

Individual Client Segregation (ICS) Service

Guidance

Application to receive our additional service, Individual Client Segregation (ICS), whereby we hold your electronically held CREST eligible UK shares within an individual account at our Central Securities Depository (CSD).

Please note: The ICS service can be added to your Share Dealing Account or Stocks and Shares ISA. It cannot be applied to a ShareBuilder or Self Invested Personal Pension. International stocks and funds are also not eligible for the ICS Service.

To have your CREST eligible UK shares held within an individual account at the CSD and any eligible shares you currently hold transferred into that individual account at the CSD, please complete, sign and return this form to:

**Customer Registration department
(ICS), Bank of Scotland Share Dealing,
12 Wellington Place, Leeds,
LS1 4AP**

1 Existing Account details

Please note that in order to receive this service you must already have opened a Share Dealing Account and/or ISA with us. Please reference your account details below:

Your Share Dealing Account Number

B 1 0

Account holder name

Date of birth

D D M M Y Y Y Y

Account holder's address

Telephone number

2 Important information

In signing this application form you are agreeing that you have read the information detailed below in relation to the service you are signing up for.

2a. The differences between Omnibus Client Segregation (OCS) and Individual Client Segregation (ICS)

- Before you complete this application it is extremely important that you understand the differences between the two types of segregation we offer. The differences between OCS and ICS are discussed in detail within the **'How we hold your assets at the Central Securities Depository'** document we have produced which can be found online at <https://www.bankofscotland.co.uk/investing/ics-service.html>. Alternatively you can call us on **0345 606 1188 (+44 113 292 0805)** from abroad) or use our Web Chat facility once you're securely logged into your account to request a copy and we'll be happy to send one to you.

2b. Charges information

There are additional charges for the ICS service on top of the usual account charges. These additional costs are reflective of the extra time and effort involved in creating and maintaining the ICS service for you.

Charges for this service cover both a Share Dealing Account and Stocks and Shares ISA with us. On receipt of this form we will add the ICS service to the existing account detailed above. We will add the service to any subsequent eligible account you open. You will receive confirmation in writing when we have added the ICS Service to any other accounts.

The ICS service has a 'Set Up Charge' of £1,000.

- You agree that this charge will be taken from the debit card details attached to your share dealing account. This will be taken within 10 days of us receiving your completed application, or if you already pay charges by Direct Debit we will use this method to collect the charge. This charge is reflective of the work involved to set up the ICS service for you and is therefore non-refundable.

- If we are unable to collect this charge then we will make a second attempt to collect it. Unfortunately if after this second attempt the charge remains unpaid then we will be unable to progress with your application and you will need to begin the application process again.

The ICS service also has an 'Annual Service Charge' of £6,500.

- This charge is collected in October each year and charged pro-rata for each month that you have the service.
- You agree that this charge will be taken from money held within your account and/or if required taken from your debit card. If you already pay charges by Direct Debit we may use this method to collect the charge.
- You can stop making payments at any time by closing your account, subject to any final payments. If this fee changes or the way we charge you changes we will let you know in the way set out in our terms and conditions.
- If we are unable to collect this charge then we will make a second attempt to collect it. Unfortunately, if after this second attempt the charge remains unpaid we may:
 - Arrange the sale of investments held in your account to cover any outstanding amount, for which we may charge you.
 - Transfer your securities out of your ICS and back into the pooled OCS.

We will inform you if this happens. In order to regain the ICS service you will need to re-apply and pay further set up charges.

- If you have no CREST eligible stocks in your account for a full annual charging period. (i.e. October to September) then no charge will be paid and the account will be transferred back to OCS. In order to regain the ICS service you will need to re-apply and pay further set up charges.
- Should you transfer your shares into or out of the ICS part way though the charging period this fee will be charged pro-rata for each month you have the service.

2c. Terms & Conditions

When you opened your Share Dealing Account/Stocks & Shares ISA you agreed to our Standard Service Terms and Conditions. These conditions remain the terms to which you have signed up to apart from the following variances/additions:

- **Clause 10.3 of our terms and conditions does not apply to CREST eligible UK investments held in Individual Client Segregated Accounts but is replaced by the following:**

10.3 You agree that we shall open an account with the Central Securities Depository which will only contain the securities we hold for you. You will be beneficially entitled to all of the securities in that Individual Client Segregated account. We have controls in place to ensure that your investments are not used to settle trades of another client.

Regardless of the controls and measures in place there can be instances when shortfalls in money or investments can occur, sometimes just during the working day or sometimes for a longer period. Where we identify a discrepancy that results from or reveals a shortfall, or during an investigation where we deem it appropriate to do so, we will allocate a sufficient amount of our own money to cover the value of the shortfall, which we will hold as client money. Where securities are not held in the Individual Client Segregated account, such as non-UK securities, and there is a shortfall in any of the holdings of the nominee company or sub-custodian you may share proportionally in such losses.

(Please note that how we hold client money is not affected by the Individual Client Segregation Service)

- **The treatment of Regular Investment purchases, Corporate Actions and the Dividend-Reinvestment service** – shares which are received as a result of a trade placed as part of one of the above services will settle within the pooled account (OCS) and then be transferred to the ICS. This means that there is a short period of time when your shares are pooled together with other customers and so could delay them being available to you in the event that something should happen which means we are no longer able to offer you a service.

- **Non-transferrable securities**

If you already hold securities in our pooled account within CREST there may be instances where you hold a security which cannot be transferred to the ICS service, for example if one of your securities is de-listed or undergoing a corporate action at that time. In these cases we would be unable to offer you the service. Likewise if you decide you want to revert back to holding your securities in the OCS and there are any non-transferrable stocks in your ICS at that time then we would not be able to perform the transfer until those stocks had become transferrable. You would not be charged for the ICS service for this period.

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Declaration

I agree to the information set out in Section 2a, 2b and 2c of this document and in addition:

- I have been provided with information about the differences between OCS and ICS segregation and have read the information set out in the **'How we hold your assets at the Central Securities Depository'** document.
- I have been provided with information about the additional charges for the service which include a non-refundable Set Up Charge and ongoing Annual Service Charge and also the consequences of non-payment of these charges
- I agree that the Terms and Conditions I signed up to when I opened my Share Dealing Account/ISA form my main agreement subject to the instances directly referenced in Section 2c above.
- I understand that until I receive confirmation by letter that my ICS service has commenced any securities I buy or hold will be held in the pooled account (OCS).
- I agree that you will also add the ICS service to all subsequent eligible accounts I open (Share Dealing Account/Stocks & Shares ISA).
- I confirm that the information I have provided in this application form is true and correct.

Print name

Signature

Date

What happens next?

- Your application form will be reviewed and checked. We will contact you if any of the information is incomplete. We may also contact you to check your understanding of this service before we apply the service to your account.
- We will collect the 'Set up' charge within 10 working days of receiving your completed application form. On receipt of this payment we will begin work to set up the service.
- We will confirm by letter that your ICS service has commenced, as this won't be identifiable online. At this point, any existing holdings will have been transferred from the OCS into your ICS service.
- If you have any questions please do not hesitate to contact us using our Web Chat facility once you're securely logged into your account. Click on 'Help & Guidance' and then 'Contact us online'. Alternatively, you can contact us on **0345 606 1188** or call us from abroad on **+44 113 292 0805**. Lines and Web Chat are open 8am to 9pm Monday to Friday. Closed on English Bank Holidays except for US trading queries when we're open 2pm to 9pm Monday to Friday.

DO YOU NEED EXTRA HELP?

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

If you have a hearing or speech impairment you can use Relay UK. On a smartphone, computer or tablet, you can call through the Relay UK app, our lines are open Monday to Friday, 9am to 8pm except on Public holidays where lines are open 9am to 5pm (closed Christmas day).

If you are Deaf you can use BSL and the SignVideo service available at [bankofscotland.co.uk/accessibility/signvideo](https://www.bankofscotland.co.uk/accessibility/signvideo) Monday to Friday, 9am-5pm.

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