



Terms and Conditions

of the Castle Trust Direct plc
Fortress Bond

Terms and Conditions of the Castle Trust Direct plc Fortress Bond

These Terms and Conditions govern your investment in your Fortress Bond. You should read these Terms and Conditions carefully.

If there is anything you do not understand, you should contact us for information or seek independent advice.

These Terms and Conditions are valid as at 11 June 2019.

All capitalised terms are explained below.

Product summary

A Fortress Bond is an investment for a fixed term with a fixed rate or floating rate of interest, all as set out in the applicable Final Terms (as defined below).

A Fortress Bond is a 'loan note' (also known as a corporate bond) issued by Castle Trust Direct plc, an English company to Castle Trust and subsequently sold by Castle Trust to you subject to these Terms and Conditions. In effect, you are lending the Company money for a fixed term and the income you receive is the interest it pays on the loan note.

The Company repays the loan note (i.e. your original investment) at the end of the term and pays interest during the term of the loan note or at the end of the term, depending on the type of loan note.

Financial Services Compensation Scheme

Castle Trust is authorised and regulated by the Financial Conduct Authority to carry out regulated activity and is a participant in the Financial Services Compensation Scheme

("FSCS") established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations of up to £85,000 per eligible claimant. If an investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back the applicable Loan Notes because it had become insolvent) then the investor would be able to seek compensation from the FSCS, provided the investor is an eligible claimant.

For further details, please see condition 24 (*Compensation*).

1. Definitions

"**applicable Loan Notes**" means the Loan Notes of the Company purchased by us for you as described in condition 3E (*Your application*) below;

"**applicable Final Terms**" means the Final Terms specific to the applicable Loan Notes or the series of Loan Notes of which the applicable Loan Notes form part which will be available from us or by going to www.castletrust.co.uk/documents-investments;

"**Application**" means the steps required (online, by post or by telephone) to apply for your Fortress Bond;

"**Business Day**" means any day (other than a Saturday, Sunday and bank holidays) on which we are open for business;

"**Castle Trust**" means Castle Trust Capital plc, a company registered in England & Wales (no. 07454474), authorised and regulated by the Financial Conduct Authority in the

conduct of investment business;

“Castle Trust Group” means Castle Trust and any subsidiary from time to time of Castle Trust;

“Castle Trust Management” means Castle Trust Capital Management Limited, a company registered in England and Wales (no. 07504954) authorised and regulated by the Financial Conduct Authority;

“Client Investment Account” means the client account we open for you in order to administer these Terms and Conditions and your investment in your Loan Notes (i.e. the Fortress Bond);

“Client Reference” means the unique reference number given to every Client Investment Account;

“Company” means Castle Trust Direct plc, a company registered in England and Wales (no. 9046984) with its office at 10 Norwich Street, London EC4A 1BD, a subsidiary of Castle Trust;

“Condition” means a condition of these Terms and Conditions;

“FCA” means the UK Financial Conduct Authority or any successor regulatory body;

“FCA Rules” means the rules made by the FCA which apply to the services provided to you in respect of the Fortress Bond, as amended from time to time;

“Final Terms” means, in respect of each series of Loan Notes, the document setting out, among other things, the maturity date of those Loan Notes and the interest

payable in respect of those Loan Notes. See the section of the Prospectus entitled – **“Pro Forma Final Terms”**.

“Fortress Bond” means a fixed rate bond or floating rate bond (as the case may be), being the Investment made in the applicable Loan Notes in accordance with these Terms and Conditions;

“Investment” means your initial investment monies, and, following the Settlement Date, Loan Notes held on your behalf by the Nominee subject to these Terms and Conditions;

“Investment Term” means the duration of the Fortress Bond, which, subject to section 3a) below, starts on (and includes) the day after the end of the Offer Period and ends on the Maturity Date;

“Loan Note Instrument” means the instrument of the Company creating the Loan Notes;

“Loan Notes” means the loan notes representing the Fortress Bond issued by the Company and held by the Nominee from time to time and references to transfers of Loan Notes shall, unless the context otherwise requires, include transfers of the beneficial interest in Loan Notes held by the Nominee;

“Maturity Date” means the date when your Loan Notes are, or are to be, redeemed by the Company or repurchased by Castle Trust, as specified in the applicable Final Terms;

“Nominee” means Castle Trust Capital Nominees Limited or any other nominee Castle Trust Management decides to use to hold Loan Notes on your behalf;

“Offer Period” means the period during which you may apply for the Fortress Bond as specified in the applicable Final Terms;

“Product Terms and Conditions” means these Terms and Conditions, the Application, the Prospectus and the applicable Final Terms all of which are available from us or by going to www.castletrust.co.uk/how-to-apply-investments;

“Prospectus” means the prospectus in respect of the offer of the Loan Notes including the current Base Prospectus and the relevant Final Terms, which is available from us or by going to www.castletrust.co.uk/documents-investments;

“Rate of Interest” means, for the applicable Loan Notes, the rate of interest specified in the applicable Final Terms, which will either be (i) fixed at a single rate throughout the Investment Term, (ii) fixed but with more than one fixed rate such that different fixed rates apply for certain periods during the Investment Term, or (iii) variable (floating) throughout the Investment Term (as such rate(s) may be increased by the Company (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period);

“Register” means the register of holders of the legal title to Loan Notes;

“Registrar” means the person appointed from time to time by the Company as its registrar to maintain the Register;

“Repurchase Facility” has the meaning set out in condition 8B (*Maturity of the Fortress Bond*) below;

“Settlement Date” means the date on which the Loan Notes will be transferred to you, which will be the date of our acceptance of your Application;

“Terms and Conditions” means these terms and conditions;

“We”, “us”, “our” means Castle Trust and/or Castle Trust Management, as applicable, the use of which terms is further explained in condition 2F (*Introduction*) below; and

“You” and **“your”** mean the person on whose behalf the Nominee is holding the Loan Notes and who is named as the applicant in the Application or, if appropriate, your representative.

2. Introduction

- A. You should read the Product Terms and Conditions. They make up a legally binding contract between you, Castle Trust and Castle Trust Management in respect of your investment in the Fortress Bond. These documents are available from us or may be found at www.castletrust.co.uk/how-to-apply-investments.
- B. For individuals, an investment in a Fortress Bond is only available to those over 18 years of age.
- C. Your investment in the Fortress Bond will take the form of a purchase of Loan Notes of the Company which Castle Trust Management will arrange to be held on your behalf by the Nominee in accordance with the Product Terms and Conditions.

- D. By making your investment in the Fortress Bond, i.e. your Loan Notes, you agree to be bound by the Product Terms and Conditions (and the ISA Terms, where applicable).
- E. Castle Trust and Castle Trust Management are each authorised and regulated by the FCA.
- F. Castle Trust Management is the entity within the Castle Trust Group responsible for safeguarding and administering your Investment. Castle Trust is the entity from which you will purchase Loan Notes and which will buy those Loan Notes back under the Repurchase Facility as described below. To assist in the clarity of these terms and conditions the words “we” “our” and “us” are used to refer to either or both entities. In case of any ambiguity arising from the use of such terms they shall be interpreted in line with the intended functions of each entity and, where any ambiguity could be of any detriment to you, such ambiguity will be construed in your favour.
- G. The Castle Trust Group’s Best Execution Policy, which sets out how the Castle Trust Group will achieve the best possible result for its customers taking into account all relevant execution factors, may be found at www.castletrust.co.uk/documents-investments.
- H. You risk losing capital should Castle Trust become insolvent.

3. Your application

- A. The Investment Term of your Fortress Bond will begin only when we have accepted a correctly completed Application by the close of the Offer Period together with the relevant

amount of investment monies by cheque or by electronic transfer, where applicable. Payments in cash will not be accepted. You can make further investments in the same Fortress Bond during an Offer Period by completing a new Application. No additional investments in the same Fortress Bond are possible after the end of the Offer Period.

- B. The minimum investment in a Fortress Bond is £1,000 or as otherwise specified in the applicable Final Terms.
- C. You confirm that the information supplied, and any declarations made, on your Application are true, accurate and complete. You acknowledge that we may arrange for your Investment to be cancelled if any of the information supplied or declarations made are untrue, inaccurate or incomplete.
- D. Once we have accepted your Application a contract will be formed between you, Castle Trust and Castle Trust Management, the Terms and Conditions will come into force and your Fortress Bond will begin. We will send you written confirmation of each investment, showing the number of Loan Notes purchased from us.
- E. Castle Trust Management will arrange for us to invest your monies by applying them, on your behalf, in purchasing Loan Notes from Castle Trust on the Settlement Date and we will send you written confirmation of your Client Reference, the date the Application is accepted, and the Maturity Date.
- F. Where your monies have not cleared as at the Settlement Date, Castle Trust will still transfer the Loan Notes to

you on that date, but will retain security over the Loan Notes for the monies not yet cleared. If such monies do not clear within a reasonable timeframe (to be not less than 5 Business Days after the Settlement Date) you agree that Castle Trust Management may arrange for the appropriate number of Loan Notes to be transferred back to Castle Trust and an administration charge may be made in accordance with condition 12 (*Charges and expenses*).

- G. We reserve the right to close Applications for investments in any Fortress Bond without notice during the Offer Period and decline to accept any further Applications.
- H. We reserve the right to reject an Application at our discretion, but we will notify you of our decision. You agree that we will have no liability to you for any loss you may incur if we decide to reject an Application and you do not acquire a Fortress Bond.
- I. We will deal with you solely on an execution only basis which means we do not provide any advice to you in relation to your Investment. By accepting your Application, we are not confirming that an investment in the Fortress Bond is suitable for you. If you are in any doubt as to whether the Fortress Bond is suitable for you, you should speak to your financial adviser.

4. Cancellation

You have the right to change your mind and cancel your Application for an investment in a Fortress Bond within 14 days after receiving notice from us of your cancellation rights. A cancellation form will be sent to

you within five Business Days after we have received your completed Application. You can exercise your right to cancel by sending the completed cancellation form or a letter to **Castle Trust, PO Box 6965, Basingstoke, RG24 4XE**. Alternatively, you can cancel via telephone on (Freephone) **0808 164 5000** (Monday - Friday, 9am - 5pm) or via secure message on the online Self Service Portal if you have registered for an online account. If you exercise your right to cancel, any investment monies paid to Castle Trust will be repaid (no interest is payable). We will repay your investment monies in full as soon as reasonably practicable and in any event within 30 days of the date upon which your cancellation became effective. If we have arranged for Loan Notes to be purchased on your behalf we will arrange for Castle Trust to repurchase them for the amount of your Investment to enable us to do this.

5. Cash held before your purchase

Pending purchase of Loan Notes on your behalf, money that Castle Trust holds on your behalf will be held in a Castle Trust client account as trustee (or in Scotland as agent) and in accordance with the FCA's client money rules. Interest will not be paid on any money held on your behalf prior to the first day of the Investment Term.

6. How your Investment is held

- A. Castle Trust Management is responsible for arranging and carrying out the safeguarding of your Loan Notes, which it does via the Nominee. All Loan Notes purchased on your behalf from Castle Trust will be registered in the name of the Nominee, which will hold the Loan Notes on

your behalf. This arrangement is called a bare trust and is subject to the constitutional documents of the Company, the Prospectus and any other document governing the terms on which the Loan Notes are issued. You will remain the beneficial owner of the Loan Notes which means that, although they are legally registered in the name of the Nominee, their economic benefits belong to you and you may call for them to be transferred to you at any time (as described, and subject to payment of any charges we apply as set out in condition 9 (*Transferring your Investment*), below). The Nominee will maintain a register of beneficial owners of Loan Notes.

- B. Your Client Reference is shown on the written confirmation we send to you following our accepting your Application. Please keep your Client Reference safe as we may ask for it when you contact us.
- C. Castle Trust Management will maintain the Client Investment Account. You agree to provide promptly any information we request in respect of the Loan Notes registered in the Nominee's name on your behalf.
- D. We will only take instructions for the Fortress Bond from persons on the Nominee's register. We do not recognise the beneficial interest of any person under any trust and we will not take notice of any such beneficial interest under any trust express, implied or constructive.
- E. We will not lend your Loan Notes to, or deposit your Loan Notes with, any third party. No money will be borrowed using them as security.

7. Interest on your Investment

- A. Interest will accrue and be paid on your Loan Notes by Castle Trust (at the direction of the Company) at the annual rate equal to the Rate of Interest commencing on (and including) the first day of the Investment Term until (but excluding) the last day of the Investment Term. Interest will be calculated on the basis of the Rate of Interest applied to the amount of your Loan Notes for the relevant period during which interest accrues under your Loan Notes (all as set out in the applicable Final Terms).
- B. Interest due to be paid under the Loan Notes by Castle Trust (at the direction of the Company) will be paid directly to your bank account within three Business Days following the relevant due date. As set out in the applicable Final Terms, this will be either an interest payment date during the Investment Term or the Maturity Date, after which interest will be paid together with the repayment of your Investment.

8. Maturity of the Fortress Bond

- A. Prior to the Maturity Date, we will write to you at the address held on file for you to confirm your wishes in relation to the proceeds of your maturing Fortress Bond (including any interest due but unpaid) on the Maturity Date. The options available are:
 - i. Payment by Castle Trust direct to your bank or building society account,
 - ii. Payment by cheque made out to the name of the person held on the Nominee's register, or
 - iii. Reinvestment in further Fortress Bonds (or other

investment products) offered by the Castle Trust Group at the time, where available, with such instruction specifying the type and amount of Fortress Bonds and / or investment products for the proceeds to be reinvested into.

- B. On the Maturity Date your Loan Notes will be redeemed by the Company by 2pm or, failing that, they will be repurchased by Castle Trust (the “**Repurchase Facility**”). The Repurchase Facility is only available to those persons named on the Nominee’s register.
- C. Loan Notes will be redeemed by the Company or repurchased by Castle Trust for an amount equal to the amount of your Fortress Bond together with any interest due but unpaid at that time. The amount of your Fortress Bond and any interest will be retained subject to receiving instruction from you as set out in condition 8A above.
- D. Following receipt of your instruction sent to us pursuant to condition 8A, and subject to the terms of condition 8F, the proceeds of your Fortress Bond (including any interest due but unpaid) will either be:
 - i. Paid to your bank or building society account, as notified to us, within three Business Days of the Maturity Date,
 - ii. Paid by way of a cheque, which shall be posted by us within three Business Days of the Maturity Date to the address notified to us, or
 - iii. Where available, invested in the Fortress Bonds (on the terms of the Terms and Conditions applicable at the time) and / or other investment products (on the

terms of their terms and conditions applicable at the time) specified in your instruction on the Maturity Date, whereby Castle Trust Capital Management shall immediately use the proceeds of your matured Fortress Bonds (including any interest due but unpaid), which are redeemed at 2pm on the Maturity Date in accordance with condition 8B, to acquire the Loan Notes relating to the Fortress Bonds specified in your instruction and/or the securities relating to the other investment products specified.

- E. If no instruction is received from you in relation to the amounts owing to you (as described in condition 8A), it will be held by Castle Trust until we receive an instruction from you.
- F. You will not earn any interest on the amounts that we hold after the Maturity Date. Any funds which Castle Trust holds after the Maturity Date on your behalf will be held by Castle Trust in a client money account as trustee (or in Scotland as agent) and will be held in accordance with the FCA's client money rules.

9. Transferring your Investment

- A. The Loan Notes are listed on (i) the Official List of the Irish Stock Exchange, or (ii) the Official List of The International Stock Exchange (as indicated in the appropriate Final Terms for each Series of Loan Notes) and are therefore freely transferable. However, you should be aware that there may not be a ready market for your Loan Notes prior to maturity.
- B. If you wish to transfer all or some of your Loan Notes to

another beneficial owner, you must notify us in writing at least 30 days before the date of the proposed transfer. The Nominee will register the transfer of the beneficial interest in your Loan Notes in accordance with your instructions. We may make a charge for transfers of Loan Notes to cover the Nominee's administration costs.

- C. If you wish to exchange your beneficial interest in Loan Notes so that you hold legal title to those Loan Notes, you must notify us in writing at least 30 days before the date of the proposed exchange. If the conditions for exchange of beneficial title for legal title to Loan Notes, which are set out in the Note Conditions (which are available from us or in the Prospectus at www.castletrust.co.uk/documents-investments), are met, Castle Trust Management will arrange for the Nominee to register the exchange of the beneficial interest in your Loan Notes for legal title and for the Registrar to record you as holder of the Loan Notes. We may make a charge for exchanges of beneficial title for legal title to Loan Notes to cover the Nominee's and the Registrar's administration costs.
- D. If you transfer all or part of your Loan Notes before the Maturity Date you may get back less than you would receive if you were to hold your Investment until the Maturity Date and you may get back less than you invested if an early encashment charge applies (as described below). If you transfer all of your Loan Notes to another beneficial owner other than to the legal representatives or beneficiaries of your estate in the event of your death, or if you have opted to hold legal title to your Loan Notes and you transfer those Loan Notes

this will have the effect of terminating these Terms and Conditions as between you and each of Castle Trust and Castle Trust Management (such that the Fortress Bond will cease to exist) and the person acquiring an interest in such Loan Notes will not be covered by the Financial Services Compensation Scheme (see condition 24 (*Compensation*)).

- E. If you are not transferring all of your Loan Notes, the remaining value of your Investment after the transfer must meet the minimum investment level for the Fortress Bond.
- F. Transferring all or some of your Loan Notes will not affect any of your rights or obligations arising before, during or after the date of such transfer or which arise as a result of such transfer or which relate to our provision of the Fortress Bond to you and all such rights and obligations shall continue to be subject to the Terms and Conditions applying at the time of your original Application.

10. Early encashment

- A. You may not encash your Loan Notes prior to their Maturity Date unless early encashment is permitted by the applicable Final Terms, other than in the case of death (as per condition 11 (*Death*)).
- B. If early encashment is permitted by the applicable Final Terms (where it would be referred to as Optional Redemption (Investor Put)), you may request at the time(s) specified in the applicable Final Terms that Castle Trust repurchase your Loan Notes from you and Castle Trust will agree to repurchase Loan Notes at a price reflecting

the date on which early encashment is to occur subject to an early encashment charge which will be calculated with reference to a number of days' interest in respect of the original duration of the Loan Notes, as set out in the applicable Final Terms.

- C. Where Castle Trust has repurchased your Loan Notes in accordance with condition 10B, payment of the sale proceeds will be made by cheque to your last known address or direct to your chosen UK bank or building society account, within three Business Days of the repurchase becoming effective.
- D. Castle Trust will only repurchase Loan Notes early on receipt of an early encashment request form, signed by all the registered investors. You may write to us or call us to ask for a form.
- E. You may only request that Castle Trust repurchase all the Loan Notes you own in a particular Series – partial early encashment is not allowed.

11. Death

- A. If you die before the Maturity Date, your Investment will continue pending instructions from the legal representative of your estate. If the Loan Notes are held by the Nominee for your benefit only, then they can be released to your legal representative on request. Alternatively, your legal representative may instruct us to arrange for the Nominee to hold the Loan Notes for the benefit of another beneficiary or encash early in accordance with the provisions of condition 10 (*Early encashment*).

- B. If your Loan Notes are held by the Nominee for the benefit of you and another person then after your death they will be held for the benefit of the surviving joint holder.
- C. We will need to see the death certificate and grant of probate (or Scottish equivalent) before we can act on administrators' or executors' instructions.

12. Charges and expenses

Castle Trust Management reserves the right to charge you for the administration by the Nominee or the Registrar (depending on whether beneficial title or legal title is being transferred (or exchanged)) of any transfer of your Loan Notes or the issue of duplicate documentation. We will tell you about the charges for these services before we provide the service and at any time on request.

13. Statements

- A. Castle Trust Management will arrange for you to be provided with a valuation statement four times a year, in February, May, August and November. This will show the value of your Fortress Bond as well as any transactions that have occurred in the period since the previous valuation statement was issued. You may also be provided with a client money statement, if appropriate, in January, April, July and October. We may supply you with duplicate or additional statements on request. We reserve the right to charge a fee for this.
- B. You should check any statement which you receive from us and if you have any query or concern in relation to

the matters disclosed you should contact us as soon as possible.

14. Joint holders

- A. The Nominee will hold Loan Notes for up to two joint holders, unless the Loan Notes are held by trustees when up to four joint holders will be permissible.
- B. All references in these Terms and Conditions apply to each holder jointly and severally. Each holder agrees that:
 - i. All obligations, undertakings and agreements on our part and the part of the Nominee are given to the joint holders taken together and not separately to each of them; and
 - ii. All obligations, undertakings, agreements and liabilities arising out of or pursuant to these Terms and Conditions constitute joint and several (i.e. individual) obligations of each joint holder.

If exercising your right to cancel your Investment under condition 4 (*Cancellation*), the cancellation instruction must be signed by all joint account holders and, where the Investment is held on behalf of a trust, by all trustees. We reserve the right to accept other instructions signed by the first named holder. The bank or building society account into which you ask us to pay any sale proceeds under condition 10B (*Early encashment*) must be held in the name of all holders unless the other holders instruct us otherwise in writing.

- C. Please see condition 11 (*Death*) for information on what happens if a joint holder dies.

15. Corporate and trustee holders

- A. Castle Trust no longer accepts Applications from investors that are corporate entities, unless such investors have previously invested in Fortress Bonds and still hold those investments. If you are a company that has previously invested in Fortress Bonds (which you still hold) and are making an Application for a further investment in Fortress Bonds, then by making such Application you confirm that:
- i. You are a company duly incorporated and validly existing in the United Kingdom;
 - ii. You have the necessary corporate rights and authority to make your investment in the Fortress Bond;
 - iii. You have duly authorised, executed and delivered the application;
 - iv. These Terms and Conditions constitute your valid and legally binding obligations enforceable under English law; and
 - v. You agree to provide to us any documents or information that we may reasonably require in support of the above confirmations e.g. certified copies of board and/or shareholder resolutions.
- B. Castle Trust no longer accepts Applications from investors acting in their capacity as trustees.

16. Power of attorney

If you wish an attorney to deal with matters relating to the Terms and Conditions on your behalf we will need a copy of the relevant Power of Attorney certified by a solicitor as being a true copy of the original.

17. Validity of instructions

- A. We may refuse to act on instructions from you which are not given in the correct format or are incomplete. Instructions that are not accepted will be returned to you or your financial adviser, where appropriate.
- B. We may delay acting on your instructions if we need to obtain further information from you to comply with any legal or regulatory requirement (including compliance with anti-money laundering legislation or rules) or to investigate any concerns we may have as to the validity of your instructions. Where further enquiries are required, you authorise us to make identity (including searching the electoral roll), fraud and other enquiries that may be necessary for these purposes.

18. Liabilities

- A. We will take reasonable care in the provision of our services under the Terms and Conditions. We will not be responsible for any losses or expenses (including loss of Loan Notes) suffered by you unless these are as a direct result of gross negligence, deliberate breach of our obligations or fraud by us.
- B. We will not be responsible for any loss of opportunity through which the value of your investment could have been increased, or for any reduction in the value of your Investment unless this is a direct result of either:
 - i. Gross negligence, deliberate breach of our obligations or fraud by us or
 - ii. Our failure to complete any repurchase of your Loan

Notes under condition 8B (*Maturity of the Fortress Bond*) (except where this is a result of circumstances as set out in condition 18C).

- C. If we cannot provide our service due to circumstances beyond our reasonable control, we will, where possible, take such reasonable steps as we can to bring those circumstances to an end. We shall not be liable for any losses or expenses suffered by you as a result of such circumstances or as a result of a delay or failure in the provision of our services caused by such circumstances.
- D. Notwithstanding any other provision of the Terms and Conditions, we shall not be liable for any loss attributable to any failure by you to disclose changes of address, name, bank details, bankruptcy or other personal details. We accept no liability for any financial loss resulting from a delay in taking any action in order that we may obtain further information from you, comply with any legal or regulatory requirement or investigate any concern about the validity or any other matter relating to your instruction.
- E. We shall not be liable for acting upon any instructions which are forged or fraudulent and shall be entitled to assume that all signatures are genuine. If in any case we agree to accept instructions by telephone or electronic means, we may assume the identity of the caller or sender is genuine, having taken reasonable steps to identify them, unless it should be obvious that he or she was not a genuine caller or sender.
- F. Our liability in respect of any claim you make against us

will not exceed the nominal value of your Loan Notes when the claim arises/is discovered.

- G. If we do incur financial liability in the performance of any of our duties or in the exercise of any of our rights or powers under the Terms and Conditions, we will be entitled to make such deductions from the Loan Notes or any income or capital arising from them or to sell all or any of the Loan Notes and make such deductions from the proceeds of sale as may be required to reimburse any liability suffered.
- H. Nothing in the Terms and Conditions shall exclude any liability which cannot be excluded under the FCA Rules, the Unfair Contract Terms Act 1977 or the general law. For further information about your statutory rights, please contact your local Citizens Advice Bureau.

19. Termination

A. Your Investment may be terminated:

- i. By you by
 - a. Transferring your Loan Notes in accordance with condition 9 (*Transferring your Investment*); or
 - b. Encashing your Loan Notes in accordance with condition 10 (*Early encashment*) (if applicable);
- ii. By us giving you notice in writing to take effect not less than 30 days from the date notice is posted to you if we decide that we are no longer able or willing to manage this type of Fortress Bond;
- iii. By us without notice if you are in material breach of the Terms and Conditions; or

iv. By us without notice if the Nominee is unable to comply with any obligations to which it may be subject in respect of your Investment.

B. If your Investment is terminated:

i. As a result of conditions 19A.i. or iii., the provisions of the Product Terms and Conditions (other than the Repurchase Facility) shall cease to apply to your Loan Notes, but they shall remain held for your account by the Nominee except to the extent that you request and Castle Trust agrees to early encashment in accordance with these Terms and Conditions (if applicable) or you request that the Loan Notes be transferred to you (in which case we may make a charge to cover any administrative costs we incur in arranging for Castle Trust to transfer and transferring the Loan Notes to you).

ii. As a result of condition 19A.ii., the provisions of the Product Terms and Conditions (other than the Repurchase Facility) shall cease to apply to your Loan Notes upon repayment to you of your original investment and the amount of interest applicable for the full Investment Term.

iii. As a result of condition 19A.iv., the Nominee will take such steps as we consider appropriate to transfer your Loan Notes to a nominee, custodian or other person to hold on your behalf.

C. Termination of your Investment (for whatever reason) will not affect:

- i. The completion of transactions undertaken in respect of your Investment;
- ii. Any liabilities or obligations of either you or us to the other incurred before the date of termination;
- iii. All sums rightfully due from either you or us to the other becoming payable on the date of termination.

D. Sale of your Loan Notes prior to the Maturity Date may mean that you get back less than you may receive if you were to hold your Loan Notes until the Maturity Date and you may get back less than you invested if an early encashment charge applies (as described above).

20. Changing the Terms and Conditions

A. We may change or add to the Terms and Conditions at any time. To avoid unnecessary costs, we may make a change or addition without telling you in advance:

- i. If you will benefit from the change or addition;
- ii. If a regulator makes us make a change or addition at short notice, when we may not be able to give you advance notice of that change or addition; in which case we will notify you after the change or addition.

For all other changes or additions we will give you at least 30 days' written notice of the change or addition.

B. We may make a change or addition only to:

- i. Keep to any changes in the law or in codes of practice;
- ii. Provide for the introduction of new or improved systems, methods of operation, services or facilities;

- iii. Take account of a ruling or recommendation by a court, ombudsman, regulator or similar organisation;
- iv. Make them clearer or more favourable to you; or
- v. Put right any mistake that we might discover in the future.

21. Conflicts of interest

We or our agents may carry out transactions for you whether or not we or they have directly or indirectly a material interest or relationship of any description with another party, which may involve a conflict with our or their duty to you. We will, however, endeavour to ensure that any transaction carried out in such circumstances is made on a normal commercial basis at arm's length. The Castle Trust Group will either avoid any conflicts of interest arising or, where conflicts arise, will ensure fair treatment of all its customers by disclosure, internal rules of confidentiality, declining to act, or otherwise. Full details of the conflicts policy of Castle Trust are available from www.castletrust.co.uk/documents-investments.

22. Delegation

We and the Nominee may employ agents and delegates on such terms as we think fit to carry out any part of our obligations or discretions in connection with the Fortress Bond and, save as otherwise provided in the Terms and Conditions, we and the Nominee shall be liable for the acts and omissions of such agents and delegates as if they were the acts or omissions of us or the Nominee as appropriate.

23. Complaints

Details of how to make a complaint are set out in our complaints policy which can be found on our website, www.castletrust.co.uk/documents-investments, or by writing to us at the address in condition 25 (*Notices, communications: change of details*) below.

24. Compensation

Castle Trust is authorised and regulated by the Financial Conduct Authority to carry out regulated activity and is a participant in the Financial Services Compensation Scheme ("**FSCS**") established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations. If you suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back your Loan Notes because it had become insolvent) then you would be able to seek compensation from the FSCS, provided the Investor is an eligible claimant. Most investors, including most individuals and small businesses, would currently be deemed to be eligible claimants by the FSCS. In respect of investments, an eligible investor is entitled to claim up to £85,000 per firm with which he holds investments. In the event that you transfer your Loan Notes in accordance with condition 9 (*Transferring your Investment*), the person acquiring an interest in such Loan Notes will not be covered by the FSCS as these Terms and Conditions will cease to apply. For further information about the FSCS, including the amounts covered and eligibility to claim, please refer to the FSCS website, www.fscs.org.uk.

25. Notices, communications; change of details

- A. You should send any notices (including cancellation notices) requests for information or instructions for us to:

Address:

Castle Trust,
PO Box 6965,
Basingstoke,
RG24 4XE

Tel: (Freephone) 0808 164 5000
(Monday-Friday, 9am-5pm)

If you have registered with our online Self Service Portal, you can also contact us via the portal's secure messaging service.

- B. For your protection and to help us improve our service we may record and monitor phone calls.
- C. You should include your full name and your Client Reference (which can be found on your valuation statement or investment summary) in all correspondence with us.
- D. We will send any notices or other correspondence to the address you have given in your Application or to a new permanent residential address provided you have notified us in writing of the change. You should notify us of any change of name or address as soon as possible, providing us with appropriate supporting documentation, e.g. in the case of a change of name, the deed poll or marriage certificate.

- E. All communications and payments will be sent by us to the address of the first named holder as stated on the Client Investment Account. It is the responsibility of the first named holder to inform and account to any joint holders.
- F. All communications sent to you by us will be treated as received by you two Business Days after posting.
- G. Any documents or cheques sent to you by us and any documents or cheques sent by you to us will be sent at your risk and we accept no liability prior to receipt of any document or cheque or after despatch of any document or cheque to you.
- H. We will not send you any documents if their distribution may be prohibited by any applicable law.

26. Your electronic information

If you contact us electronically, we may collect your electronic identifier (e.g. Internet Protocol (IP) address or telephone number) supplied by your service provider.

27. How we use your information and with whom we share it

- A. Your information comprises all the details we hold about you and your transactions, and includes information obtained from third parties.
- B. We may use and share your information with other members of the Castle Trust Group and our agents to help us and them:
 - Support your Fortress Bond;
 - Assess financial and insurance risks;

- Recover debt;
- Prevent and detect crime;
- Understand our customers' requirements; and
- Develop and test products and services.

C. We do not disclose your information to anyone outside the Castle Trust Group except:

- To our auditors and other professional advisers;
- Where we have your permission;
- Where we are required or permitted to do so by law;
- To credit reference and fraud prevention agencies and other companies that provide a service to us or you; or
- Where we may transfer rights and obligations under this agreement.

D. We may transfer your information to other countries on the basis that anyone to whom we pass it provides an adequate level of protection. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations.

E. From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object to the change within 60 days we will deem that you consent to that change.

F. If you would like a copy of the information we hold about you, please write to:

**Castle Trust,
PO Box 6965,
Basingstoke, RG24 4XE**

We may charge for the provision of this information.

G. You authorise us to disclose or permit disclosure of any information we may have either about your Investment or any other purposes in connection with the Terms and Conditions to any relevant authority as they may require (whether compelled by law or not) and we shall not be liable for any disclosure made in good faith.

28. Fraud prevention agencies

A. If false or inaccurate information is provided and fraud is identified or suspected, details may 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 Applications for, and managing, credit or other facilities and recovering debt;
- Checking insurance proposals and claims; or
- Checking details of job applicants and employees.

We, and other organisations that may access and use information recorded by fraud prevention agencies, may do so from other countries.

B. We can provide the names and addresses of the fraud prevention agencies we use if you would like a copy of your information held by them. The agencies may charge you a fee to check your record.

29. Who we are

We are members of the Castle Trust Group. For

information about our group of companies please visit www.castletrust.co.uk and click on 'About Us'.

30. Client categorisation

We will treat you as a retail client, as defined by the FCA Rules.

31. Waiver

No conduct or delay on our part shall be taken as a waiver or variation of any rights which we have under the Terms and Conditions unless we waive or vary a particular right in writing. No waiver or variation on a particular occasion will operate as a waiver or variation of any rights we may have in respect of any other matter.

32. Severability

If any provision of the Terms and Conditions is prohibited by law or judged by a court to be unlawful, void or unenforceable, the provision shall, to the extent required, be severed from the agreement and rendered ineffective as far as possible without modifying the remaining provisions of the Terms and Conditions.

33. Assignment

We may at any time transfer all or any of our rights and obligations under this agreement to any person (the "Transferee") who (in the case of our obligations) in our reasonable opinion is able to perform our obligations under the Terms and Conditions. We will only do this if:

- A. The Transferee agrees to exercise the transferred rights and perform the transferred obligations in accordance

with a statement of policy which we approve before the transfer; and

- B. We reasonably think that the policy described in the statement will ensure that you are no less favourably treated after the transfer than you were beforehand.

34. Third party rights

Save as expressly set out in the Terms and Conditions, nothing in the Terms and Conditions shall confer or is intended to confer on any third party any benefit or the right to enforce any terms contained in the Terms and Conditions for the purposes of the Contracts (Rights of Third Parties) Act 1999.

35. Law and jurisdiction

- A. If these terms conflict with the FCA Rules then the FCA Rules will take priority.
- B. The Product Terms and Conditions are based on our current understanding of the law of England and Wales, the FCA Rules and HM Revenue & Customs practice, any of which may change in the future.
- C. The Terms and Conditions shall be governed by the law of England and Wales. All communications will be in English.

Schedule - The Castle Trust ISA Terms

In addition to the above Terms and Conditions, the following terms and conditions (the “ISA Terms”) also apply to you if you are investing via a Castle Trust ISA and by making such investment you agree to be bound by the ISA Terms. If the ISA Terms conflict with the Product

Terms and Conditions the ISA Terms shall prevail.

Definitions

The following terms have the following meanings in the ISA Terms

“We”, “Us” mean the ISA manager approved by HMRC, Castle Trust Management.

“You” means the person named as the applicant in the ISA Application.

“ISA agreement” means these ISA Terms together with the Product Terms and Conditions.

The headings in these ISA Terms are for guidance only and are not part of these ISA Terms.

1. The Castle Trust ISA

The ISA will be a stocks and shares ISA as defined in the Individual Savings Account Regulations 1998 (as amended) (the ISA regulations). We will manage your ISA account in line with:

- Your instructions;
- Rules set by the FCA;
- The ISA regulations; and
- The ISA agreement.

If any term or condition of the ISA agreement conflicts with the ISA regulations, the ISA regulations will prevail and, in particular, if any term or condition of the ISA Agreement is or becomes contrary to the ISA regulations or HMRC’s interpretation of the ISA regulations, the provision shall be applied to your Investment and your ISA Account in such a manner as obtains the closest

commercial result to the original provision without being contrary to the ISA regulations or that interpretation.

2. Payments into your ISA

Your payments will be invested in accordance with the ISA agreement and in line with the instructions you gave in the ISA Application. You can only hold one stocks and shares ISA in any one tax year. You can pay in one or more lump sums. The minimum lump sum you can pay in at any time is £1,000. You cannot pay more than the yearly allowance into an ISA in any tax year, regardless of any withdrawals you make. You can put money into one cash ISA and one stocks and shares ISA each tax year. The maximum amount of money you can save in an ISA in any tax year (your **“ISA Allowance”**) can change from one tax year to the next. You can place all of your ISA Allowance in either a cash ISA or a stocks and shares ISA, or split your ISA Allowance between both types of ISA in any combination you wish (apportioning your ISA Allowance between a cash ISA and a stocks and shares ISA in any way you see fit).

3. Investment

To open an ISA account you must complete an Application.

- A. If your Application is accepted, your payments into the ISA will be used to buy investments in accordance with the ISA agreement.
- B. Any proceeds from your ISA account are completely free from personal income tax and capital gains tax. **Tax laws**

and practices can change. The tax advantages of ISAs are those available under current tax laws. The value of the tax advantages depends on your individual circumstances.

4. Ownership

All investments held in your ISA will belong beneficially to you, but cannot be used as security for a loan. You or we cannot transfer or lend ISA investments, ownership documents or any other property relating to an account to anyone else.

5. How we hold your investment and repayment

Castle Trust Management is responsible for arranging and carrying out the safeguarding of your Loan Notes, which it does via the Nominee. The investments will be registered in the name of the Nominee which will hold them on your behalf. Certificates or other documents evidencing ownership of the investments will be held by us or as we direct.

Any amount you have paid into your account must be used to buy investments. If a payment needs to be held before investments are bought, this will be in a separate account that does not pay interest. That account will be with the bank or building society we specify from time to time.

We may manage the investments in your ISA account with the investments of other ISA accounts that we manage.

You agree that Castle Trust may repay your Investment (to be repaid to you on the Maturity Date) and any interest

due to be paid under the Loan Notes (whether due during the term of the Loan Notes or due on the Maturity Date) to Castle Trust Management so that Castle Trust Management can fulfil its duties as ISA manager.

6. Transfer to another ISA provider

If you wish to transfer your ISA to another provider, you need to contact the other ISA provider and complete the ISA transfer forms that they give you. The new ISA provider will then send us your completed transfer forms and tell us that they will accept the transfer. If early encashment is permitted by the applicable Final Terms, and you wish to transfer an ISA in cash, you will need to request that your investments be repurchased in accordance with and subject to the Terms and Conditions.

Note that the Final Terms do not generally permit early encashment, and, if it is the case that the Final Terms do not permit early encashment, then you will need to transfer your ISA in stock.

If you are able to transfer in cash then the proceeds will be paid to the other provider. If you are transferring an ISA in stock, we will transfer your interest in your investments to the new provider and you may have to pay a charge for this. If there is a charge, we will tell you what it is before we carry out the transfer. Notwithstanding any transfer to another ISA provider, your investments will remain registered in the name of the Nominee and the Product Terms and Conditions will continue to apply.

Any transfer must be in relation to the whole of your ISA and must be to another stocks and shares ISA (partial

transfers are not allowed). On your instructions and within a time stipulated by you (which shall not be less than 30 days from the date of instruction) the ISA with all rights and obligations shall be transferred to the other provider in accordance with the ISA regulations.

If we cease (or the person we have appointed to carry out our functions and responsibilities ceases) to qualify as an ISA manager under the ISA regulations, we will notify you of your right to transfer the account to another ISA manager.

7. Records

We will keep all records relating to your ISA account as specified in the ISA regulations and rules set by the FCA. We will make tax returns to HM Revenue & Customs and will give you all the tax information the ISA regulations say that we must provide. We will tell you if your ISA account has lost or will lose its tax advantages because it does not meet the requirements of the ISA regulations.

8. Charges and commission

Charges made to your ISA account will be limited to those we make on Fortress Bonds.

9. Closing the account

You can request that your account be closed at any time by giving notice in writing (in accordance with the ISA agreement) that you wish to transfer your investments or, if permitted by the applicable Final Terms (see condition 10 of the Terms and Conditions), request to have them repurchased under the early encashment process or have

them transferred to you to hold personally and outside of the ISA. The proceeds from such transfer or repurchase (after taking off any charges, expenses and tax that is due) will be paid to you or (as applicable) the investments will be transferred to you (subject to our right to keep any investments we need to settle any such charges, expenses and tax) or, if you have died, to your estate, together with a closing statement, in accordance with the ISA agreement.

The account will be treated as being closed on the date we pay the proceeds to you or your estate.

If you die, your Investments will stop being considered as part of an ISA, so the tax advantages will be lost in respect of interest or gains arising after your death. However, there is no loss of tax advantages in respect of interest or gains arising before your death. We will not repurchase or transfer the Investments until we have received sufficient information to prove that the person claiming the Investments is legally entitled to them. We do not permit transfers of ISA investments to a surviving spouse in the event of death.

We may close your ISA immediately at our discretion if you do not comply with any material terms of the ISA agreement.

We are obliged to terminate your ISA immediately if we are of the opinion that it is impossible to administer it in accordance with the ISA regulations or if it is made void as a result of any failure to satisfy the ISA regulations. We will notify you in writing if this occurs or will occur as soon as possible once we become aware of it.

Closure will not affect the completion of any transactions already begun and any outstanding fees will remain payable. We will account to you for all the investments held, but we can keep any investments we need to settle transactions already initiated and outstanding fees. You will pay to us fees and transaction charges owing at the date of closure.

We will notify you if your ISA account is no longer exempt from tax by reason of any failure to satisfy the ISA Regulations.

10. Withdrawals from the account

You can request a withdrawal of Fortress Bonds, interest, dividends, rights or other proceeds from the ISA account at any time prior to the Maturity Date by writing to us but any withdrawal request which you wish to be satisfied in cash (as opposed to being satisfied by a transfer to you of investments) is subject to the early encashment provisions and early encashment is only possible if permitted by the applicable Final Terms (see condition 10 of the Terms and Conditions).

No partial withdrawals are allowed. When we agree to a request for early encashment, all of the Fortress Bonds which are held in the ISA account will be repurchased or redeemed in accordance with the Product Terms and Conditions.

11. Information

You may elect:

- To receive the relevant annual report and accounts

and any other information issued to investors by the Company; and/or

- For us to arrange for you to be able (i) to attend any meetings of investors in the Company and (ii) to exercise voting rights attaching to your class (if any).

Any such election should be made to us in writing making reference to this term.

12. Delegation

We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these ISA Terms is competent to carry out these functions and responsibilities.

13. Communication

You must give your instructions in writing. We will send confirmation of those instructions to your address (as most recently notified to us). We will only accept instructions given by phone, fax or email if you confirm your instructions in writing. We will only contact you in connection with managing your ISA account. We may monitor and record phone calls.

14. Changing these ISA Terms

The ISA account must keep to the ISA regulations, which may change from time to time. We can change these ISA Terms by giving you reasonable notice in writing, as long as the change does not result in the account failing to satisfy the ISA regulations.

Cancellation

You have the right to change your mind and cancel

your Application for an investment in an ISA within 14 days after receiving notice from us of your cancellation rights. A cancellation form will be sent to you within five Business Days after we have received your completed Application. You can exercise your right to cancel by sending the cancellation form or a letter to **Castle Trust, PO Box 6965, Basingstoke, RG24 4XE**. Alternatively, you can cancel via telephone on (Freephone) **0808 164 5000** (Monday - Friday, 9am - 5pm) or via secure message on the online Self Service Portal if you have registered for an online account. If you exercise your right to cancel, any investment monies paid to Castle Trust will be repaid (no interest is payable). We will repay your investment monies in full as soon as reasonably practicable and in any event within 30 days of the date upon which your cancellation became effective. If we have arranged for Loan Notes to be purchased on your behalf we will arrange for Castle Trust to repurchase them for the amount of your Investment to enable us to do this. If you cancel within this period, you will still be able to open another stocks and shares ISA in the same tax year.

15. Governing law

The ISA agreement will be governed by English law. It is based on our understanding of current tax laws and HM Revenue & Customs practice.

16. Appointing a new ISA manager

We may appoint another company to be the ISA manager. If we do this we will give you one month's notice first. We may appoint any person (whether or not connected with

us) to give advice on or to carry out any of our functions or responsibilities, and may provide information about you and your account. Before we appoint another person to carry out any of our functions or responsibilities, we will satisfy ourselves that they are competent to do so.

Castle Trust is the trading name of both Castle Trust Capital plc (company number 07454474) and Castle Trust Capital Management Limited (company number 07504954) both registered in England and Wales with registered offices at 10 Norwich Street, London, EC4A 1BD. Castle Trust Capital plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, under reference number 541910. Castle Trust Capital Management Limited is authorised and regulated by the Financial Conduct Authority, under reference number 541893.