** eligible **investments** direct from another **nominee**.

5.2 – We will not lend or deposit by way of collateral any **investments** in your **account** to a third party without your express permission.

5.3 – You must not use the investments and cash in your **account** as security for a loan. Money may not be borrowed on the security of **investments** in your **account**.

5.4 – We will arrange for you to:

- receive a copy of the PAT Annual Report and **Accounts**
- receive any other information issued to holders of the **investments**
- receive invitations to attend shareholders' meetings, subject to any restrictions on attendance imposed by the company; and
- vote by proxy (by telling us how you want the votes to be exercised by the **nominee**). We will only use any rights we have to vote for you when you tell us to do so.

How will cash held pending investment be looked after?

5.5 – We will hold your funds so that we comply with the **FSA Rules**.

5.6 – PAT Investment Plan money is held in a non interest bearing account.

5.7 – Any cash that you are entitled to receive in connection with your **account** will be rounded down to the nearest penny.

What should I do if I want to have my dividend reinvested?

5.8(a) – Dividends, where applicable, will be automatically reinvested unless you have elected to have them paid directly into your bank account.

You can elect to have your cash dividend paid directly into your nominated bank account by giving us your instruction by phone or in writing. If you hold more than one **account**, you will need to give us separate instructions for each account.

- Where required, you authorise us to deduct income tax at the appropriate rate from any dividends, interest payments and cash entitlements which are paid gross before paying the net amount to you. You authorise us to account for any tax deducted to the relevant authorities.
- If your account has been restricted by us for any reason your dividend will not be reinvested and any related money will be placed into your **account**.

How many shares will I receive?

5.8(b) – The number of shares you will receive for each dividend will depend on:

- (i) the amount of your cash dividend, which is based on the number of shares you hold at the relevant dividend record date multiplied by the dividend payment amount;
- (ii) the price at which the shares are bought; and
- (iii) the dealing costs and stamp duty (if applicable) for the purchase of the shares.

You will receive the maximum whole number of shares which can be bought on your behalf. Any cash left over will be paid back into your **account**.

What happens if my dividend is not enough to buy a share?

5.8(c) – If your dividend and any cash balance brought forward, after taking into account costs, is

not enough to buy at least one share, the whole of your dividend will be paid in cash to your **account**.

What if I sell my shares?

5.8(d) – If your whole holding is sold after the dividend record date and before the dividend payment date no reinvestment will take place and the whole of your dividend will be paid in cash to your nominated bank account.

How are corporate actions dealt with?

5.9 – If you are entitled to extra **investments** (for example, through a bonus or other capitalisation issue), we will automatically arrange to hold your new **investments** in your **account**.

5.10 – If a **corporate action** happens in relation to your **investments** held in your **account** we will communicate with you outlining the terms and conditions (where applicable) of the offer, requesting your instructions by a given date. You must give us your instructions, by a method that we request, by the end of that given date. If we become aware of a **corporate action** at short notice, and do not have time to obtain your instructions, we will select the default option that is specified by the company in question or its registrar.

5.11 – We may delay writing to you until the **corporate action** has been declared ex-entitlement or, in the case of a mandatory **corporate action**, until the **corporate action** has become effective and we have received the benefits to which you are entitled. With the exception of a compulsory acquisition, where we do not receive any instructions from you by a given date, we will not accept any such offer on your behalf without your specific instructions and will not accept instructions to accept only part of such an offer. This could mean any benefits that you were entitled to could lapse.

5.12 – If we do not receive any instructions from you by a given date in respect of a compulsory acquisition, we will accept the basic terms of the acquisition on your behalf. We will write to you when this has occurred.

5.13 – We must receive cleared funds from you by the given date that we notify to you before we can carry out an instruction to make a payment in respect of a **corporate action**. If you have an **account** these funds will need to be available within it on the given date. If cleared funds are not available no action will be taken, subject to condition 5.9. If there are insufficient funds in your account, you can obtain cleared funds by selling **investments** held in your **account** and use these funds to meet the cash that is due. You can also generate a subscription to

meet the amount due, subject to the annual subscription limit for your ISA. We may give you the option to take up the **corporate action** outside the ISA.

5.14 – The terms of a **corporate action** may require us to make an election on behalf of our **nominee** holding in a company. If it does, we may not be able to get instructions from all of our clients who hold shares in that company. We reserve the right not to offer the option to you. We will use reasonable efforts to give you an alternative option but we cannot guarantee that this will match the option given by the company.

5.15 – If, as a result of a corporate action, we receive **investments** which are not “qualifying **investments**” for a stocks and shares ISA under the **ISA Regulations**, we will transfer the **investments** directly to a share dealing account if you have one. Alternatively we can arrange for you to be sent a certificate or transfer the **investments** to another **nominee**. In certain circumstances we may offer you the option of selling the investments and retaining the sale proceeds in your ISA. We will notify you if this option is available to you, along with any charges made for these services.

5.16 – Where our **nominee** receives a distribution of entitlement to shares and any other benefits due to you arising from a **corporate action**, we will allocate the entitlement to your **account** promptly but at the latest in accordance with the **FSA’s** guidelines. Any entitlements will be rounded down to the nearest whole share.

5.17 – Under the rules of any **Market**, if you are selling shares through us and you receive a related benefit to which you are not entitled, you must give up this benefit to us and we will collect it and pass it on to the person entitled to it. Equally, if you are buying shares and you do not receive a related benefit to which you are entitled we will claim that benefit for you. Entitlement is established by reference to the **Market’s** “ex-date” (that is, the date on which an investment is traded without that entitlement) and not the “record date” (that is, the date on which it is determined all holders shown on the register will receive a benefit).

If you make a corporate action election and subsequently sell your shares, you will be liable for any costs associated with us having to buy back those shares to honour your election. You will also be liable to pay for any loss arising from adverse movements in the share price.

Where we are required to make a **corporate action** call payment on your behalf, or we need to pay you a dividend, interest or a cash entitlement in a

currency other than pounds sterling, we will make the appropriate currency conversion and will inform you of the pounds sterling equivalent and when we are to debit this from your **nominated bank account** or ISA.

How can investments/cash be transferred out of an account?

5.18 – You cannot transfer **investments** out of our **nominee** until you have paid for them and they are held in your **account**.

5.19 – You may ask to withdraw your **investments** and or cash held in any **account** we hold for you, at any time. We will transfer **investments** direct to another nominated provider/plan manager.

Can an account be suspended?

5.20 – If we reasonably believe that you are using any of the PAT products for illegal purposes, or if we find out that there is a disagreement about who owns or has authority to deal in the **investments** held for you under the PAT products (including a disagreement between joint holders), we may freeze all or some of the **investments** held for you. This means that we will not allow anyone to **deal** with those **investments** or carry out any transactions until we are satisfied that you are not using your **account** for illegal purposes or that the disagreement is settled.

What happens on death?

5.21 – If we receive proof of death of an investor that is satisfactory to us, our **nominee** will continue to hold the **investments** and any cash held in the **account**. If our **nominee** was holding those **investments** and, if applicable, cash only, our **nominee** will follow the instructions of the personal representatives. If our **nominee** was holding those **investments** and, if applicable, cash and other joint holders, our **nominee** will follow the instructions of the other joint holders.

5.22 – When we have received evidence of the death of an investor that is satisfactory to us, and we are asked by the personal representatives or any other person entitled to the **investments** in the **account** we will sell those **investments** and pay the proceeds and any other cash in the **account** (less any money owed to us or the HM Revenue & Customs) to them once we have verified their identity. The account will then be closed.

5.23 – Until we sell the **investments**, they will be subject to daily price movements as normal. When we know who your personal representatives are, we will tell them the value of the **investments** and cash in your **account** on the date of death.

5.24 – For an ISA any tax exempt status will end on your date of death and we will stop collecting any monthly subscriptions.

6. What information is sent about a deal?

6.1 – By close of business on the **working day** following your **deal**, we will send you a paper **contract note**. If you do not receive a contract note within the period notified to you at the time of the **deal**, you should not repeat your instruction. Instead, you should contact us for more information.

6.2 – Our records are conclusive (except for any errors and omissions). For a **deal**, this means that the information held on our computer systems, and the **contract note** for that deal, are the only valid evidence of the **deal**.

6.3 – If we make a mistake when we carry out your instructions to make a deal we may provide you with or send you a **contract note** that shows our mistake. When we have corrected our mistake, we will provide you with or send you a **contract note** that will show the steps we have taken to correct the mistake.

How often are statements and valuations sent?

6.4 – Every 6 months you will receive a statement of your holding and a description of any transactions that have taken place in the previous 6 months.

With the exception of the PAT ISA we will send you a consolidated tax certificate (CTC) every year detailing the amount of any **income** received in the preceding **tax year** and any associated tax credits. It is your responsibility to keep a copy of your CTC.

The share price, estimated NAV, discount/ premium and dividend yield can be found in the Financial Times. These details can also be obtained from the company website – www.patplc.co.uk, or from the Shareholder Information line on 0131 538 6605.

What other conditions apply to communications between us?

6.5 – We do not accept any responsibility for documents before we receive them or after they have been sent to you. You are responsible for any charges relating to the recovery or replacement of lost documents. You should keep a note of the date on which you post documents to us and of any cheque or certificate numbers to help with any enquiries that may arise. We do not accept responsibility for postal delays.

6.6 – We will send all written notices and other communications to the address that you gave us when you applied for your account or the latest address that you have given us. They will be treated as arriving 72 hours after posting (if sent to an address in the UK) or 10 days after posting (if sent abroad). If you register for our online service you must supply us with an up to date e-mail address. We will contact you by e-mail to inform you of deals on your account, pending corporate actions and other important communications. E-mails will be treated as arriving immediately upon sending by us. We may keep any e-mails sent to or from us. We do this to check what was written and also to help train our staff.

6.7 – If more than one person is registered as the holder of **investments** in an **account**, we will send all written notices and other communications to the person first named and those notices and communications will be treated as given to all holders.

6.8 – If you change your name, address, or other contact details, you must contact us by telephone or write to us straight away. If you have not told us about a change of contact details and we send a notice to the latest details that you have given us, it will be effective. You should make sure that the arrangements for receiving mail at your address are safe.

6.9 – When we receive returned mail, we will make reasonable endeavours to contact you to get your new details. We reserve the right to not send further communications to the old address.

7. How are complaints dealt with?

7.1 – If you believe that we have failed to carry out your instructions correctly, you must report this to us immediately. We will investigate your complaint in accordance with the **FSA Rules**.

7.2 – If you have a complaint about your **account** or would like details of our complaints procedures, please call us or write to the Customer Services Manager, Halifax Share Dealing Limited, Lovell Park Road, Leeds, LS1 1NS or e-mail us customercare.hsd1@halifax.co.uk. If we cannot resolve your complaint to your satisfaction, you may have a right to complain directly to the Financial Ombudsman Service whose address is South Quay Plaza, 183 Marsh Wall, London E14 9SR.

8. Regulatory matters and disclosures

8.1 – We will treat you as a retail client for the purposes of our relationship. We will act for you on an execution only basis which means we cannot give you **investment** or taxation advice.

8.2 – We will carry out each **deal** under the Rules of the **FSA** and any **Market** on which we carry out that **deal**.

8.3 – If we cannot perform any of our services under these conditions due to circumstances beyond our reasonable control, then we will take all reasonable steps to bring those circumstances to an end, but we will not be liable for our non-performance except to the extent required by the **FSA Rules**, the Financial Services and Markets Act 2000 or any regulations issued under that Act.

8.4 – We can employ agents on such terms as we think fit and we can delegate any of our functions under these conditions. We will satisfy ourselves that any person to whom we delegate any functions under these conditions is competent to carry out those functions.

8.5 – No notice of any trust, express, implied or constructive will be binding on us, or our **nominee**.

8.6 – Your attention is drawn to the fact that there may be limited circumstances in which a conflict exists between your and our interests. To mitigate and control these conflicts we have drawn up a conflict of interest policy. A summary of this document is provided separately, although you may request a copy of the full policy at any time by contacting us.

8.7 – Provided that we have complied with the Rules of the **FSA**, you agree that we can cease to treat as client money any unclaimed cash balance that we hold for you where there has been no movement in the balance for a period of at least 6 years and we can demonstrate that we have taken reasonable steps to trace you and to return the balance.

8.8 – Neither we nor any member of the **Lloyds Banking Group** accept any liability either for any consequential loss arising from error or omission, or in the event that the details of your **nominated bank account** that we hold are incorrect, but this will not exclude or restrict any obligation owed to you under the **FSA Rules**, the Financial Services and Markets Act 2000 or any regulations issued under that Act.

8.9 – If we give you at least 10 **working days'** notice either by writing to you or by publishing the change in at least two national newspapers, we may change these conditions for any valid reason and if it is reasonable to make the change. If we have accepted your instructions to carry out a **deal** before we give

this notice, we will carry out and settle that **deal** in line with the conditions before the change is made.

8.10 – We have accepted responsibility under the **FSA Rules** for any custodian function carried out by our **nominee** in its capacity as an eligible **nominee**.

8.11 – If we appoint a custodian to act as our **nominee** in respect of **investments** that are subject to the law or market practice of a jurisdiction outside the UK:

- different **settlement**, legal and regulatory requirements may apply from those in the UK; and
- there may be different practices for the separate identification of **safe custody investments**.

8.12 – We are a participant in the Financial Services Compensation Scheme (FSCS). As you have been categorised as a retail client, you may be able to make a claim on this Scheme if we default in our obligations to you. Compensation of up to 100% of the first £50,000 of assets held is available to eligible claimants. If you ask, we will send you a summary of your rights under the Financial Services Compensation Scheme. Further information can also be obtained from the Financial Services Compensation Scheme.

8.13 – Your investments will be pooled with **investments** held for other clients. This means that your **investments** will not be identified by separate certificates. Our **nominee** companies are owned by us. If our **nominee** defaults, we accept full responsibility for it. We will not disclaim losses arising directly from its fraud, wilful default or negligence. We are wholly owned by the **Lloyds Banking Group**.

8.14 – We can suspend or withdraw all or part of the PAT products and services from you at any time on immediate oral or written notice. Even if we have already received your instructions to carry out a **deal**, we will not be obliged to carry out and settle that deal in line with the conditions. If we suspend the PAT products and services, you can ask us to transfer any **investments** that we hold for you into your name and the names of any joint holders and we will do this without charge. If we withdraw the **PAT** products and services from you, we will transfer any **investments** that we hold for you into your name and the names of any joint holders without charge.

8.15 – We are not responsible for any loss incurred as a result of the actions or omissions of any third party.

8.16 – Any references to provisions, rules or other requirements of the Financial Services and Markets Act 2000, the **FSA** or any **Market** in these conditions, we mean the requirements from time to time in force.

8.17 – If we are required to give warranties before acting for you, we may require you to give us an indemnity before we act.

8.18 – We reserve the right to pass your details to a third party for debt collection purposes if we reasonably believe any amount owing to us by you will not be paid.

8.19 – It is agreed that these conditions are governed by English law and that any dispute will be dealt with by the English courts. All communication, either oral or written will be in the English language.

How we use Personal Data

8.20 – Like other financial organisations, we are legally obliged to collect, verify and record information confirming client identity and to report details of suspicious transactions to the Serious and Organised Crime Agency. For more details please contact us.

8.21 – For details of the main credit reference agencies we use please contact us.

8.22 – We may use credit scoring methods to assess your application and verify your identity. Members of our group and other companies may use credit searches and other information supplied to us and/or the credit reference agencies about you and someone linked financially with you, including previous and subsequent names, to make credit decisions about you or other members of your household. Any of this information may also be used for identification purposes, debt tracing, preventing money laundering and managing your **account**.

8.23 – We may disclose any information you provide to us to a licensed credit reference agency that may retain a record of the search. We will use the results of the search to check your identity and to determine your creditworthiness, although we will not extend a line of credit to you.

8.24 – We have systems that protect our clients and ourselves against fraud and other crime. Client information can be to prevent crime and trace those responsible. We may check your details with fraud prevention agencies. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this

information. We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:

- Checking details on applications for credit and credit related or other facilities;
- Managing credit and credit related accounts or facilities;
- Recovering debt;
- Checking details on proposals and claims for all types of insurance;
- Checking details of job applicants and employees.

Please write to us at Compliance & Risk, Halifax Share Dealing Limited, Lovell Park Road, Leeds, LS1 1NS if you want details of those credit reference agencies and fraud prevention agencies from whom we obtain and with whom we record information about you. We and other organisations may access and use from other countries the information recorded by fraud prevention agencies. You have a legal right to these details.

8.25 – Occasionally we search credit reference and fraud prevention agency files as well as our own internal group records to manage your **account** and take decisions such as whether to offer or continue to offer our service. Lenders who may assess your ability to obtain credit may see these searches.

8.26 – ‘Associations’ linking your financial records may be created on Credit Reference Agency records when you apply for **accounts** in joint names. Your financial records, and those of anyone financially associated with you, may be considered in any future applications you make.

8.27 – The Data Protection Act puts obligations on users of personal information and lays down principles for its use. One principle states that information has to be processed fairly and lawfully. This means that you are entitled to know how we intend to use any information you provide. You can then decide whether you want to give it to us. To provide outstanding client service we need accurate client information. You can help by informing us whenever your circumstances change.

Organisations must lodge a notification with the Information Commissioner describing the purposes for which they process personal information.

The details are publicly available from the Commissioner’s office at Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Tel 01625 545745 or fax 01625 524510. Alternatively, see the Commissioner’s website:

www.informationcommissioner.gov.uk

8.28 – We may ask any other member of the **Lloyds Banking Group** to give us information about you which will help us to identify you. We and other members of the **Lloyds Banking Group** may exchange information about you for administrative purposes.

8.29 – Our main use of your personal information is to look after your **account** or to provide the specific service you require.

8.30 – Where permitted by the FSA Rules and if you have not registered a solicitation objection with us, we may contact you by telephone or other interactive dialogue about products and services which may be of interest to you. You agree that we have your permission to contact you on any telephone number that you have provided.

8.31 – Unless you have given us your consent, we will not provide information about you to companies outside the **Lloyds Banking Group** to use for their marketing purposes. We disclose personal information only with your consent, or if we are required to do so by law.

Sometimes we need to give information to our agents and subcontractors so that they can provide a particular service for us. Sometimes, these companies may be located abroad in countries that do not have data protection laws. In these circumstances we always take great care to ensure that your personal information is kept safe and secure.

8.32 – We may use your **account** details, transactions and information provided to us by third parties.

8.33 – You agree that:

- we may give details about you and your **account** to the companies or other concerns whose **investments** you hold; and
- companies or other concerns whose **investments** you hold may disclose details about your **investments** to us.

8.34 – We may record telephone conversations to fulfil regulatory record keeping requirements, offer you additional security, resolve complaints and improve our service standards. Conversations may also be monitored for staff training purposes.

8.35 – If you do send us email over the internet, remember that it will be ‘unsecure’ and could be intercepted. If you do send us ‘unsecure’ email, please keep the amount of confidential information you include to a minimum. We will do likewise

when we reply. We will keep a record of your email address. We will not give it to any unauthorised third parties.

Certain information collected may be classified as sensitive and we can only use such data where we have your explicit consent. This data relates to racial or ethnic origin, political opinions, religious beliefs, trade union membership, physical or mental health, sexual life, criminal proceedings and offences and will only be processed in order to provide the service requested.

8.36 – Under the Data Protection Act you have the right of access to information we hold about you on our records. The Act allows us to charge a fee of £10 for this service. If anything is inaccurate or incorrect, please let us know and we will correct it.

8.37 – We may disclose any information that we have about you or your **account** to any governmental or regulatory body entitled by law to that information.

9. Supplementary conditions for ISAs

When will an ISA become active?

9.1 – For the purposes of the **ISA Regulations**, your ISA will not start until we have received your first subscription.

How can subscriptions be made into an ISA?

9.2 – You can subscribe to an ISA by:

- **debit card** – provided that we receive an ‘authorisation’ from your card provider, we will deem this to be cleared funds immediately;
- **direct debit** – if you have set up a direct debit facility on your **account** we will request the subscription from your **nominated bank account** on the same working day as we have received your instructions. We will deem these to be cleared funds immediately;
- we will also accept a cheque. Cheques will normally be dealt on the next dealing day up to 3 working days after receipt.
- giving us your existing **investments**. You must be solely and beneficially entitled to these **investments** and they must be free of any charges. We will sell these **investments** and transfer the money from the sale into your ISA to buy new **investments**. When giving us your existing **investments**, please note the settlement date of the sale will be treated as the subscription date to the ISA.

9.3 – You can transfer **investments** or the cash value of an ISA held with another ISA Manager into the **PAT ISA**. Any cash value transferred into the **PAT ISA** must be held pending investment in qualifying investments.

9.4 – Subscriptions to your **PAT ISA** in any **tax year** must not exceed those limits set by HM Revenue & Customs. The limit that applies is detailed in the **PAT Key Facts**, these limits may vary in each tax year.

9.5 – For purchases of or subscriptions for **investments**, we will debit the net total due from the funds we hold for you in your ISA. If there are insufficient funds in your ISA, we will take a payment from your **nominated bank account** for the balance of any subscription.

Can an ISA be transferred from an existing ISA Manager?

9.6 – We will accept instructions to transfer ISAs from another ISA Manager in writing or by telephone. Upon receipt of your instruction we will send you a form to complete. Once returned and fully completed we will contact your existing ISA Manager to arrange transfer. To complete the transfer we require the name and address of your current ISA Manager and the account number(s).

9.7 – ISAs transferred from other ISA Managers will be accepted either by transferring **investments**, cash or a combination of **investments** and cash.

How can an ISA be closed?

9.8 – We can close your ISA at any time by giving you at least 10 **working days**’ notice.

9.9 – You can close your ISA at any time in writing or by telephone.

9.10 – If our appointment as ISA Manager is ended for whatever reason, we will give you at least 30 calendar days’ notice that we intend to end your ISA and notify you of your right to transfer your ISA to another ISA Manager. Unless you ask us to transfer your ISA to another ISA Manager we will close it.

9.11 – If we or you close your ISA, we will give you certain options. We will:

- sell the **investments** and pay to you the net sale proceeds and any other cash we are holding for you in the ISA (less any money you owe us);
- within the time limit stipulated by you in your instructions (subject to a reasonable business

period not exceeding 30 calendar days for the practical implementation of your instructions by us) if you ask us, we will transfer the **investments** (less any money you owe us) in line with the **ISA Regulations** all or part of your ISA, with all rights and obligations of the parties to it, to another ISA Manager without affecting your tax relief;

- we will transfer **investments** (less any money you owe us) to another nominee.

9.12 – We may complete any transactions that we have started before we receive your notice.

9.13 – Where your **account** has been transferred to another ISA Manager and we receive dividends, interest or other **income** on your behalf we will send this **income** to the new ISA Manager except where the amount is less than £50 when we will send this **income** directly to you.

What communication will there be with HM Revenue & Customs?

9.14 – We will give HM Revenue & Customs any information about your ISA that the law says we must.

9.15 – If we have passed any tax to you that you are not entitled to, we can deduct this amount from your ISA and repay HM Revenue & Customs (see also 9.17).

9.16 – We are required to account to the relevant tax authority for any tax arising from any dividends, interest payments and cash entitlements paid on **investments** in your ISA. You authorise us to collect this out of any cash that we hold for you in your ISA or, if you do not hold sufficient cash, by selling **investments** from your ISA.

9.17 – Under the **ISA Regulations**, we will tell you if your ISA has been made void and will no longer benefit from the tax relief that applies to ISAs. We will tell you to contact your HM Revenue & Customs office with details of your potentially void ISA. Alternatively, the HM Revenue & Customs may tell us that your ISA is void. In some circumstances we may be able to allow your ISA to continue. If this is the case you will be contacted. We may charge for this.

How does taxation affect an ISA?

9.18 – Under the current law relating to tax relief for ISAs, we will manage your ISA so that it will be free from Capital Gains Tax. When these conditions refer to tax relief, they mean the tax relief that applies at the date of publication of these conditions. Tax relief could change in the future.

If the tax relief that applies to ISAs changes, your ISA will continue but it will be affected by that change.

What interest will be paid on an ISA?

9.19 – If we hold at least £1 in cash for you in your ISA, we will pay interest on it. Interest is accrued daily and paid annually. Under the **ISA Regulations** we must deduct a flat rate charge, currently 20%, from interest on your ISA and pay this charge to HM Revenue & Customs. The current interest rate(s) is available on our **website** www.halifax.co.uk/sharedealing/charges or by calling us.

10. Supplementary conditions for the online service

Who can use the online service?

10.1 – Our online service is available to UK residents only. If you are outside the UK you can only use our online service to view information or perform transactions on your accounts but not to open new accounts. If you want to use the service outside the UK you must check local regulations to make sure it is legal to do so.

What rules apply to use of the online service?

10.2 – If any of your accounts is a joint account, and more than one of you uses our online service, you must each use your own username, password and additional security details. We will send all e-mails to the e-mail address registered against the account. Either or both holders of a joint account will be able to view contract notes, statements and information electronically through our online service.

10.3 – When you use our online service you must follow the instructions we give you from time to time. You are responsible for ensuring that your computer, mobile device, software and other equipment are capable of being used with our online service.

10.4 – Our online service is secure. Disconnecting from the internet or leaving these sites will not automatically sign you off. You must always use the sign off facility when you are finished and never leave your computer/device unattended while you are signed in. As a security measure, if you have not used the site for more than a specified period of time we will ask you to sign in again.

What rules apply to security?

10.5 – Once you have registered with our online service you must provide us with identity details before we will allow you to use the services for the first time. You must enter your identity details immediately after signing in, so we can identify you.

10.6 – Every time you use our online service you must give us your username, your password; and the answer to an additional security question. You can change your username or password online by following the instructions on the screen. For administration or security reasons, we can require you to use a new username or change your password before you use (or carry on using) our online service.

10.7 – You must not write down, store (whether encrypted or otherwise) on your computer or mobile device or, let anyone else know your password, identity details or additional security details, and the fact that they are for use with your accounts.

10.8 – If you think that someone else knows your password or any of your additional security details or has used any of them to use our online service, you must do the following:

- (a) You must tell us as soon as you can by phoning the Helpdesk on 0845 6046476.
- (b) For your password, change it online as soon as possible. If you have difficulty changing your password, you must phone the Helpdesk immediately. You can give the Helpdesk your username if you phone them to change your password.
- (c) For your additional security details, you will need to phone the Helpdesk on 08456046476 immediately to change your additional security details.

10.9 – We may give the police or any other relevant authority any information they need if we think it will help them find out if someone else is using your username, password or any of your additional security details.

10.10 – We may stop your use of our online service if we believe that:

- your identity details are being used by someone else or we are otherwise concerned about the security of your account;
- we suspect your account is being used in breach of these conditions in an unauthorised or fraudulent manner;
- you are not keeping to these conditions or the conditions of any of your accounts.

Where we stop the use of the online service under this condition 10.10 we will, if practical, notify you immediately before, or where we can not notify you immediately before, after stopping the use of the online service and inform you of our reasons for doing so unless it is unlawful for us to do so or it would compromise our reasonable security measures.

10.11 – We may require you to provide one or more of the additional security details and/or enter your password again before we accept instructions about your account.

10.12 – You must not tell anyone your password or additional security details. You can give the Helpdesk your username if you need help to change your password, username or additional security details.

What is the extent of your liability if you use the online service?

10.13 – You will not be responsible for your identity details being used:

- after you have reported that they might be used by someone else (unless it is used by you or on your behalf);
- where we have failed to provide a notification process to you that they might be used by someone else (we provide this process through the telephone number specified in condition 10.8(a), unless this failure was due to our failure to provide the service because of strikes, power cuts, equipment not working or other causes beyond our reasonable control).

10.14 – If you are a victim of fraud through our online service we guarantee that you won't lose any money on your accounts and will always be reimbursed in full.

10.15 – Unless you are a victim of fraud, you are responsible for all instructions and other information sent using your username, password or additional security details.

10.16 – You will not be held responsible for any instructions or information sent after you have told us that someone knows your password or additional security details or has used any of them to access our online service.

10.17 – We do not accept responsibility for any loss you or anybody else may suffer because any

instructions or information you send us are sent in error, fail to reach us or are distorted unless you have been the victim of fraud.

10.18 – We do not accept responsibility for any loss you or anybody else may suffer because any instructions or information we send you fail to reach you or are distorted unless you have been a victim of fraud.

How else can we help?

Special requirements We are committed to meeting the needs of all our customers.

If you have a hearing or speech impairment, you can use TYPETALK whenever you contact us. If you are a Halifax Online user you can also contact us using the 'Live Assistance' section shown on the Share Dealing homepage. For the visually impaired, we can provide documents in large print, Braille or in audio format. Alternatively if you are a Halifax Online user you can select the text size you require online.

Please contact 08457 22 55 25 or call our textphone on 0845 604 2543.

Customer complaints

Our aim is to please - but we know that sometimes things go wrong. If you have a problem, we want to know. A member of staff will be happy to help either over the phone, by

email or at a branch. A copy of our complaints procedure is available on request. If you need further help, call us on 08457 22 55 25 or email us at customercare.hsdl@halifax.co.uk. Complaints we cannot settle may be referred to the Financial Ombudsman Service.

Free booklets and information

We hope this brochure has been helpful. Our staff can give you more detailed information on our products and services. If you'd like more general information, the Financial Services Authority provides a range of free consumer booklets and factsheets, as well as a Consumer Helpline.

To find out more, visit their website at www.money.made.clear.fsa.gov.uk or call 0300 500 5000.

The Financial Services Authority can only provide general information and cannot give specific advice or recommend any company's products, investigate individual complaints or contact firms on behalf of individuals.

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Order Handling Policy

We are committed to helping you make informed investment decisions. One way we do this is to explain how we will handle your investment instructions. Further details are contained in our Terms and Conditions and Key Facts.

In the event that there is a conflict between this policy and the Personal Asset Trust Terms & Conditions, the Terms and Conditions and Key Facts will take precedence.

Please note that shares are acquired for the Plans either in the stockmarket or through the issuing of new shares by the Company at no less than 101% of the net asset value (“NAV”), whichever method would be cheaper to the investor. When shares are issued by the Company, no stamp duty is payable by the investor.

When shares are purchased / sold through the stockmarket the following Halifax Share Dealing Ordering Handling Policy applies:

We will endeavour to arrange the completion of your order in accordance with the following policy.

We will take all reasonable steps to obtain the best possible results when completing a buy or sell order for you.

To do this, we rely on three core components:

1. State-of-the-art technology for routing, completion and monitoring orders.
2. Careful consideration of the elements of order execution.
3. Regular examination of overall execution quality.

Trading Venues

We have carefully considered the available trading venues for your orders and have selected the following organisations as being able to provide the best possible result on a consistent basis

For UK trades: orders in respect of shares in UK listed companies will be routed to the associated Member Firms of the London Stock Exchange, PLUS Markets and AIM (including Retail Service Providers (RSPs) and Market Makers); we reserve the right to route orders to investment firms who perform the same function as RSPs and Market Makers outside a formally regulated Market or Multilateral Trading Facility. For ease of reference we refer to all of these as “market counterparties”.

For international trades: all orders will be routed through Banca IMI or other international market counterparties who will act as agent in dealing with the respective markets and/or their member firms.

UK Markets

(a) We use automated systems to request quotes from a large number of market counterparties. Upon receipt of these quotes we will automatically ascertain the best price available from those returned and then transmit your order to the appropriate market counterparty who will execute it at that price.

(b) For orders which cannot be completed automatically, for example because the size of your order is greater than that available from our market counterparties to trade electronically, you will be given the option of routing the order to one of our dealers who will then contact a market counterparty and negotiate the order on your behalf. Where appropriate the dealer will obtain multiple price quotes to determine the best price available.

(c) On very rare occasions market conditions are such that we may be unable to receive and process quotes from all market counterparties, or it becomes impractical for us to do so. These conditions are likely to exist at times of extreme market volatility or where electronic connections to the market counterparties are interrupted. At these times and in order that we can ensure your orders are completed in a timely manner, we may route orders to just one specific trading venue. In these circumstances we will, of course, endeavour to ensure that you continue to receive the best price reasonably available.

International Markets

We will route your order to our international market counterparty who will trade it at a price at least equal to the price available on the relevant international stock exchange or trading venue.

Key Factors

There are a number of factors including price, costs, speed, likelihood of execution and settlement, size and nature of your order which could affect the outcome. We will take all of these into account, although the principal factors used to determine how your order is carried out are:

1. **Price.** We understand that price is probably the most important element and endeavour to achieve the best possible result for your order, taking into consideration elements such as the size and nature of the order.
2. **Speed.** We seek to provide you with a facility that allows you the ability to complete your order as quickly as possible to minimise the risk of the market moving against your interests.

Regular Review of Completed Orders and Order Handling Policy

We regularly evaluate the overall quality of completed orders to ensure our high standards are maintained and will take appropriate action if a process can be enhanced.

We will carry out a review of our Order Handling Policy on at least an annual basis to ensure that it allows us to obtain the best overall outcome for our clients. If, as a result of such review, we make any changes to our policy the revised policy will be published on the Personal Asset Trust website. Any material changes will be dealt with in accordance with our Personal Asset Trust terms and conditions.

