

# Terms and Conditions of the UK Foundation House

CASTLE TRUST





These Terms and Conditions govern your investment in your UK Foundation House. You should read these Terms and Conditions carefully. If there is anything you do not understand, you should consult your financial adviser.

These Terms and Conditions are valid as at 2 January 2015.

All capitalised terms are explained below.

### Product summary

A UK Foundation House is an investment for a fixed term of 5, 7 or 10 years, giving you the opportunity to share in the performance of UK house prices through the UK Halifax House Price Index ("Index").

When you invest in a UK Foundation House, you buy Shares in a Jersey company, Castle Trust PCC. Castle Trust will buy the Shares back from you at the end of the term at a price that gives you the Investment Return, comprising participation in any Index growth over the term together with capital protection (unless Castle Trust is insolvent and unable to meet its obligation to you) at maturity if the Index falls over the term. Please note that capital protection does not apply other than on the Maturity Date.

### Financial Services Compensation Scheme ("FSCS")

The FSCS can pay compensation to investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations. Castle Trust is authorised and regulated by the Financial Conduct Authority to carry out regulated activity and is a participant in the FSCS established under the

Financial Services and Markets Act 2000.

For further details, please see clause 24

### Investment Return

The Investment Return for a UK Foundation House is:

**Investment + (Investment × Return Multiple × Index Percentage Change)**

Where:

(i) "Index Percentage Change" equals

$$\frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}$$

subject to a minimum value of zero.

(ii) "Return Multiple" is:

Maturity Period of UK Foundation House Shares	Return Multiple
5 years	1.0
7 years	1.2
10 years	1.5

### Examples of potential returns:

The following table shows the potential returns on an Investment of £1,000 in a UK Foundation House for a fixed term of 5 years. The values show the simulated performance based on the Index returns given in the table below and should not be relied on as an indicator of future performance.

Index percentage change (%)	Return Multiple	UK Foundation House Return (%)	Return on £1,000 investment
+30	1.0	+30	£1,300
+20	1.0	+20	£1,200
+10	1.0	+10	£1,100
+5	1.0	+5	£1,050
0	1.0	0	£1,000
-5	1.0	0	£1,000
-10	1.0	0	£1,000
-20	1.0	0	£1,000
-30	1.0	0	£1,000



## 1. Definitions

**“Application”** means, whether online, by post or telephone, the steps required (online and postal application forms or telephone application process) to apply for your Housa;

**“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, the entity from which you purchase the Shares and which will buy back your Shares at the Maturity Date;

**“Castle Trust Management”** means Castle Trust Capital Management Limited, a company registered in England & Wales (no. 07504954) authorised and regulated by the Financial Conduct Authority, which provides all other services including custody in relation to your Shares;

**“Castle Trust Group”** means Castle Trust, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company;

**“Cell”** Castle Trust Growth Housa PC, a protected cell of the Company;

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

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

**“Company”** means Castle Trust PCC, a company incorporated in Jersey with its office at Elizabeth House, 9 Castle Street, St Helier, Jersey JE4 2QP;

**“Final Index Level”** means the Index level used to calculate the Investment Return in the month of the relevant anniversary (5, 7 or 10 years) of the Start Date;

**“FCA”** means the UK Financial Conduct Authority (25 The North Colonnade, Canary Wharf, London, E14 5HS) 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 Housa, as amended from time to time;

**“Housa”** means a UK Foundation Housa, being the investment made in the Shares in accordance with these Terms and Conditions;

**“Index”** means the UK Halifax House Price Index - All Houses (All Buyers) Non Seasonally Adjusted - Monthly Data as published from time to time by Halifax or a Successor Index;

**“Index Percentage Change”** equals

$$\frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}$$

Subject to a minimum value of zero;

**“Initial Charge”** means an amount up to 3% deducted from the money submitted with your Application. This may be lower depending on your arrangements with your particular financial adviser. There is no Initial Charge applied to direct investors;

**“Initial Index Level”** means the level of the Index published during, or immediately prior to, the Offer Period;

**“Investment”** means your initial investment monies after the deduction of any Initial Charge, and, following the Settlement Date, Shares held on your behalf by the Nominee subject to these Terms and Conditions;

**“Investment Return”** means the amount you will receive on the Maturity Date;

**“Investment Return Date”** means the date on which the Final Index Level is published;

**“Maturity Date”** means the date when your Shares are repurchased by Castle Trust or redeemed by the Company, being 5 Business Days after the end of the month in which the final anniversary of the date we accept your Application falls;

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

**“Offer Period”** means the calendar month during which you may apply for the Housa (from 9am on the first Business Day until 2pm on the last Business Day of the month);

**“Product Terms and Conditions”** means these Terms and Conditions of the Housa, the



Application and the Prospectus;

**“Prospectus”** means the prospectus in respect of the offer of the Shares including the current Registration Document, Securities Note and Summary Note which is available from us or by going to [www.castletrust.co.uk/information/](http://www.castletrust.co.uk/information/);

**“Registration Document”** means the registration document of the Company forming part of the Prospectus as updated from time to time;

**“Repurchase Facility”** has the meaning set out in section 7b) below;

**“Securities Note”** means the summary and securities note for the Shares to be offered in the relevant Offer Period forming part of the Prospectus;

**“Settlement Date”** means the date on which the Shares will be transferred to you, which will be 4 days from our acceptance of your Application;

**“Share”** or **“Shares”** means the shares representing the Houasa issued by the Cell and held by the Nominee from time to time and references to transfers of Shares shall, unless the context otherwise requires, include transfers of the beneficial interest in Shares held by the Nominee;

**“Start Date”** means the publication date of the Index during the Offer Period;

**“Successor Index”** means an index or combination of indices that we determine, in our sole discretion, to be comparable to the Index with such adjustments as we may determine, in our sole discretion, as are required to retain comparability between the Index and such Successor Index;

**“Terms and Conditions”** means these terms and conditions and the ISA Terms set out in the Schedule to this document if you are investing via a Castle Trust ISA;

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

**“You”** and **“your”** means the person on whose behalf the Nominee is holding the Shares 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 Houasa. **These documents are available from us or may be found at [www.castletrust.co.uk/how-to-invest/](http://www.castletrust.co.uk/how-to-invest/)**

- b) For individuals, an investment in a Houasa is only available to those over 18 years of age.
- c) Your investment in the Houasa will take the form of a purchase of Shares in the Cell which Castle Trust Management will arrange to be held on your behalf by the Nominee in accordance with the Terms and Conditions.
- d) By making your investment in the Houasa, i.e. your Shares, you agree to be bound by the Terms and Conditions.
- e) Castle Trust Capital plc and Castle Trust Management are 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 Shares and which will buy those Shares back under the Repurchase Facility unless you choose otherwise 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.

## 3. Your application

- a) Your Houasa 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 cannot make further investments in the same Houasa after the end of an Offer Period. To invest in a further Houasa, where available, you will need to complete a new Application.
- b) The minimum investment in a Houasa is £1,000.
- c) You confirm that the information supplied, and



any declarations made, in 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 Housa will begin. We will send you written confirmation of each investment, showing the number of Shares to be purchased on your behalf.
- e) Castle Trust Management will arrange for us to invest your monies (after deduction of any Initial Charge) by applying them, on your behalf, in purchasing Shares from Castle Trust on the Settlement Date and we will send you written confirmation of your Client Reference, the Settlement Date, the Initial Index Level, the Investment Return Date and the method of calculation of the Investment Return.
- f) Where your monies have not cleared as at the Settlement Date, Castle Trust will still transfer the Shares to you on that date, but will retain security over the Shares 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 Shares to be transferred back to Castle Trust and an administration charge may be made in accordance with condition 11.
- g) We reserve the right to close applications for investments in any Housa 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 Housa.
- 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 Housa is suitable for you. If you are in any doubt as to whether the Housa 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 Housa within 14 days after receiving notice from us of your cancellation rights. A cancellation notice will be sent to you within 5 Business Days after we have received your completed Application. If you exercise your right to cancel, any investment monies paid to Castle Trust, including any Initial Charge, will be repaid. We will repay your investment monies 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 Shares 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 the Settlement Date**

Pending purchase of Shares on your behalf on the Settlement Date, money that Castle Trust holds on your behalf will be held in Castle Trust's 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.

#### **6. How your Investment is held**

- a) Castle Trust Management is responsible for arranging and carrying out the safeguarding of your Shares, which it does via the Nominee. All Shares purchased on your behalf will be registered in the name of the Nominee. The Nominee will hold the Shares on your behalf. This arrangement is called a bare trust and is subject to the constitutional documents of the Company and the Cell, the Prospectus and any other document governing the terms on which the Shares are issued. You will remain the beneficial owner of the Shares 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 described in section 8, below). The Nominee will maintain a register of beneficial owners of Shares.
- 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 you 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 Shares registered in the Nominee's name on your behalf.
- d) We will only take instructions for the Housa 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 Shares to, or deposit your Shares with, any third party. No money will be borrowed using them as security.

### 7. Maturity of the Housa

- a) Approximately two months prior to the Maturity Date, we will write to you at the address held on file for you to confirm our wishes for the payment of the Investment Return on the Maturity Date. The options available are (i) payment by Castle Trust direct to your bank or building society account of the amount due to you, (ii) payment by cheque made out to the name of the person held on the Nominee's register or (iii) reinvestment in a further Housa, where available.
- b) On the Maturity Date your Shares will be repurchased by Castle Trust (the "Repurchase Facility") if they have not been redeemed by the Company by 2pm on the Maturity Date. You are entitled to request that Castle Trust not repurchase your Shares (in which case your Shares will be redeemed by the Company in accordance with their terms) by notifying Castle Trust in writing at least 30 days before the Maturity Date. The Repurchase Facility is only available to the applicant(s) named in the Application or to the legal representatives or beneficiaries of the estate of the applicant(s) in the event of death; it will not be available to any subsequent transferee of the Shares.
- c) Shares will be repurchased by Castle Trust or redeemed for an amount equal to the Investment Return. Your Investment Return will be retained subject to receiving instruction from you as set out in condition a) above.
- d) The Investment Return will, if your Shares are repurchased by Castle Trust, be calculated by reference to the Return Multiple, your Investment and the change in the level of

the Index between the Start Date and the Investment Return Date. If your Shares are redeemed by the Company the Investment Return will be determined in accordance with the rights attaching to your Shares, which are designed to produce the same amount (such that the Investment Return will not be affected by whether Castle Trust repurchases your Shares or they are redeemed by the Company). The calculations for the Investment Return and the Return Multiple are shown at the end of this section.

- e) Following receipt of your instruction, the Investment Return will be paid to you or invested in a further Housa, where available, if you have requested this. Payment will (subject to condition 7g)) be made to your bank or building society account or a cheque posted (depending on what you have requested) within 10 Business Days of the Maturity Date.
- f) If you have requested that Castle Trust not repurchase your Shares under condition 7b), your investment will not be covered by the Financial Services Compensation Scheme and it may take longer for you to receive the Investment Return.
- g) If no instruction is received from you in relation to application of the Investment Return, it will be held by Castle Trust until we receive instruction from you. You will not earn any interest on the Investment Return. Any funds which Castle Trust holds after the Maturity Date on your behalf will be held by Castle Trust in its client account as trustee (or in Scotland as agent) and will be held in accordance with the FCA's client money rules.

The Investment Return for a UK Foundation Housa is:

**Investment + (Investment × Return Multiple × Index Percentage Change)**

Where:

- (i) The "Return Multiple" is:

Maturity Period of UK Foundation Housa Shares	Return Multiple
5 years	1.0
7 years	1.2
10 years	1.5



(ii) “**Index Percentage Change**” equals

$$\frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}$$

subject to a minimum value of zero.

Please see page 2 for examples of potential returns at illustrative rates of Index Percentage Change.

## 8. Transferring your Investment

- a) The Shares are listed on the Malta Stock Exchange and are therefore freely transferable. **However, you should be aware that there may not be a ready market for your Shares prior to maturity.**
- b) If you wish to transfer all or some of your Shares 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 Shares in accordance with your instructions. We may make a charge for transfers of Shares to cover the Nominee’s administration costs.
- c) **If you transfer all or part of your Shares before the Maturity Date you may get back significantly less than you invested and less than you would receive if you were to hold your Investment until the Maturity Date.**  
If you transfer all of your Shares to another beneficial owner, this will have the effect of terminating these Terms and Conditions as between you and each of Castle Trust, Castle Trust Management (such that the Housa will cease to exist).
- d) If you are not transferring all of your Shares, the remaining value of your Investment after the transfer must meet the minimum investment level for the Housa.
- e) Transferring all or some of your Shares 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 Housa to you and all such rights and obligations shall continue to be subject to the Terms and Conditions applying at the time of your application.

## 9. Early encashment

- a) You may request that Castle Trust repurchase

your Shares from you. Each Business Day, Castle Trust will agree to repurchase Shares at a price reflecting the period of investment **subject to an early encashment fee of 2.5% per annum (or part thereof) for the remaining period until the Maturity Date, provided** the volume of Housa redemption requests received does not materially exceed the volume of new issuance of Housa Shares and Growth Housa Shares.

- b) **Your capital is only protected on the Maturity Date – you do not benefit from capital protection if you fail to hold the investment until its Maturity Date.**
- c) Where Castle Trust has repurchased your Shares in accordance with condition 9a), payment of the sale proceeds will be made by cheque or direct to your chosen UK bank or building society account, within 10 Business Days of the repurchase becoming effective.
- d) Castle Trust will only consider repurchasing Shares 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 request that Castle Trust repurchase only some of your Shares. The minimum early encashment amount is £1,000 and the minimum balance after a partial early encashment is £1,000.

## 10. Death

- a) If you die before the Maturity Date, your Investment will continue pending instructions from the legal representative of your estate. If the Shares 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 Shares for the benefit of another beneficiary.
- b) If your Shares 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.



### 11. Charges and expenses

- a) We will deduct any Initial Charge before investing your monies (there is no Initial Charge for direct investors). Castle Trust Management reserves the right to charge you for the administration by the Nominee of any transfer of your Shares 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.
- b) Any charges payable by you under these Terms and Conditions are exclusive of VAT, which will be payable by you where applicable.
- c) We may retain or make deductions from amounts we owe to you or are holding for you in order to settle any outstanding obligations arising from these Terms and Conditions.
- d) You agree to pay for any losses or expenses we incur as a result of your failure to put the Nominee in funds in relation to any matter instructed by you or otherwise as a result of a breach by you of these Terms and Conditions and against any taxes suffered by us attributable to your use of the Housa. We reserve the right to charge interest at 2% above the base rate of the Bank of England from time to time on any outstanding amount due from you.
- e) If you owe us money in respect of the Housa, we reserve the right not to act on instructions from you until you have paid us in full.

### 12. Statements

- a) Castle Trust Management will arrange for you to be provided with a statement every six months, in February and August. This will show the amount you invested, and the value of your investment based on the Index level applicable during the month before the date of the statement. We may supply you with duplicate or additional statements on request. We reserve the right to charge a fee for this. You have the right to request a statement every three months.
- 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.

### 13. Company information

If you choose you can request that the following be sent to you:

- a) The annual report and accounts of the Cell and non-audited interim reports of the Company; and/or
- b) Any other information issued to shareholders in the Company.

### 14. Joint holders

- a) The Nominee will hold Shares for up to two joint holders, unless the Shares 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 obligations of each joint holder. This means that you will each be responsible for any money owing on your Housa, both individually and jointly.

This also means that if one of you is unable to repay any money owing, the other account holder(s) can be required to pay the amount due in full. If exercising your right to cancel your Investment under condition 4, 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 9b) must be held in the name of all holders unless the other holders instruct us otherwise in writing.

- c) Please see condition 10 for information on what happens if a joint holder dies.

### 15. Corporate and trustee holders

- a) If you are a company (including a corporate trustee), by making an application for an investment in the Housa, 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 Housa;

- 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

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) If you are a trustee, by making an application for an investment in the Housa, you confirm that:
  - i) you have been duly appointed as trustee of the relevant trust;
  - ii) you have all necessary rights, authority and consents to make your investment in the Housa;
  - iii) you will comply with all internal management procedures of the trust and any other procedural requirement; and

You agree to provide to us any documents or information that we may reasonably require in support of the above confirmations.

## 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 Shares) suffered by you unless these are as a direct result of gross negligence, deliberate breach of our obligations or fraud by us.
- b) We do not guarantee the return of your investment monies nor the profit (if any) you may make from your investment (provided that you shall be entitled to the Investment Return in accordance with the Terms and Conditions). 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) negligence, deliberate breach of our obligations or fraud by us or (ii) our failure to complete any repurchase of your Shares under condition 7b) (except where this is a result of circumstances as set out in condition 18c)).
- c) If we cannot provide our services 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 value of your Shares when the claim arises/is discovered.
- g) We will not be required to spend or risk our own funds or otherwise incur any 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. If, nonetheless, we do incur liability, we will be entitled to make such deductions from the Shares or any income or capital arising from them or to sell all or any of the Shares and make such deductions from the proceeds of sale as may be required to reimburse any loss or 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 Investment in accordance with clause 8; or
    - b) encashing your Shares in accordance with clause 9;
  - 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 Housa;
  - iii) by us without notice if you are in material breach of the Terms and Conditions;
  - 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 these Product Terms and Conditions are terminated:
  - i) as a result of conditions 19a)i), ii) or iii), the provisions of the Product Terms and Conditions (other than the Repurchase Facility) shall cease to apply to your

Shares, 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 the Product Terms and Conditions or you request that the Shares 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 Shares to you).

- ii) as a result of condition 19a)iv), the Nominee will take such steps as we consider appropriate to transfer your Shares to a nominee, custodian or other person to hold on your behalf.
- c) Termination of these Product Terms and Conditions (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 Shares prior to the Maturity Date may mean that you get back significantly less than you invested and less than you may receive if you were to hold your Shares until the Maturity Date.**

## 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;
- 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/information/](http://www.castletrust.co.uk/information/).

## 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 Housa 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 procedure which can be found on our website, [www.castletrust.co.uk/information/](http://www.castletrust.co.uk/information/), or by writing to us at the address in section 25, 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 Shares because it had become insolvent) then you would be able to make a claim to the FSCS. Most investors, including most individuals and small businesses, are covered by the FSCS. In respect of investments, an eligible investor is entitled to claim up to £50,000 per firm with which he holds investments (as opposed to bank deposits where the limit is £85,000). **In the event that you transfer your Shares in accordance with clause 8, that person acquiring an interest in such Shares will not be covered by the FSCS under these Terms and Conditions.** For further information about the FSCS, including the amounts covered and eligibility to claim, please refer to the FSCS website, [www.fscs.org.uk](http://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:  
Castle Trust,  
PO Box 11040,  
Chelmsford, CM99 2DD  
Tel: 0844 620 0160
- 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 annual statement or deal confirmation) 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 Housa
  - assess financial and insurance risks;
  - recover debt;
  - prevent and detect crime;
  - understand our customers' requirements;
  - 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; or
  - where we have your permission; or
  - where we are required or permitted to do so by law; or
  - 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 11040,  
Chelmsford, CM99 2DD.

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;
- 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](http://www.castletrust.co.uk) and click on 'About Us'.

### **30. Client categorisation**

Unless you specifically request otherwise, 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:

- i) 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
- ii) 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 – 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. 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 form.

“**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.

We will act as agent and arrange the purchase of your Housa from Castle Trust Capital plc. 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 form. 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 can not pay more than the yearly allowance into an ISA in any tax year, regardless of any withdrawals you make.

## 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.

## 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

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.

## 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 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 Terms and Conditions do not guarantee that the investments will be repurchased and, if they are not, 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 Housas. We may pay commission to eligible financial advisers from funds held within the ISA.

## 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 request to have them repurchased under the early encashment process (see condition

9 of the Housa Terms and Conditions) 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 gains arising after your death. However, there is no loss of tax advantages in respect of 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 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 Investments, 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 in the Product Terms and Conditions and entirely at our discretion. The minimum withdrawal request amount is £1,000. We may close the ISA account if an early withdrawal reduces the balance of your ISA to below £1,000. If you make an early withdrawal, you cannot make further payments into the account if you have already paid in the maximum amount allowed in that tax year.

When we agree to a request for early encashment, sufficient Investments to cover the amount you want to withdraw will be repurchased or redeemed in accordance with the Product Terms and Conditions.

When we agree to a withdrawal, on your instructions and within the time stipulated by you (which period shall not be less than 30 days), all or part of the investments held in the ISA and the proceeds arising from the Investments shall be transferred or paid to you.

#### **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. Risk warnings**

The value of investments can fall as well as rise and is not guaranteed. You may not get back the amount you originally invested.

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.

#### **15. 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.

#### **16. Cancellation**

After you receive confirmation from us of your application, you will have 14 days to cancel your ISA and get your money back. We will repay you as soon as reasonably practicable and in any event within 30 days of the date upon which your cancellation became effective. If you cancel within this period, you will still be able to open another stocks and shares ISA in the same tax year.

#### **17. 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.

#### **18. 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.

#### **19. Administration**

The day-to-day administration of the ISA account is carried out by International Financial Data Services (UK) Limited.