

Share Dealing

# Lloyds TSB Share Dealing Certificated service.

Your Terms and Conditions *May 2010.*



Lloyds TSB | for the journey...

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## 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 you invest. Past performance is not a reliable guide to future performance.
- Changes in exchange rates may adversely affect the value of any foreign currency-based investments.
- Using this Service may alter your personal tax position. The levels and basis of taxation can change. To be sure you understand any tax consequences that could apply, you should consult a suitably qualified tax advisor. Your own tax treatment will depend on your personal circumstances.
- We will not assess the suitability of transactions made for you or other services provided to you under these Terms and Conditions and you do not benefit from the rules of the Financial Services Authority on assessing suitability.
- If you give us an order for a warrant, a convertible bond or other complex instrument we are obliged to ask you to carry out an appropriateness test. We are entitled to rely on the answers you give us and if the test proves that the investment is not appropriate for you and you instruct us to continue with the order, this is done entirely at your own risk.
- The investments and services we offer under these Terms and Conditions and on the Site may not be suitable for all investors. Information is provided on our Site solely to enable you to make your own investment decisions. You accept that we do not give personal recommendations.
- The Service does not cover every investment available in the marketplace. Using our search facility to view a selection of investments may result in your viewing and considering fewer investments than are available. The search facility does not take your particular needs and circumstances into account. If you are in any doubt as to which investment to select when using the Service, you should take independent professional advice.
- While 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. The content may change without notice.
- The news, prices, opinions and other information provided through the Site, whether from us or a third party, are for your personal use. You must not publish or re-transmit any of that information or data.
- You must not regard any information or opinion given on the Site as an offer to buy, sell or otherwise deal in any particular investment.
- The information, advertisements and other content on the Site apply to the United Kingdom (UK) only and to UK residents only. None of the services offered on the Site is intended for use or distribution in 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 ensuring that you are not breaking any local laws in doing so.
- 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 can change quickly, and may go down as well as up.
- We may, at our absolute discretion, offer a facility to deal in some warrants, and these can often involve a high degree of gearing. This means that a relatively small movement in the price of the underlying security to which a warrant relates can produce a disproportionately large movement in the price of the warrant, favourable or unfavourable.
- We may deal for you in Shares that have been subject to 'stabilisation', which permits the market price of a new issue to be supported artificially for a time. 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 the new issue to market. As long as it follows a strict set of rules, the stabilisation manager is entitled to buy back securities 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 prices higher during the stabilisation period than they would otherwise be.
- We may decide that, due to market conditions, we are not able to purchase or sell Shares 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.

# Terms and Conditions.

## 1 Introduction.

**1.1** The Lloyds TSB Share Dealing Certificated Service (the "Service") described in these Terms and Conditions is provided by Lloyds TSB Bank plc ("Lloyds TSB").

The main business of Lloyds TSB is banking. Lloyds TSB is authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (under reference 119278). Our registered office is 25 Gresham Street, London EC2V 7HN. Registered in England and Wales, number 2065.

Our postal address in connection with this Service is:

Lloyds TSB Share Dealing  
PO Box 4605  
Aspect House  
Spencer Road  
Worthing  
West Sussex  
BN99 6QY

**1.2** To be eligible to register for the Service you must:

- be individual or joint shareholders (and not a corporate body), at least 18 years old, and ordinarily resident in the UK for tax purposes, and
- subject to paragraph 3.3 below, hold your Shares in "certificated" form, meaning that you have a share certificate representing your holding.

If you have other holdings in CREST, you will need to convert them into physical share certificates to be able to use this Service to deal in them.

**1.3** Please read carefully through these Terms and Conditions. They will take effect as soon as we have received your instructions and accepted you as a customer.

**1.4** By registering with us and using our Service, you agree to these Terms and Conditions and understand that, together with the Risk Warnings (above), and our Rates and Charges (viewable on the Site) they form a legally binding agreement between you and us. By using the Service, you will be agreeing to all of them.

**1.5** If you are using the Service jointly with others and any of them is not present, you confirm that:

- you have their consent for this agreement, and
- you will give each of them full details of all you have agreed on their behalf.

**1.6** You will be classified for the purposes of the rules of the Financial Services Authority as a retail client. If however you would otherwise be an eligible counterparty or a professional client you may not necessarily have the rights of a retail client under the Financial Services Compensation Scheme. For more information on complaints/compensation, please see Section 4 of these Terms and Conditions.

## 2 Definitions.

In these Terms and Conditions, the following words have particular meanings:

**Applicable Regulations** – This definition includes any rule, regulation, guidance, voluntary code or standard as most recently amended relating to the provision or use of, or access to, the Service. Applicable regulations 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.

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

**Customer Services** – Our Lloyds TSB Share Dealing customer services team, 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 made by the FSA, which are amended from time to time.

**Maximum Quote Size** – The largest number of Shares that our market counterparties are prepared to trade at their quoted price online or over the telephone.

**Rates and Charges** – The itemised fees, rates and charges for using the Service, available on our Site or from Customer Services.

**Risk Warnings** – Explanations of the risks you should consider before making any investment decisions which can be found at the beginning of these Terms and Conditions and on the Site, updated from time to time.

**Service** – The Lloyds TSB Share Dealing certificated service described in these Terms and Conditions.

**Settlement Date** – Following a deal, this is the date when the Shares are due for delivery to the buyer and payment is due to be paid to the seller.

**Shares** – The shares and other investments in which you can deal using this Service. We are solely responsible for specifying the investments that can be traded via the Service. We may change the selection from time to time.

**Site** – Our website and any other address we provide in connection with the Service.

**Terms and Conditions** – These Terms and Conditions for the Lloyds TSB Share Dealing service. They include the application form, Risk Warnings and Rates and Charges, and any other documents referred to in them.

**We, our, us, Lloyds TSB** – Lloyds TSB Bank plc (and where appropriate, any other Lloyds Banking Group company) which is authorised and regulated by the FSA, our administrators, agents, and any other person we may transfer this service to in line with paragraph 13.2.

**You, your** – You, the person who opened this Certificated Share Dealing account, and any joint holders with whom you use the Service and hold Shares from time to time, and where it makes sense in the context, your agent or attorney.

Any reference in these 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.

**3.1** The Service enables you to buy and sell certificated Shares, over the Internet or telephone or, with our specific agreement, by post.

**3.2** We provide the Service on an "execution-only" basis. This means we will carry out your instructions to buy or sell Shares, but

- we do not give any specific investment or tax advice
- our acceptance of your instructions does not imply that we recommend or approve the particular transaction.

We express no view on whether investments are ever "suitable" for you.

If you give us an order for a warrant, a convertible bond or other complex instrument we are obliged to ask you to carry out an appropriateness test. We are entitled to rely on the answers you give us and if the test proves that the investment is not appropriate for you and you instruct us to continue with the order, this is done entirely at your own risk.

**3.3** The Service is only available to deal in company Shares specified by us. We may change this selection of Shares from time to time. We may, at our absolute discretion, decide not to include certain Shares. When we buy Shares for you, we give no guarantee that we will be able to sell them for you.

**3.4** The availability of the Service will depend on whether you access it via the Internet, telephone or 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 systems maintenance or in extreme market conditions. We will not be liable for any loss you may suffer because you cannot place an order.

**3.5** You agree that unless you have our prior written agreement:

- you will not reproduce, re-transmit or redistribute any Site content to anyone
- you will not post any Site content to newsgroups, mail lists or bulletin boards.

**3.6** You will always be fully responsible for any tax payments that become due, whether in the UK or elsewhere, in connection with any services we perform for you under this agreement.

**3.7** You or we may terminate this agreement at any time by giving written notice.

**3.8** Termination by either you or us of this agreement will not affect the following as at the date of termination of this agreement:

- (i) your or our rights or liabilities existing or outstanding under this agreement; or
- (ii) any instructions which have been accepted by us and are in the process of being carried out on your behalf.

## 4 Complaints and compensation.

**4.1** If you have a complaint about the Service please write to us at the following address: Lloyds TSB Share Dealing, Service Quality Team, PO Box 4608, Worthing, West Sussex BN99 6NZ.

We will do our utmost to resolve it. If we cannot resolve the issue between us, you may - so long as you are eligible - ask the independent Financial Ombudsman Service to review your complaint.

Our leaflet 'How to voice your concerns' has more details about our complaints procedure. You're welcome to ask us for a copy at any time.

- 4.2** We are a member of the Financial Services Compensation Scheme, set up under the Financial Services and Markets Act 2000.

Depending on the type of business 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 been declared in default. The Scheme covers Individual Savings Accounts and share dealing. Most types of FSA regulated business are covered for 100% of £50,000.

So the maximum compensation would be £50,000. For more details about the Financial Services Compensation Scheme:

- call their helpline on 020 7892 7300
- go to their website at [www.fscs.org.uk](http://www.fscs.org.uk)
- write to them at FSCS, 7th floor, Lloyds Chambers, Portsoken Street, London E1 8BN.

## 5 Agents and attorneys.

- 5.1** You may appoint an agent or an attorney to act on your behalf, as long as:

- both of you complete and sign the 'third party authorisation' form or 'Power of Attorney' form available on our Site or by contacting Customer Services, and
- the person you appoint submits to identification checks under paragraph 9.6.

- 5.2** We will verify and process your personal data and the personal data of any agent/attorney you appoint in accordance with the Data Protection Act 1998 and Section 9 of these Terms and Conditions (Protecting your personal data). If we cannot verify your or your agent's/attorney's identity, we will require additional information in order to do so.

- If we cannot verify your identity, you will not be able to use the Service.
- If we cannot verify the identity of your agent or attorney, we will only accept instructions from you.

- 5.3** Your agent or attorney must agree to be bound by these Terms and Conditions.

- 5.4** We will not be liable for any loss resulting from instructions or orders placed by your agent/attorney, unless we have been negligent or fraudulent, have wilfully failed to comply with these Terms and Conditions or breached the Conduct of Business Sourcebook or the Client Assets Sourcebook in the FSA Rules.

- 5.5** Once authorised under paragraphs 5.1 and 5.2 above:

- an attorney appointed under a valid power of attorney will - once we have seen and accepted the original power of attorney document - be able to use the Service to exercise all your rights set out in that power of attorney document
- an agent who is not an attorney:
  - will be able to exercise all your rights to buy and sell investments, but
  - will not be able to open or close your account, receive payments nor change your address or bank details.

- 5.6** Once made, a power of attorney or agent arrangement will continue until we are notified in writing that the arrangement is at an end.

## 6 Dealing.

### General points.

- 6.1** The decision whether or not to buy or sell Shares is entirely yours.
- 6.2** Your order will be transmitted by us to Société Générale Securities Services for onwards transmission to the executing broker it has selected. This entity has been 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. In particular, its executing broker will treat price and costs (total consideration) as the most important factors when dealing with or executing your order, although it may also take into account other factors such as speed, likelihood of execution and settlement, size or any other relevant considerations.
- 6.3** 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. We will monitor 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. Further

information about our policy is available on request from Customer Services or our website.

- 6.4** You may only give us instructions to sell Shares which you own and/or have the right to sell. By giving an instruction to sell, you are giving an undertaking that:

- either you own the Shares beneficially
- or you are authorised to sell them.

By instructing us to sell Shares, you are also giving us an irrevocable instruction to complete a CREST transfer or any other formality necessary to transfer the Shares.

- 6.5** If you are selling Shares already registered in your name or buying Shares that are going to be registered in your name:

- we will only be able to pay the first-named account holder any sale proceeds (where relevant) once we have received the necessary Share certificate(s) and other signed documents and these have been lodged and accepted by the company's registrar. If the certificate(s) and other documents have not reached us within 10 business days of the trade date, we will be entitled to take any of the steps outlined in paragraph 6.36 below. If a call or other payment is about to become payable on the Shares and settlement is delayed, you may become liable for paying the call plus any other amounts due under these Terms and Conditions
- if you are buying Shares or selling part of a holding, we will normally send you the relevant certificate(s), at your risk, by ordinary first class post as soon as possible after we receive them from the registrar of the company in question, and
- if you are selling Shares, settlement may be delayed if we are waiting for Share certificate(s) or Share transfer forms from the registrar of the company concerned.

- 6.6** Instructions to buy or sell Shares through the Service can only be given by:

- the holder of the Shares, or
- the holder's appointed agent, or someone with a valid power of attorney or court order to act on the holder's behalf, provided we have already seen and accepted their authorisation.

Your agent or attorney can only buy and sell Shares for you over the telephone or by post, and not via our Internet service.

- 6.7** We may at any time:

- require you to supply additional information before we carry out an instruction; or
- refuse to accept an instruction if it is reasonable for us to do so; or
- where we believe it is reasonably justified, cancel a transaction without notice. For instance, this might include circumstances where:
  - we are requested to do so by our counterparty or the relevant stock exchange, or
  - we believe it is necessary to maintain an orderly market, or
  - you perform multiple trades in the same security in a short space of time and their combined size exceeds the 'Maximum Quote Size' (as defined in Section 2).

We will not be liable for any loss or expense you may incur resulting from such a cancellation.

- 6.8** You confirm that when you use the Service:

- you will not instruct us to carry out any 'short sales' of Shares (meaning, broadly, selling investments you do not own, except for settlement differences)
- you will not submit orders to us if you are insolvent or bankrupt
- you will not enter into a transaction(s) or take any other action which might create a false impression of the value or demand for an investment (including making artificial deals or creating false prices) or which might result in any other form of market manipulation
- if you enter into a transaction which is the subject of any enquiry or cancellation by a regulatory authority, you will co-operate with us and promptly supply information in connection with the enquiry
- you will not instruct us to carry out transactions in respect of any investment where you are the issuer or an affiliate of the issuer of that investment.

If we believe you have not complied with any of the above provisions, we may refuse or cancel that transaction.

- 6.9** You agree that your use of the Service may be restricted by any Applicable Regulations, and that you will act in accordance with all such restrictions.

- 6.10** Before we deal on your behalf, we will make sure the money for the deal is available. This means we may need to:

- ask you for funds to settle a purchase, and/or
- select a later Settlement Date.

- 6.11** We reserve the right to settle any amount payable to you or by you on a net basis - that is, after deducting or adding any sums you owe.

#### Instructions on jointly held Shares.

- 6.12** If Shares are - or are going to be - held by more than one person:
- the first-named shareholder will be able to use the Service to deal in those Shares via the Internet, telephone or post. Other joint holders may only deal over the telephone or by post
  - any instruction you give us will constitute confirmation that you are authorised to buy or sell on behalf of all the joint holders
  - though not bound to do so, we may in some circumstances take steps to confirm that all the joint holders agree to a particular instruction
  - if you are not the first-named shareholder, you will only be able to buy Shares in joint names if you pay for the purchase with your debit card and the address for the card is the same as the address we have on our records for the first-named holder
  - each joint holder, individually and jointly, will be responsible for abiding by these Terms and Conditions. This means that if one of you fail to comply, we will be entitled to take action against any one of you individually or all together. So for instance, we may take steps to recover a debt from just one joint holder, or some of you, or all of you
  - we will not be responsible for any loss suffered by joint holders:
    - when we comply with an instruction from any one of you, nor
    - because of any delay in carrying out such an instruction.

#### Paying for Share purchases.

- 6.13** Payment for Share purchases can only be made using a debit card agreed by us, meaning your Maestro or Visa/Delta card or any replacement cards accepted by us from time to time. In some circumstances we may agree to accept payment by cheque or electronically, so long as the payment is drawn on a UK bank account in your own name.
- 6.14** You must have sufficient available funds to settle any Share purchase:
- up to the limit we and your card provider place on your debit card, or
  - in the case of a cheque or electronic payment, up to the limit set in relation to the bank account you're using for the purchase.
- 6.15** We will always have an absolute right not to carry out an instruction:
- if you do not have enough money to settle the transaction, or
  - if your chosen payment method does not represent cleared funds into our account.
- 6.16** In the event of your default, we may use money from any account you have with any Lloyds Banking Group company to reduce or repay what you owe on any other of your accounts with us.

#### Dealing hours.

- 6.17** We will normally only accept orders to buy or sell when the London Stock Exchange or other relevant market is open. We may occasionally agree to take an order outside London Stock Exchange hours - for instance, in the case of new share issues, or for limit or stop loss orders. Unless you instruct us otherwise, we will then execute your order as soon as possible, having regard to:
- normal dealing hours on the market in question, and
  - the best price obtainable at the time of the deal.
- 6.18** If we receive a large number of orders outside dealing hours, we may aggregate them prior to dealing. In this case:
- you will not necessarily get the opening market price, and
  - this may work to your disadvantage in relation to a particular order, compared with the price you would have obtained if your order had been dealt on its own.

#### Price quotations and promotional codes.

- 6.19** If we receive an order from you in response to, and within the acceptance deadline for, a fixed quotation, we will carry out your order in line with the quotation.
- 6.20** Apart from fixed quotations (see 6.19 above), any information we offer about investment prices and quotations are indicative only. We strongly recommend that:
- you check the dealing price quote before placing any order, and
  - you bear in mind that prices quoted during early or late trading and during market halts and auctions may be volatile.
- 6.21** From time to time we may send you, or publish promotional codes that offer preferential rates on some or all of our Services. To benefit from these special rates, you will need to use the codes in the way we specify. There will be no refunds if you do not provide the promotional code prior to trading.

#### Changing and cancelling orders.

- 6.22** Once you have given us an instruction to buy or sell Shares, you cannot change or cancel it unless the order has not yet been carried out.

#### Contract notes.

- 6.23** You cannot assume that any order placed through the Service has been executed until you have received the contract note, or we have confirmed the deal to you in some other way.
- 6.24** You will be sent details of the concluded contract in a contract note prepared in accordance with the FSA Rules. This will be sent, containing full details of any transaction, no later than the first working day after the deal has been executed. We normally send contract notes by ordinary first class post to the most recent address we have for you. Where Shares are in joint names, we will send any contract notes to the first-named holder, unless you tell us in writing to address them elsewhere.
- 6.25** You will be deemed to have received a contract note two days after posting, unless you inform us that it hasn't reached you.
- 6.26** It will be your responsibility:
- to check that the information on the contract note is correct, and
  - to let us know as soon as possible if it is not.
- 6.27** You should keep contract notes for tax purposes. We will store a copy of each of your contract notes for five years and send you a duplicate on request, on payment of a fee. (Please see our Rates and Charges for details.)

#### Limit orders and stop loss orders.

- 6.28** We may accept limit or stop loss orders from you, for certain Shares and in certain markets. (Please contact Customer Services for details of which Shares and markets.) These are orders where you place limits on the selling price you are prepared to accept, as long as the order is above any minimum we set from time to time. Any such order will be valid for the period we set, starting from the date we receive it. We will publish the order (but not your personal details) to the market unless you instruct us otherwise.
- 6.29** If you decide to place a limit order or a stop loss order with us, you accept that:
- you place these orders entirely at your own risk
  - you should review your orders regularly to be sure you are aware of your outstanding commitments and that they are still in line with your investment objectives
  - we do not guarantee that a limit or stop order will be executed even if the limit price is met. This could be the result of:
    - market conditions at the time, such as a "fast market" where conditions are so volatile that prices quoted are only indicative, not guaranteed
    - other customers having placed similar orders to yours. Trades are executed in order of receipt
    - the need to comply with UK money laundering regulations (as set out in paragraph 9.6), under which database searches are carried out at the point a trade is executed, rather than when the order is placed. In the instance that these searches are unsuccessful, your order will be deleted
    - other factors outside our control.
- 6.30** There are additional factors affecting our execution of limit and stop loss orders:
- We will only execute the order if the size is at or below the Maximum Quote Size of the market counterparty with whom the order is ultimately placed. If your order is over this size, it will not be executed automatically (even partially), even if the price is matched by the market price. In these cases, where possible, we will use our best endeavours to execute the order manually.
  - Markets can be volatile, particularly at the beginning of the trading day or for illiquid stocks. We will try to prevent limit and stop loss orders from going ahead if the best bid-offer spread (the difference between the price you would get if you sold the Shares and the price you would pay if you bought them) exceeds a certain percentage. This percentage can vary between 2% and 20%, depending on the unit price of the Shares. It may be higher for low-priced Shares than for higher-priced ones. We will endeavour to:
    - continue to monitor the order until it meets all trade execution criteria, or expires
    - provide protection from extreme 'spike' prices by ensuring that the price persists for a minimum time or forms part of a trend, before trying to execute a stop loss order based on that price

– prevent stop loss orders from executing in the first 10 minutes of market trading.

- If a corporate action affects the price of a particular Share, we will endeavour to delete any open limit or stop loss orders in those Shares. The orders may be deleted following payment of some dividends, but this does not normally include interim or final payments. It remains your responsibility to ensure that your limit and stop loss orders remain valid in prevailing market conditions.
- There are special risks concerning stop loss orders. A stop loss order is designed to trigger a sale when the price of a Share falls to a specified level. There are factors that may increase the bid-offer spread of a Share to an abnormal level, even momentarily, and so cause your stop loss order to execute. However, these abnormal prices will be the best prevailing price for the Share at that time.
- We do not guarantee that stop loss orders will be executed. They are executed only if the Share price falls to the predetermined level. Price movements are not always precise, so when placing an order you will be invited to set a band of between 1% and 10% below your chosen stop price. If the price of the Share you are selling falls to a level within that band, your stop loss order will be carried out. But if the price of the Share falls through the band, execution of your order will not be possible because there has been no match with any price inside the band.
- A stop loss order will be executed when the London Stock Exchange quoted bid price matches your stop loss price. But because an improved price may sometimes be obtained from the market, a trade could go ahead at a better price than the stop loss trigger price. To control this, a tolerance level is incorporated - in case the order tries to execute at a price significantly above your stop loss trigger price. This tolerance is pre-set as a percentage figure above the stop loss trigger price. It can vary between 2% and 10%, and may be higher for lower-priced stocks than higher-priced ones.
- If the system underlying the Service is not running, any limit and stop loss orders you place may not always be executed. For a limit or stop loss order already in the system, we will try to execute it at the earliest opportunity if, when the system comes back online, the criteria for the order are still within the limit. If they are not within the limit, the order will not be executed until the criteria do match.

#### Multiple orders.

**6.31** Orders to deal in more than one particular Share will be treated as separate transactions. Commission and fees will be charged on each transaction - please see our Rates and Charges for details.

#### Sale proceeds.

**6.32** Our normal payment process is:

- We will send you any sales proceeds by cheque in sterling.
- We normally send cheques by ordinary first class post, at your risk, to the address we have for you on our records at the time you place the deal.
- We can only make payments to the first-named account holder.
- If you have a Lloyds TSB personal current account, you can opt to have any sale proceeds paid direct into it, as long as our account ID and address checks allow. If not, we will send the proceeds to you by cheque.

**6.33** You will normally be sent the sale proceeds on the Settlement Date or as soon as possible after that, as long as we have received:

- the settlement proceeds from the market concerned and your completed and signed CREST transfer form, plus a valid share certificate(s) for the Shares you are selling and any other document(s) necessary to complete the sale and
- any proof of identity documents we have asked for.

Any additional details about sale proceeds will be printed on your individual contract note(s).

#### Cash balances.

**6.34** All cash balances, including money we receive for Share purchases and the sale proceeds of Shares, will be held in an appropriate Lloyds TSB account. We will be holding the money as a banker, not as a trustee, which means it will not be held in line with the "client money" rules of the FSA. You will not be paid interest on any cash balances.

#### Completing your trades.

**6.35** If you use the Service to buy certificated Shares, we will usually send the Share certificate(s) by ordinary first class post to your most recently recorded address as soon as possible after they reach us, so long as we have already received any proof of identity documents we have asked you for.

**6.36** We may take any action we think appropriate if we are not able to complete your transaction for any reason for instance, if:

- you do not have a valid holding or Share certificate(s)
- the certificate(s) in question has been reported lost or stolen
- you were trying to sell Shares you do not own
- you do not have authorisation to buy or sell the Shares
- you do not properly complete or return any documents, including proof of identity documents, we ask for within 10 days of the trade date
- a debit card payment is rejected.

With sales, our actions may include buying Shares at the prevailing market price without any instruction from you. In this case, the purchased Shares may not carry the same benefits as those you sold for instance, you may miss out on a dividend paid between the date of sale and the date of repurchase.

With purchases, our actions may include selling the Shares in question at the prevailing market price without instructions from you.

In either case, you will be responsible for paying any loss or damage, costs or expenses, including associated dealing costs and administration charges, interest, and legal costs and fees, including any legal costs and fees incurred by, or in contemplation of, any demand, action, claim and proceedings ('the Recoverable Sums'), incurred or suffered as a result of the actions as stated above. We will be entitled to charge you a reasonable amount to cover any internal costs we incur in recovering from you sums of money that you do not pay us on time. (You'll find details in our Rates and Charges.) This charge will be on top of any other payments you owe us.

**6.37** Whenever any loss or gain arises or is made during the course of taking any action as stated at paragraph 6.36 above, the same may either be repaid or reduced or set-off in the following respects:

#### Losses

the same may be repaid or reduced by using any money you have with any account with any Lloyds Banking Group company or any sales proceeds arising under paragraph 6.32 of this Agreement;

#### Gains

the same may be deducted from any sum then owing and due or which at any time thereafter may become owing and due by you to us, under this or any other Agreement between you and any Lloyds Banking Group company, which shall include, but without limitation to, the Recoverable Sums as stated in paragraph 6.36 above.

Any exercise of the rights granted by this contract shall be without prejudice to such other rights or remedies as may be available to us.

#### Combined orders.

**6.38** Your order may sometimes be combined with other customers' orders. This could result in the whole or part of the combined order being executed on different terms from those on public display in the market. For instance, there may be a number of transactions at varying prices and we may then average out those transactions so that all the customers involved pay or receive the same price. Sometimes this arrangement may work to your disadvantage in relation to a particular order, compared with the price you would have obtained if your order had been dealt on its own.

#### Shares sold 'with benefits'.

**6.39** If you sell or transfer a Share "cum dividend", "cum rights", "cum bonus" or with another entitlement, the benefit does not accrue to you. If we receive the benefit, we will retain it for payment to the purchaser. If you receive it, you must contact us immediately to arrange to pay it over to us or to the purchaser.

Where a benefit is due from you in respect of a cum dividend, cum rights, cum bonus or other entitlement, you must deliver the benefit to us inside the time we specify. If you do not do so, you may be liable to pay or reimburse us for any costs, charges, stamp duty and settlement fines or penalties imposed by CRESTCo, or the London Stock Exchange or any relevant clearing house, market-governing body or company. These costs are associated with the re-purchase of Shares due from you, to settle our claim with the purchaser. The purchaser may instigate the re-purchase of Shares to settle an outstanding claim, so the timing may be at their discretion at any time after the Settlement Date of the claim.

## 7 Fees, commission and taxes.

**7.1** Whenever you want to deal using the Service, you will be told the costs of commission and any taxes or fees beforehand.

**7.2** Our commission and fees under these Terms and Conditions are set out in our Rates and Charges. These may change from time to time - you can see

them on the Site or request a copy from Customer Services at any time. If we are offering different rates, charges or fees on a particular transaction, you will find them on the summary dealing page once you have logged on and selected the Shares you want to deal in. Again, we may change these from time to time.

- 7.3** If you are unable to deal online for any reason and deal over the telephone then, telephone rates will apply.
- 7.4** When you use the Service to sell or buy Shares, we may:
- deduct any fees or charges you owe us from the proceeds of any Shares you sell, and
  - add any fees or charges you owe us to the cost of any Shares you buy.
- 7.5** We may make additional charges for any extra services on top of those specified in this agreement or in our Rates and Charges. We will notify you of any such charges before you opt to take up the extra service.

## 8 Communications between you and us.

- 8.1** The language of any agreement between you and us under these Terms and Conditions will be English. We will always communicate with you in English.
- 8.2** We may rely on any communication in any form which we reasonably believe to have been made by you or for you. 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.
- 8.3** Except where these Terms and Conditions say otherwise, we may send any written communications by post or email to the most recent address you have given us.
- 8.4** Email communications are not totally secure. We will therefore not accept orders or instructions from you via email. For other restrictions concerning instructions from agents, attorneys and joint shareholders, please see paragraph 6.6 and 6.12.
- 8.5** Unless stated otherwise in these Terms and Conditions, all communications we send you:
- by post will be deemed received by you two days after posting, and
  - by email or fax will be deemed received by you immediately we send it.
- 8.6** Communications you send us will be deemed to be received only when we do actually receive them.
- 8.7** We may give to you or to any joint holder or to your agent or attorney any information about transactions executed by you or about the Service. Information communicated to any one of you will be deemed to have been communicated to all of you.
- 8.8** If you ask us, we may agree to send you some communications via SMS text message to your mobile phone. This is not a standard part of the Service, and we will not be liable for any inaccuracy, delay or delivery failure in connection with an SMS communication.
- 8.9** 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.
- 8.10** We will normally send you:
- any cheques and Share certificates by ordinary first class post, and
  - other documents, such as those confirming your identification, by ordinary second class post at your risk, to the most recent address we have for you.

## 9 Your personal data and Lloyds Banking Group.

The 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).

- 9.1** 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 Services and analysing the transactions you carry out through us
  - information that comes to us from credit reference and fraud detection agencies or services, and registration or stockbroking industry exchanges.
- We may store, use and process your personal information 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.
- 9.2** 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 you or benefit you financially, unless you have told us that you do not want to receive this information from us. Other companies, including those in the Group, will not make marketing approaches to you without your consent.
- If you prefer not to receive this information from us please call Customer Services.
- 9.3** 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 £10.00. If you think any information we hold about you is inaccurate, don't hesitate to let us know so that we can correct it.
- 9.4** 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 paragraph 9.1 and 9.2
  - 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 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
  - to any individual or company to whom we propose to transfer our obligations and rights in line with paragraph 13.2 of this agreement.
- 9.5** We may administer your 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.
- 9.6** To confirm your identity we may make searches at 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 insurers 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 at 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.

- 9.7** We monitor and record phone calls in case we need to check we have carried out your instructions correctly, and to help maintain our quality standards.
- 9.8** 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.
- 9.9** 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.

## 10 Liability for electronic data transmission and Internet security.

- 10.1** 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.
- 10.2** 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 cannot be responsible for any loss you may suffer because you are unable to place an order in these circumstances.
- 10.3** 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.
- 10.4** It is your responsibility to take all reasonable measures to ensure that the computer or other device through which you access the Service is properly maintained and adequately protected against viruses.

## 11 The extent of our liability.

- 11.1** When we accept an instruction from you, we will do everything we can to carry it out. However, we will not be responsible 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 reason

as 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.

- 11.2** We will not be responsible 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 Conduct of Business Sourcebook or Client Assets Sourcebook in 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. 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.
- 11.3** The amount of our liability for any claim you make (other than for fraud or a breach of the Conduct of Business Sourcebook or the Client Assets Sourcebook in the FSA Rules) will be no more than the value of the transaction(s) to which the claim relates plus interest at 2% above the Bank of England base rate, starting from when the claim arises up until the point when we pay our liability amount.

## 12 Conflicts of interest.

- 12.1** We have 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 material conflicts of interest. Such conflicts of interest can occur in our day to day business activities: for example, where one of our clients could make a gain at the direct expense of another client, or we might be faced with an opportunity to make a gain but this would be to the direct disadvantage of one or more of our clients.

Depending on the exact nature of the conflict of interest involved, we may take certain actions in accordance with the Conflicts Policy to mitigate the potential impact of the conflict. 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 such controls 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.

You'll find full details of our Conflicts Policy on our website or contact us for a printed copy.

At the time of the issue of this document no material conflicts of interest were identified which could not be managed in accordance with the above.

- 12.2** Nothing in these Terms and Conditions will prevent us carrying out transactions for others.

## 13 Other matters.

- 13.1** The obligations set out in these Terms and Conditions are binding, and the rights will be enforceable by you and us and our respective personal representatives and successors.
- 13.2** We may at any time transfer any or all of our rights, benefits and obligations under the Terms and Conditions to any third party who is properly authorised by the FSA to offer the Service.
- 13.3** Your rights under this agreement are personal to you and cannot be transferred to anyone else. Your obligations under this agreement may only be transferred to someone else with our prior written agreement.
- 13.4** 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.
- 13.5** Our rights and remedies, powers and privileges contained in these Terms and Conditions are cumulative, and in addition to any legal rights and remedies. If we decide to waive a right or remedy on one occasion, this will not stop us from exercising it on another occasion.

- 13.6** We may select and employ administrators, agents, delegates and sub-contractors 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.
- 13.7** Where these Terms and Conditions create rights in favour of third parties which are associated companies of ours, then we are entering the Terms and Conditions as trustee for those third parties, as well as on our own behalf. Subject to that, a person who is not a party to these Terms and Conditions may not enforce them under the Contracts (Rights of Third Parties) Act 1999. If any section, sub-section or sentence of these Terms and Conditions is unenforceable, void or voidable, this will not affect the operation of any other section, sub-section or sentence.
- 13.8** You and (if you appoint one) your agent or attorney agree to indemnify us and our associated companies, agents and delegates plus our and their respective directors, officers and employees (each being an "indemnified person") against all losses, costs, liabilities or expenses, including (but not limited to) loss of profit, incurred by us or them in connection with:
- any agreement we enter into on your behalf
  - your agreement under these Terms and Conditions, including (but not limited to):
    - any service performed under them
    - your access to the Service, and
    - the giving of instructions to third parties concerning any transaction entered into, or to be entered into, by you or on your behalf.
- This indemnity does not apply to an "indemnified person" to the extent that the losses, costs, liabilities or expenses result directly from the proven negligence, wilful default or fraud of that indemnified person or their breach of the FSA Rules.
- 13.9** 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.
- 13.10** All exchange transactions 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 these Terms and Conditions, may take all such steps as may be required or permitted by such rules, regulations, customs and/or market practice. All Applicable Regulations are binding on you.

#### **Changing these Terms and Conditions.**

- 13.11** We may change any of these terms and conditions on giving you reasonable notice in accordance with the FSA Rules if and when it is necessary or appropriate to do so in order to:
- comply with legal, tax or regulatory requirements
  - correct any errors, omissions, inaccuracies or ambiguities
  - take account of any corporate re-organisations within our group of companies
  - 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
  - on a transfer in accordance with paragraph 13.2, 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.
  - reflect any other valid reason.

#### **Governing law.**

- 13.12** These Terms and Conditions are governed by English law. Any disputes relating to the agreement between us may only be dealt with by the courts of England and Wales.

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

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