

**1. Definitions**

We use the following defined terms throughout these Conditions:

**Agreement** – Your agreement with Us for Your SAYE Fund, consisting of:

- (a) the Application;
- (b) these Conditions, including the attached Schedule;
- (c) the sections in the Prospectus which set out the amount of the monthly contributions that can be paid into Your SAYE Fund, how Your contributions may be repaid and in what circumstances, and the bonus (if any) that may be payable if You maintain Your Savings Contract for the stated term or any interest payable in accordance with the Prospectus; and
- (d) any other contractual documentation You agree relating to Your SAYE Fund from time to time.

**Application** – the application You completed in order to set up Your SAYE Fund.

**Automated Payment** – any automated payments to and from Your SAYE Fund including internal transfers between accounts held with Us, Bacs Direct Credit, Standing Orders and CHAPS.

**Bank of Scotland** - Bank of Scotland plc registered in Scotland number SC327000. Registered Address: The Mound, Edinburgh EH1 1YZ and its successors and assigns. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

**Business Day** – any day from 9am until 5pm (UK time) which is not a Saturday, Sunday or a United Kingdom bank or public holiday.

**Computershare** – Computershare Limited (company number 03015818), The Pavilions, Bridgwater Road, Bristol BS13 8AE.

**Employer** – the organisation You work for and with whom You have entered into a SAYE Option Scheme or is a participating company in the SAYE Option Scheme that You have entered into.

**HMRC** – means HM Revenue & Customs, the UK government department responsible for the administration of UK taxes.

**Legal or Regulatory Requirement** – any law, regulatory undertaking, code of practice or other provision that is binding on Us or that We usually observe in the course of Our business.

**Lloyds Banking Group** – Lloyds Banking Group plc, registered in Scotland number 095000 and having its registered office at The Mound, Edinburgh EH1 1YZ, any direct or indirect subsidiary or holding company (as defined in the Companies Act 2006) and any direct or indirect subsidiary of any such holding company.

**Payment Instruction** - an instruction given in accordance with the Agreement and which authorises Us to pay money into or out of Your SAYE Fund.

**Prospectus** – the Save-as-you-Earn prospectus provided to You when You applied to enter into the Savings Contract with Us, and which sets out the terms of the Savings Contract.

**Savings Contract** – Your agreement with Us, under which You undertake to pay monthly contributions to Your SAYE Fund as part of Your participation in Your Employer's SAYE Option Scheme.

**SAYE Fund** – the money You hold with Us, under this Agreement, for the purposes of investment in Your Employer's SAYE Option Scheme. The money will be held by Us in a bank deposit account.

**SAYE Option Scheme** – a scheme complying with the requirements of the Income Tax (Earning and Pensions) Act 2003 (or any replacement legislation) and approved by HMRC (or any replacement body).

**Standing Order** – an instruction You give Your bank or building society to make payments, usually on a regular basis, to a specified person or company's bank or building society account. The payment must be for a fixed amount each time. The organisation You want to pay will supply You with a Standing Order instruction (usually called a mandate). It is Your responsibility to complete the date, the amount You want the paying bank to pay from Your account and when. Payments will continue as instructed until You tell the paying bank otherwise. All You need to do is ensure that there is enough money in Your account to cover Your payments.

**We, Our and Us** – refers to Bank of Scotland.

**You and Your** – the person who has applied to set up the SAYE Fund and who has entered into the Agreement with Us.

**2. Eligibility, Purpose and Administration**

2.1 You can only enter into this Agreement if:

- (a) You are at least 16 years of age;
- (b) You have declared to Us that You are eligible to enter into the SAYE Option Scheme with Your Employer; and
- (b) You have entered into a Savings Contract with Us as part of that SAYE Option Scheme.

2.2 We can decline to set up a SAYE Fund without giving any reason for Our decision.

2.3 We can ask You to provide references at any time.

2.4 Your SAYE Fund can only be used in conjunction with Your Savings Contract, to hold contributions paid by You to Us under Your Savings Contract.

2.5 We have appointed Computershare to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund.

### **3. Cancellation**

Your Agreement with Us for Your SAYE Fund is not cancellable. However, You can terminate Your Agreement with Us at any time, as explained in Condition 15.5.

### **4. Deposits**

4.1 You can only make deposits into Your SAYE Fund in payment of Your monthly contributions made under the terms and conditions of Your Savings Contract. All deposits must be in pounds sterling.

4.2 You cannot pay more than Your monthly contribution.

4.3 Contributions into Your SAYE Fund must be paid by Your employer from Your salary, unless You are no longer an employee or director of Your employer. In that case only, You may pay contributions by Automated Payment. You cannot pay contributions by any other means.

4.4 We may limit the amount You or someone else can pay into Your SAYE Fund if We think this is necessary to comply with a Legal or Regulatory Requirement or due to system constraints.

4.5 Please see the Schedule for information about when payments into Your SAYE Fund will become cleared funds.

### **5. Payment Instructions**

5.1 All Payment Instructions should be given to Us via Computershare for so long as Computershare is appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund in accordance with the terms of this Condition 5.

5.2 Payment Instructions may be given by letter addressed to Us care of Computershare (for so long as Computershare is appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund) at Computershare Plan Managers, The Pavilions, Bridgwater Road, Bristol BS99 6AP. You can also download the relevant Payment Instruction document from the Computershare SAYE Scheme web portal. You can also make a payment instruction through the Computershare SAYE Scheme web portal.

5.3 You will be treated as having given Your consent to a Payment Instruction if Your postal Payment Instructions appear to have been signed by You. If You submit a Payment Instruction via the Computershare SAYE Scheme web portal You will be deemed to have given Your consent to a Payment Instruction at the time You submit Your Payment Instruction in accordance with Computershare's terms and conditions in relation to the use of the Computershare SAYE Scheme web portal. Notwithstanding this, where a Payment Instruction is received We (or Our administrator, Computershare, for so long as Computershare is appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund) may (but do not have to) call You for confirmation before processing the Payment Instruction.

5.4 You cannot submit a Payment Instruction any other way, for example, by fax or by email.

5.5 We have cut-off times for receipt of Payment Instructions. These are set out in the Schedule. If We do not receive Your Payment Instruction before the relevant cut-off time, it will not be treated as being received by Us until the next Business Day.

5.6 You must inform Us as quickly as possible if You believe that any Payment Instruction You have given Us is incomplete or incorrect.

5.7 You cannot withdraw or cancel a Payment Instruction after the time the Payment Instruction has been received by Us.

5.8 You must pay Us for all losses, costs, claims, damages and expenses that We suffer or incur as a result of acting on any instructions (including Payment Instructions) given by You or on Your behalf in accordance with this Agreement except in circumstances where any losses are as a result of the fraudulent actions of an unrelated third party. This Condition does not affect the limitations on liability set out in this Agreement or in any other related agreement between You and Us from time to time.

### **6. Our Right to Refuse to Act on Instructions**

6.1 We can refuse to act on any instruction You give Us, including any Payment Instruction where:

- (a) the instruction would result in a breach of the terms and conditions of Your Savings Contract;
- (b) we reasonably believe that valid consent has not been given;
- (c) we suspect that You or someone else is using Your SAYE Fund illegally or fraudulently or outside the terms of this Agreement;
- (d) you are already in breach of this Agreement or the terms and conditions of Your Savings Contract;
- (e) we are required to do so due to a Legal or Regulatory Requirement, or We reasonably believe that processing the instruction might cause Us (or another company in the Lloyds Banking Group) to breach any Legal or Regulatory Requirement or might expose Us (or another company in the Lloyds Banking Group) to action from any government or regulator;
- (f) in the case of payments out of Your SAYE Fund, You have insufficient funds in Your SAYE Fund to make the payment and/or to pay any charge payable;
- (g) the terms of the payee's account prevent completion of the transaction;
- (h) there are technical issues which prevent Us from executing the transaction; or
- (i) circumstances beyond Our reasonable control prevent Us from offering a normal service (such as computer failure or industrial action).

6.2 In addition, We may decide not to process payments to or from a limited number of countries. We will tell You which countries if You ask Us or if You try to make a payment there.

- 6.3 We and/or any member of the Lloyds Banking Group may be subject to sanctions and/or embargos imposed by the international community including the UK, EU, UN and the USA. We may not accept instructions and may refuse to make any payment or take any action pursuant to an instruction if it would result, or in Our reasonable opinion is likely to result, in a breach by Us or any member of the Lloyds Banking Group or any of their respective employees of any sanction or embargo whether or not imposed in the UK and We will not be liable for any loss, damage, cost or expense by reason aforesaid. We shall be permitted to disclose to the relevant authorities such information in relation to any instruction and/or payment as may be required.
- 6.4 If We refuse to act on a Payment Instruction, We will inform You and We will give You Our reasons for refusing and how to rectify any factual errors that led to Our refusal, unless We are prohibited from doing so due to Legal or Regulatory Requirements. We will inform You as quickly as possible, and in any event no later than the time by which We would have completed the transaction requested in the Payment Instruction.
- 6.5 You can also contact Us to find out (unless Legal or Regulatory Requirements prevent Us from telling You) why We have refused to act on Your Payment Instruction and how You can correct any factual errors that led to Our refusal.

## **7. Bonus and Interest**

- 7.1 Any bonus that You may become entitled to under Your Savings Contract will be calculated in accordance with the terms of the Prospectus.
- 7.2 The rates of interest that apply to Your SAYE Fund and the application of that interest are explained in the Prospectus.
- 7.3 If You are resident, or become resident, in an EU member state (other than the United Kingdom) or in another territory which is subject to the EU Savings Directive (EUSD), then under the EUSD We will be obliged to give HMRC certain information about any payment of savings income made to You. HMRC may pass this information on to the relevant tax authority in Your country of residence. This information may include the amount of interest or bonus paid to You, Your name, address, country of residence. The information We are obliged to give HMRC may change from time to time.
- 7.4 We may need to contact You if We need further information to give to HMRC, which may include Your tax identification number or date and place of birth, including town and country. Again, the information We are obliged to obtain from You may change from time to time. We may also ask You to provide evidence of the information You give Us. We will notify You in writing if this is the case.
- 7.5 We will only be liable to You for any loss You suffer in connection with Our disclosure to HMRC where We determine Your residency incorrectly and as a result make an incorrect disclosure to HMRC.

## **8. Withdrawals**

- 8.1 You can only make withdrawals from Your SAYE Fund where these are permitted under the terms and conditions of Your Savings Contract. All withdrawals must be in pounds sterling.
- 8.2 Withdrawals from Your SAYE Fund will be paid within specified timescales set out in the Schedule.
- 8.3 You are not allowed to overdraw Your SAYE Fund.
- 8.4 Withdrawals may only be by way of a cheque in Your name or by Automated Payment to a bank account in Your name (or joint names) or to an account in the name of the organisation with whom You have entered into a SAYE Option Scheme in accordance with the SAYE Option Scheme.

## **9. Information and Notices**

- 9.1 We will arrange for annual statements relating to Your SAYE Fund to be made available to you online or send You such annual statements should you request Computershare to do so on Our behalf (for so long as Computershare is appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund).
- 9.2 Any notice You send to Us must be sent to Us care of Computershare (for so long as Computershare is appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund) at the following address: Computershare Plan Managers, The Pavilions, Bridgwater Road, Bristol BS99 6AP.
- 9.3 You will not be able to use Bank of Scotland's online banking or telephone banking services to obtain information about Your SAYE Fund.

## **10. Charges**

- 10.1 There will be no charges on this account.
- 10.2 Other taxes and costs may be incurred by You in connection with using Your SAYE Fund which are not imposed by Us or paid through Us.

## **11. Refunds**

- 11.1 You may be entitled to claim a refund in relation to an Automated Payment paid out of Your SAYE Fund where:
- (a) the transaction was not authorised under this Agreement; or
  - (b) We are responsible for a transaction which has been incorrectly executed and You have notified Us in accordance with Condition 11.2.
- 11.2 If You become aware of a transaction which has not been properly authorised or has been incorrectly executed on Your SAYE Fund You must notify Us by calling Us on the number on Your statement. This notification must be provided as soon as You become aware of the error and in any event within thirteen months of the date of the transaction. If You do not notify Us within these timescales You are not entitled to a refund under this Condition 11.
- 11.3 We may make such reasonable investigations and enquiries as are necessary to establish whether or not the transaction has been properly authorised or correctly executed.

11.4 If You are entitled to a refund We will also reimburse You for any interest and charges You have incurred as a result of the incorrect execution. We will not be responsible for any indirect or consequential loss resulting from the incorrect execution of the transaction.

## 12. Changes to Your Information

You must notify Us promptly in writing (not by fax), in such format as We may require from time to time, of any change in the information You have given Us, such as Your name, address or contact details. Any changes to Your information should be sent to Us care of Computershare (for so long as Computershare is appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund) at the following address: Computershare Plan Managers, The Pavilions, Bridgwater Road, Bristol BS99 6AP. We may ask You to provide evidence of any change.

## 13. Death, Mental Incapacity and Insolvency

If We are informed that You have died, or that You have become mentally incapable, or that You have been made bankrupt, We will not accept any further contributions and we will act in accordance with the terms and conditions of the Prospectus.

## 14. Bonus and Interest Rates, and Changes to this Agreement

14.1 The rates of bonus and interest that apply to Your SAYE Fund are governed by HMRC and are as set out in the Prospectus. You can view the Prospectus on the Computershare SAYE Scheme web portal (for so long as Computershare is appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund).

14.2 We will only vary this Agreement - for one of the following reasons:

(a) where we are required by any law, regulation, or government or regulatory body; or

(b) in the event that Computershare is no longer appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund and consequently we need You to send Your payment instructions, notices or any other correspondence to a new address; or

(c) to reflect a change or expected change in market conditions, general banking practice or Our actual costs in providing services to Our customers.

## 15. Suspension and Termination

15.1 We can suspend operations on Your SAYE Fund at any time and/or reverse or recall any transfer or payment if:

(a) Your SAYE Fund is being operated outside the terms of this Agreement; or

(b) We have reasonable grounds to believe that Your SAYE Fund may be being operated negligently, illegally or fraudulently, or that if We continue to make Your SAYE Fund available We might be in breach of any Legal or Regulatory Requirement; or

(c) We become aware of any court process against You or any other claim affecting Your SAYE Fund, such as a dispute about the ownership of or entitlement to money in Your SAYE Fund;

(d) there is any question as to the validity of any person's authority to instruct Us in relation to Your SAYE Fund; or

(e) We believe or have been informed that an unauthorised person has accessed Your SAYE Fund information; or

(f) We believe that the security of Our systems may be compromised.

15.2 Unless We cannot do so due to Legal or Regulatory Requirements, We will inform You of Our intention to suspend operations on Your SAYE Fund before We do so and We will tell You why We have done this. If We cannot tell You in advance, We will inform You as quickly as possible after We do this.

15.3 Where We suspend Your SAYE Fund, We will lift the suspension as soon as the circumstances which caused Us to suspend cease to exist, or We receive a court order instructing Us to do so. Where this is payable, interest will continue to accrue on Your SAYE Fund while it is suspended.

15.4 We can terminate Our Agreement with You for Your SAYE Fund with immediate effect and without giving any reason for Our decision at any time where:

(a) We suspect fraud;

(b) We are obliged to in order to comply with Legal or Regulatory Requirements or the requirements of any court, government or regulator; or

(c) We reasonably believe that by continuing the Agreement We (or another company in the Lloyds Banking Group) may be exposed to action from any government or regulator.

In all other circumstances We can only terminate Our Agreement with You where Your Savings Contract has been terminated.

15.5 You can terminate Your Agreement with Us for Your SAYE Fund at any time by giving Us written notice, before You have paid 36 monthly contributions if Your Savings Contract is a three year Savings Contract or 60 monthly contributions if Your Savings Contract is a five year Savings Contract, confirming that You will not make any further contributions under Your Savings Contract in order to terminate Your Savings Contract and have the money in Your SAYE Fund repaid to You in accordance with the terms of the Prospectus.

15.6 Your Agreement with Us for Your SAYE Fund will end at the end of Your SAYE Option Scheme when You give us notice applying for repayment of Your contributions and any bonus or interest or where the Bank have repaid Your contributions, bonus and interest in accordance with the terms of the Prospectus, regardless of whether You have applied for repayment or not.

15.6 You will be liable for all obligations, costs and charges incurred before, during and after closure of Your SAYE Fund.

## 16. Complaints

If You have a complaint about Your SAYE Fund, You should contact Us in writing. A copy of Our complaints procedure is available on our website at: <http://www.lloydsbankcommercial.com/contactus/>

If You are not satisfied with the way We deal with Your complaint You may be entitled to refer this to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

## 17. Liability

- 17.1 Where a transaction is properly authorised in accordance with the terms of this Agreement, We are responsible for the correct execution of Automated Payments into and out of Your SAYE Fund unless We can prove that the error in the execution of the Automated Payment was due to the fault of the payee's or payer's bank or building society (as the case may be).
- 17.2 Where We are liable for an incorrectly executed transaction out of Your SAYE Fund, We will restore Your SAYE Fund to the state in which it would have been had the defective payment not taken place.
- 17.3 Where We are liable for the misallocation of funds or the failure to collect funds into Your SAYE Fund, We will restore Your SAYE Fund to the state it would have been in if the payment had been correctly made.
- 17.4 Where You wrongly identify the person and/or account (including account number and sort code) to which a payment should be made, We will make reasonable efforts to recover the payment made, but We will not be liable for any losses which may be incurred by You.
- 17.5 We will not be liable for any losses (including indirect and consequential losses), costs, claims, damages and expenses suffered or incurred by You where You have been negligent or where We are unable to perform Our obligations under this Agreement due to abnormal or unforeseeable circumstances beyond Our reasonable control. This Condition does not exclude or restrict any liability that the law says We cannot exclude or restrict.
- 17.6 Although Computershare is acting as Our agent in administering Your Savings Contract and operating Your SAYE Fund, You will have no right of action against Computershare in relation to either the administration of Your Savings Contract or the operation of Your SAYE Fund whether pursuant to this Agreement or otherwise. Your sole recourse, to the extent that you have any, is against Us. Computershare does not accept any responsibility for any losses or expenses suffered or incurred by You as a result of any acts or omission of Bank of Scotland or any other member of Lloyds Banking Group.

## 18. General in relation to the SAYE Fund

- 18.1 This Agreement is personal to You and You cannot assign or transfer any of Your rights or obligations under this Agreement. You cannot grant any security over Your SAYE Fund.
- 18.2 If You attempt to assign or novate Your rights or obligations:
- (a) before completing Your contributions We will not accept any further payments and You will be deemed to have given Us notice applying for repayment. We shall then repay You in accordance with the terms and conditions of the Prospectus.
- (b) after completing Your contributions You will be deemed to have given Us notice applying for repayment. We shall then repay You in accordance with the terms and conditions of the Prospectus.
- 18.3 We can transfer any of Our rights and obligations under this Agreement in accordance with the terms of the Prospectus.
- 18.4 Telephone calls to or from Us (or Computershare, for so long as Computershare is appointed to act as Our agent in administering Your Savings Contract and operating Your SAYE Fund) may be recorded for security purposes and monitored under Our quality control procedures.
- 18.5 If We fail or delay in exercising or applying any term of this Agreement, this does not mean that We have waived that term.
- 18.6 You can request a copy of this Agreement or any part of it at any time.
- 18.7 This Agreement as well as Our dealings with You which led to this Agreement are governed by Scottish law where, at the time of application, You are normally resident in Scotland and in those circumstances You and We agree to submit to the non-exclusive jurisdiction of the Scottish courts. In all other cases this Agreement and Our prior dealings with You are governed by English law and in those circumstances You and We agree to submit to the non-exclusive jurisdiction of the English courts.
- 18.8 This Agreement is in English and all communications between You and Us will be in English.

## 19. Data Protection Notice

Your information will be held by Bank of Scotland plc which trades as Bank of Scotland, part of the Lloyds Banking Group.

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

Your personal information will be shared both within the Lloyds Banking Group so that we and any other companies in our Group can look after your relationship with us and with Computershare, companies in the Computershare group, your Employer, the trustee of any employee benefit trust used to satisfy the exercise of such options and registrar to the company with whom you have entered into a SAYE Option Scheme for the purposes of administering your SAYE Fund. By sharing this information it enables us to better understand your needs, run your accounts, and provide products in the efficient way that you expect.

We may ask you to provide physical forms of identity verification when you open your account. Alternatively, we and Computershare may search credit reference agency files in assessing your application. The agency also gives us other details and information from the Electoral Register to verify your identity. The agency keeps a record of our search, whether or not your application proceeds. Our search is not seen or used by lenders to assess your ability to obtain credit.

Under the Data Protection Act you have the right of access to your personal data. 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.

It is important that you understand how the personal information you give us will be used. Therefore, we strongly advise that you read our Privacy Statement, which you can find at <http://www.lloydsbankcommercial.com/Privacy-Statement/> or you can ask us for a copy.

By making the Application, you agree to your personal information being used by us and Computershare, companies in the Computershare group, your Employer, the trustee of any employee benefit trust used to satisfy the exercise of such options and registrar to the company with whom you have entered into a SAYE Option Scheme in the ways we describe in our Privacy Statement. Please let us know if you have any questions about the use of your personal information.

## Schedule to the Terms and Conditions

This Schedule forms part of the Terms and Conditions of Your SAYE Fund and explains certain operational matters.

### **PROCESSING CUT OFF TIMES – OUTWARD PAYMENTS**

Processing Cut-off times stated are those by which We must receive the instruction.

Where You instruct Us to undertake a transaction which is an Automated Payment the money will be available to the payee (subject in each case to the instruction being received before the cut off time):

- (unless the transaction is initiated by way of a paper-based authorisation process) within 2 Business Days of the day after We receive Your Instructions; or

- where the transaction is initiated on a paper-based authorisation process, within 8 Business Days of the day after We receive Your Instructions.

Service Description	Information	Processing cut-off	Payee Account Credited
CHAPS	Same day payment made within UK	15:00pm	Same Business Day
Bacs Direct Credit	Electronic transfer of funds	Business Day 1 - Input by:	Business Day 3 (3 day cycle)
Recalls	On Business Day 2 of Bacs cycle	5.00pm	n/a

### **PROCESSING CUT OFF TIMES – INWARD PAYMENTS**

Service Description	Information	Processing cut-off	Beneficiary Account Credited
CHAPS	Same day payment made within UK	Received by Bank by 4pm on any Business Day	Same Day
Bacs (including Standing Orders)	Payments debited to payer's account through Bacs		Account credited by 9.30am on Business Day 3 of the Bacs Payment Cycle

Any items credited to Your SAYE Fund before 4pm will be eligible to be included in any balance used for interest calculation purposes.

### **Payment Cycle for Bacs Payments (excluding Bacstel-IP) – please note reference to Day is to Business Day**

Day 1	Day 2	Day 3
e.g. Monday	e.g. Tuesday	e.g. Wednesday
	Bacs Processing Day	Customer Account debited and Payee Account credited

[www.lloydsbankcommercial.com](http://www.lloydsbankcommercial.com)

**Please contact us if you'd like this information in an alternative format such as Braille, large print or audio .**

Bank of Scotland plc. Registered Office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland no. SC327000. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

We aim to provide the highest level of customer service possible. If you do experience a problem, we will always seek to resolve this as quickly and efficiently as possible.

If you would like a copy of our complaint procedures, please contact your relationship manager or any of our offices. You can also find details on our website, at <http://www.lloydsbankcommercial.com>