

STOCKPLAN



Investment Trust Savings Scheme

A more considered choice

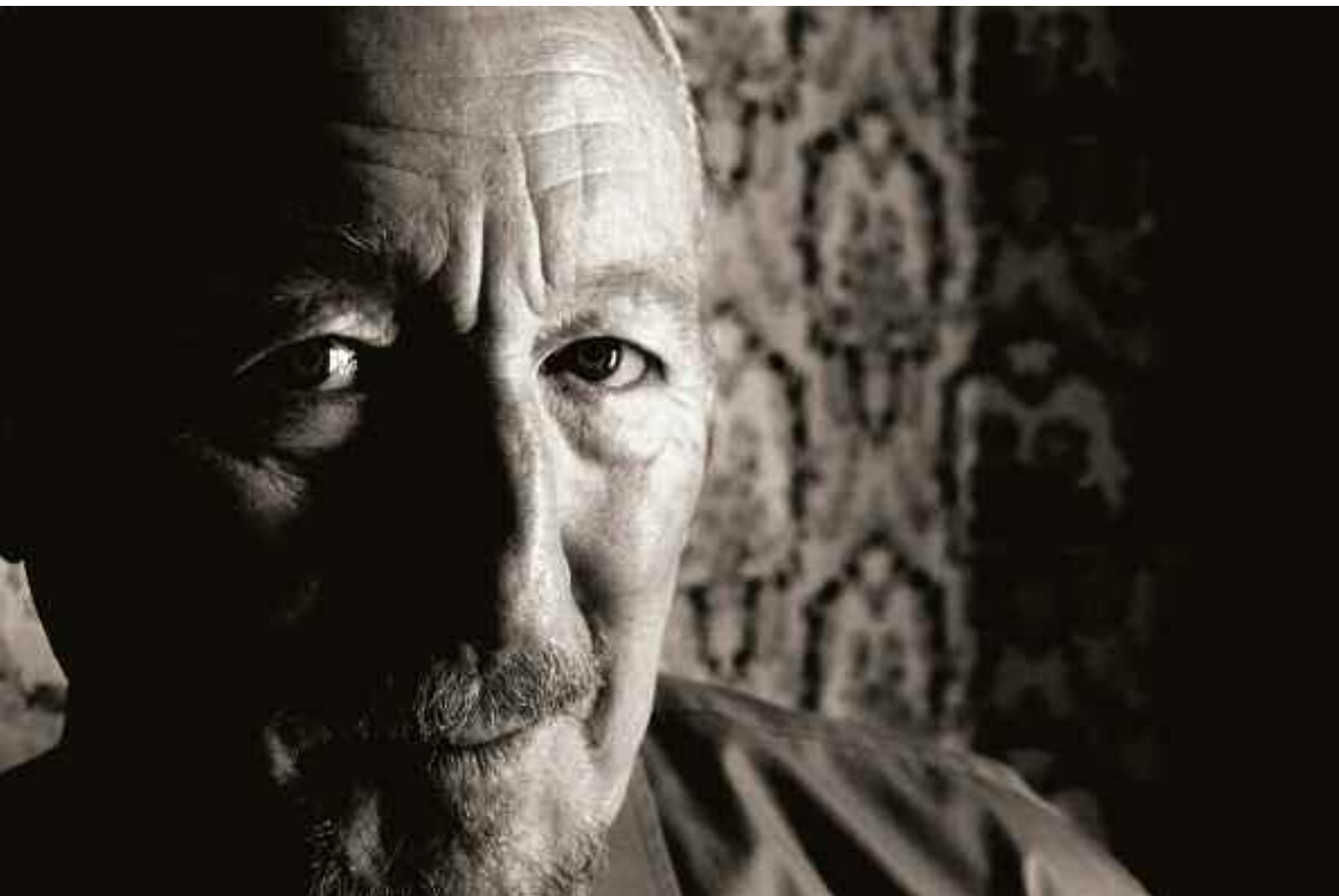
Founded in 1887, The Scottish Investment Trust PLC (SIT) has been working to produce wealth for investors for over 120 years.

When you invest in SIT you are buying shares in a company that invests in the stocks and shares of companies listed or traded on the world's major stockmarkets.

Our aim is to provide you with above-average returns over the long term.

Your investment has the potential to grow both through income from dividends and through capital growth from increases in share price.

Worldwide market volatility over the past few years has reminded investors that stockmarkets can go down as well as up. However history suggests that the real benefits of equity investment come from a long-term approach.



Strength Independence Team-work

SIT maintains a diversified equity portfolio by investing in a broad spread of international equities. Although there is always an element of risk involved in any stockmarket investment, we aim to lower this by spreading investment over numerous companies and sectors around the world while actively searching for opportunities to benefit our investors and increase returns.

Our independence is important. It allows us to maintain a focused approach to investing SIT's assets and leaves us free to choose what's best for SIT and the delivery of long-term returns.

SIT's management team uses disciplined investment techniques to search for good investments the world over. You gain exposure to their professional expertise without the high costs often associated with buying individual stocks and shares.

For up-to-date information on our performance visit our website at www.sit.co.uk

Please refer to the insert at the back of the brochure for standardised past performance.

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Please read this first:

Some things you should bear in mind as you consider STOCKPLAN.

- The capital value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and cannot be guaranteed. That means you may not get back the amount you originally invested. Past performance may not be repeated and is no indicator of future performance.
- The Scottish Investment Trust PLC has a long-term policy of borrowing money to invest in equities in the expectation that this will improve returns for SIT shareholders. However, if markets fall, these borrowings will magnify any losses on these investments.
- When planning for your financial future, please consider an investment in The Scottish Investment Trust PLC as a long-term commitment.
- Our aim in producing this brochure is to give you information only. It does not constitute a specific recommendation to purchase shares of The Scottish Investment Trust PLC.
- In providing STOCKPLAN, we are not required to assess the suitability of STOCKPLAN for your individual circumstances and therefore you do not benefit from the protection of the Financial Services Authority (FSA) rules on assessing suitability.
- We are unable to give individual investment or taxation advice. Tax rules and your personal tax circumstances can change over time.
- If you have any doubts about the suitability of STOCKPLAN for you, please consult your professional financial adviser. Information in this brochure is based on our understanding of law and practice current at the date of publication.
- When you telephone us, the calls may be monitored and recorded so we can constantly improve our service.

Please read and retain this document for future reference.

STOCKPLAN investment trust savings scheme



One of the easiest ways to invest in the stockmarket is through an investment trust company.

STOCKPLAN investment trust savings scheme

SIT's STOCKPLAN is a simple, flexible, low-cost investment trust savings scheme which enables you to buy shares in The Scottish Investment Trust PLC easily.

STOCKPLAN gives you access to a professionally-managed portfolio of global equities, without the worry and effort of having to decide which companies to invest in yourself and without paying for the services of a stockbroker.

Regular investment

STOCKPLAN allows you to make regular monthly investment into the stockmarket more easily and economically than if you invested directly.

Investing regularly helps you avoid the potential volatility of the stockmarket by smoothing out the share price peaks and troughs and saves you having to guess the best time to invest. If the market rises, you will benefit from the money you have already invested. If the market falls, your monthly contribution buys more shares as prices are lower.

Investing for the long term

History suggests that, over the long term, investing in the stockmarket may be one of the best ways to generate wealth. It carries a level of capital risk - but can offer greater potential for both income and capital growth.

One of the easiest ways to invest in the stockmarket is through an investment trust company.

Investment trust companies

Using an investment trust company can be a simple and cost-effective way of buying shares.

An investment trust is a listed company which invests in the stocks and shares of other companies, most of which are quoted or traded on one or more of the world's stockmarkets.

Investment trust companies pool investors' money and employ professional fund managers to invest in tens, sometimes hundreds of companies, many more than you could practically invest in yourself. This way you can gain exposure to a diversified and professionally run portfolio, spreading the risk of your investment.

Investing in an investment trust company means you become a shareholder in that trust, with the potential to benefit from capital growth if the share price rises and to receive income in the form of dividends.

You should remember, however, that the value of stockmarket investments can go down as well as up and you may not get back the amount originally invested.

If you are unsure whether this type of investment is suitable for you, you should obtain independent financial advice.

The Scottish Investment Trust PLC

The Scottish Investment Trust PLC (SIT) is an actively-managed global growth investment trust company, which offers an attractive combination of spread of risk and opportunity for reward.

SIT invests in a broad range of companies worldwide with the aim of providing above-average returns for investors over the long term.

Our approach has generated real long-term growth in both capital and income.

SIT's global strategy

SIT has a fully integrated global approach and focuses on 'bottom up' stock selection. This means it seeks to identify some of the most promising equity investment opportunities from around the world.

SIT looks for well-managed companies generating good and/or improving levels of profitability which are undervalued - that is, their market value does not fully reflect their true economic value. SIT is not tied to any one investment style, preferring to maintain a flexible approach.

Expert investment management

The company is independently managed and directly employs a team of professional fund managers led by the manager. The investment team uses a disciplined investment process to search for and assess investment opportunities worldwide.

STOCKPLAN - flexible, simple, cost-effective



STOCKPLAN can help you meet long-term investment goals.

You can invest lump sums or on a regular basis each month and you can top up your investment at any time.

STOCKPLAN - flexible, simple, cost-effective

STOCKPLAN can be used to help you meet a variety of long-term goals such as school or university fees or buying a second home.

STOCKPLAN can also help if you are looking at ways to boost your retirement income, or simply to build up long-term savings.

Below average charges

Our approach to charges is simple and transparent.

Our charges are among the lowest in the market, which means your money goes further.

No initial charge

The STOCKPLAN scheme has no initial plan charge.

As with all shares, there is compulsory government stamp duty on purchases and a different buying and selling price applies (average spread 0.5%). For every £100 of SIT shares purchased, 50p is paid in government stamp duty (which is currently levied at the rate of 0.5% of the amount invested). There is also a PTM (Panel on Takeovers and Mergers) levy of £1 for any purchase or sale of shares over £10,000.

No annual charge

No annual management charge is paid when you invest through STOCKPLAN.

Total Expense Ratio

As in any public limited company, the overheads of running the trust are clearly identified as expenses in SIT's annual report. These expenses are not levied directly on the investor, they are paid out of the income of the trust.

SIT dividends are paid to shareholders after these costs have been met. Last year SIT's management expenses were 0.7% of average shareholders' funds.

Penalty-free closure

Unlike many investment schemes, there are no fixed investment periods or prohibitive closure penalties with STOCKPLAN.

To sell some or all of your STOCKPLAN holding costs just £11.95.

Flexible investment

There are a number of ways to invest in STOCKPLAN. You can invest with a lump sum, or on a monthly basis, or a combination of both.

Monthly investment

If you are unsure as to the best time to invest and would like to spread your investments over time, saving regularly every month may be an attractive option.

You can invest from as little as £25 per month. You can increase or decrease the amount you invest each month subject to the £25 minimum. There is no maximum.

You can stop and restart regular investments and you can add one-off lump sums at any time.

Lump sum investment

You can start your STOCKPLAN with a lump sum from as little as £250. There is no maximum limit to the amount you can invest in the scheme.

You can invest additional lump sums (minimum £250, there is no maximum) at any time.

Designating your STOCKPLAN

STOCKPLAN allows savers to invest for another person, either an adult or a child, or for a specific investment purpose. For example, parents and grandparents often set up a scheme on behalf of a child to fund educational expenses or to help provide a future investment as investment trust company shares can make an excellent long-term gift.

For more information on investing for children with SIT, simply call our brochure request line free on **0800 42 44 22** and ask for our STOCKPLAN: A Flying Start brochure, or visit our website www.sit.co.uk

Easy access

While your STOCKPLAN investment is best suited for the long term, you can sell shares quickly and conveniently whenever you wish to do so by telephoning, or writing to, the Administrator. It costs just £11.95 to sell some or all of your STOCKPLAN holding.

For further information, please see the [Key Features](#).

Applying for your STOCKPLAN



It is easy to apply. There is an Application Form at the back of this brochure, or you can download one from our website www.sit.co.uk

Simple to apply

Applying for your STOCKPLAN

You can apply by completing the application form which can be found at the back of this brochure or on our website www.sit.co.uk

Simply follow the steps below:

1 Read the important information

You should know about your STOCKPLAN before you apply. Please read the **Key Features** and **Terms & Conditions** that apply to the scheme before completing your application form.

2 Decide how much you want to invest

If you are investing a lump sum the minimum amount is £250, there is no maximum. For regular investment, made by Direct Debit, the minimum is £25 per month, again there is no maximum.

3 Choose your investment option

You can open your STOCKPLAN with a lump sum, you can invest monthly, or you can combine both.

Lump sum

If you are investing a lump sum, please make your personal cheque, drawn on an account in your name, payable to **SIT STOCKPLAN**.

Monthly investing

If you are investing monthly, please make your personal cheque for the first month's instalment, drawn on an account in your name, payable to **SIT STOCKPLAN** and complete and sign the Direct Debit Instruction.

Dividends

Dividends are reinvested automatically. However, if you wish your dividends to be paid into your bank or building society account, please complete and return the income distribution request form at the back of this brochure.

4 Complete the form

Please make sure you complete all the relevant sections and sign the form before you send it to the STOCKPLAN Administrator.

5 Send your application to the Administrator

Please send your cheque, completed and signed application form and, where applicable, Direct Debit Instruction and income distribution request form, to the STOCKPLAN Administrator in the reply-paid envelope provided.

The purchase of your shares will not take place until all details are complete and correct and any identification checks have been satisfactorily completed.

Once your application has been accepted by our Administrator, you will be sent a welcome letter containing your STOCKPLAN Account Code. You will also receive a contract note after each investment you make into your STOCKPLAN confirming the cost of your shares.

Designating your STOCKPLAN

If you are opening a STOCKPLAN and designating the plan:

- on behalf of another person, either child or adult, or
- for a special purpose

please complete the personal details in Section 1 (the documentation will be sent to your address) and clearly state the designation on the appropriate line of Section 3 of the application form.

To find out more about investing for children with SIT, simply call our brochure request line free on **0800 42 44 22** and ask for our STOCKPLAN: A Flying Start brochure, or visit our website www.sit.co.uk

Key Features of STOCKPLAN

The Financial Services Authority is the independent financial services regulator. It requires us, SIT Savings Ltd, to give you this important information to help you decide whether STOCKPLAN is right for you.

You should read this document carefully so that you understand what you are buying and keep it safe for future reference.

Its aims

STOCKPLAN provides a simple and cost-effective way for private investors to buy and hold shares in The Scottish Investment Trust PLC (SIT).

SIT's investment policy and objectives are:

- To provide investors, over the longer term, with above-average returns through a diversified portfolio of international equities and to achieve dividend growth ahead of UK inflation.

Your investment

- Your investment is best viewed as a long-term one.
- You can invest lump sums and/or on a regular monthly basis.
- The minimum investments are £250 for a lump sum and £25 for regular monthly savings. There is no maximum limit.
- Occasional one-off lump sums may be invested at any time (minimum £250).
- You may stop your monthly investments - and restart them - at any time.
- You may sell all or part of your holding whenever you wish.

Risk factors

All stockmarket investments carry an element of risk, and you should ensure that you understand the associated risks before you choose to invest. The following are the principal risk factors that apply to an investment in STOCKPLAN.

- Equity investments (stocks and shares) are generally considered higher risk than other investments. They may be subject to sudden and large falls in value.
- Investment trusts are listed UK public limited companies and are not authorised or regulated by the Financial Services Authority.

Market risk

- As with any stockmarket-based investment product, the value of your investment and the income you receive from it can go down as well as up and you may not get back the amount you originally invested.
- Past performance may not be repeated and is no indication of future performance.

Investment trust company discount risk

- An investment trust company is a "closed end" fund. That is, there is a fixed number of shares in issue. The market price of these shares is affected by supply and demand and may not represent the underlying value of the assets (the net asset value or NAV) of an investment trust company.

If the share price of an investment trust company is lower than the net asset value per share, the trust is valued at a discount. If the share price of an investment trust company is higher than its net asset value per share, the trust is valued at a premium.

The discount is shown as a percentage of the net asset value. For example, if the net asset value of an investment trust company is 100p per share and the market price per share is 90p, the investment trust company would be valued at a 10% discount to net asset value.

The growth of your capital depends upon the movement of the discount and/or premium over the period that you own the shares, as well as the growth of the assets of the trust.

From January 2006, SIT's intention has been to buy back shares actively with the aim, in normal market conditions, of maintaining a discount to net asset value of 9% or less.

Gearing (or borrowing) risk

- As an investment trust company, SIT has the ability to borrow money with which to make investments. Where borrowings are used to make equity or other investments, this is called "gearing". When the gain on investments bought with borrowed money exceeds the cost of borrowing, the overall return to SIT investors is increased.

Similarly, when the return on investments bought with borrowed money is negative or lower than the cost of borrowing, there are losses and the overall return to SIT investors is reduced.

The higher the level of gearing used, the higher the potential gains or losses will be.

- SIT can buy back and cancel its own shares. All other things being equal, this would have the effect of increasing gearing.
- Investment trust companies, such as SIT, can also use gearing by investing in the shares of other investment companies which are themselves geared. SIT invests in other investment companies from time to time to gain exposure to specific asset classes (eg Japanese small companies). Such investments may be geared. It is the policy of SIT's board not to invest in such a company if

Key Features of STOCKPLAN

the level of gearing is inappropriate in relation to the underlying asset class in which the company is investing. It is the policy of SIT's board not to invest more than 15% of SIT's gross assets in other UK quoted investment companies. In practice, it is unlikely to have more than 5% of gross assets invested in such companies.

- SIT has the ability to invest in derivatives such as warrants, futures and options. Derivatives can be used to offset (hedge) possible unfavourable currency and market movements and in a rising market potential gains could be restricted. It is the policy of SIT's board to only use derivatives as a defensive mechanism (eg to hedge a foreign currency exposure), or to help the movement of funds between different investment areas, or lower the exposure to equities.

Corporate bonds

- From time to time SIT invests in corporate bonds. These bonds give exposure to the risk of non-payment by the issuer and prices are sensitive to changes in interest rates.

Overseas investment risk

- Investments which SIT makes in overseas markets might be affected by dealing hold ups, settlement difficulties, variations in exchange rates and different custody practices in those markets.
- Overseas investments may be affected by political risk in the chosen geographical areas.

Liquidity risk

- SIT may have difficulty in selling investments in unquoted securities (1.4% of total assets at 31 October 2010).

Charges risk

- Your returns will be limited by the charges in the plan and/or the expenses of the investment trust company. These charges and expenses may increase in the future.

Inflation risk

- The value of any investment gains may be reduced over time by increases in the general level of prices, i.e. inflation.

Taxation risk

- Tax rules and your personal tax circumstances can change over time. The tax treatment of your investment depends on your individual circumstances.

Key Features - Questions & Answers

Is STOCKPLAN suitable for me?

STOCKPLAN is aimed at investors who:

- want to invest monthly and/or with lump sums
- are looking for a cost-effective and flexible investment vehicle
- are financially aware or who have taken financial advice
- are prepared to take the risks associated with stockmarket investment
- are looking for a long-term investment
- are UK residents
- are aged 18 years or over.

Where is my money invested?

You are investing in shares of The Scottish Investment Trust PLC, which will be held on your behalf by the STOCKPLAN Administrator.

What are the general product characteristics of investment trust companies?

Buying an investment in an investment trust company means you are investing in the shares of a public company quoted on the London Stock Exchange which in turn invests in the shares of other companies, most of which are quoted on one or more of the world's stockmarkets.

SIT has the freedom to invest in any asset of its choosing but usually invests in quoted equities in the UK and overseas, with a small component invested in unquoted investment funds in the UK and US.

Retention of income

Investment trust companies can keep up to 15% of each financial year's income from the underlying investments and transfer this amount to their revenue reserves. These reserves may be built up in good years, to support dividends in poorer years. The effect is that the managers can, to some degree, smooth out the payment of dividends over a period of time.

How do I invest in STOCKPLAN?

You can invest in STOCKPLAN by completing a STOCKPLAN application form. This should be sent to our STOCKPLAN Administrator (Halifax Share Dealing Limited), together with:

- your personal cheque, for the lump sum or the first month's instalment, drawn on an account in your name, payable to SIT STOCKPLAN, and
- a completed Direct Debit Instruction (if applicable).

The Administrator will, upon receipt of:

- funds,
- a valid application form, and
- confirmation of identity,

invest, on the next normal dealing day after the account is activated, in shares registered on the investor's behalf in the name of the Administrator's nominee company, HSDL Nominees Limited.

The Administrator will issue a welcome letter to confirm your STOCKPLAN application followed by a contract note.

Share certificates are not issued to STOCKPLAN investors.

Lump sum investments are made by personal cheque drawn on an account in your name.

Regular monthly investments are made by Direct Debit on the first-named investor's bank account. You can find the Direct Debit Instruction in the STOCKPLAN application form. The first monthly instalment is made by a personal cheque drawn on the investor's own bank account and sent with the application form. If wished, this cheque can be for an amount greater than the monthly Direct Debit.

Investments are normally dealt daily. The Administrator will buy shares through the stockmarket at the current buying price - and sell them at the current selling price.

The Administrator will try to ensure that all funds are invested at the first appropriate opportunity. However, the requirements of the EU Directives on Money Laundering may mean that there could be a delay in investment and/or the despatch of documents whilst necessary verification procedures are carried out. Please read the **Terms & Conditions** for details of these procedures. We will attempt to verify your identity electronically. If we require further documentation, we will contact you directly.

If you are an existing investor and wish to add a lump sum to your STOCKPLAN, you may do so by telephoning the Administrator on **0845 850 0181** to make a lump sum investment using your debit card. If you are currently investing monthly, payment may be taken using your nominated payment method.

Alternatively, you may write to the Administrator quoting your STOCKPLAN Account Code and enclosing a personal cheque drawn on your bank account made payable to SIT STOCKPLAN.

Please note:

- First-named account holders can invest by cheque, by debit card and/or by Direct Debit.
- Joint/second-named account holders can invest by cheque only.
- Cheques will normally be dealt within 3 dealing days after receipt.

Who manages STOCKPLAN?

The Scottish Investment Trust PLC is self-managed.

The STOCKPLAN scheme is managed by a wholly-owned subsidiary company - SIT Savings Ltd.

SIT Savings Ltd is authorised and regulated by the Financial Services Authority (FSA), 25 The North Colonnade, Canary Wharf, London E14 5HS.

The Administrator of STOCKPLAN is Halifax Share Dealing Limited (HSDL), which is part of the Lloyds Banking Group. HSDL is authorised and regulated by the Financial Services Authority.

For full details of STOCKPLAN, including charges for transactions and arrangements for ending or changing the scheme, please see our **Terms & Conditions** which follow.

Further copies of the STOCKPLAN brochure are available from SIT Savings Ltd's brochure request line on **0800 42 44 22**, or can be downloaded from our **website www.sit.co.uk**

Key Features - Questions & Answers

How much can I invest in SIT using STOCKPLAN?

There is no maximum limit on your investment.

How do I alter my monthly payments?

If you want to alter the amount you invest monthly, please contact the Administrator by telephone on **0845 850 0181**, or in writing, giving details of the new amount you wish to invest regularly.

Please allow 5 working days after receipt of instruction to change either the amount or the date.

How do I suspend my monthly payments?

If you want to suspend the amount you invest monthly, please contact the Administrator by telephone on **0845 850 0181**.

Please allow 5 working days after receipt of instruction to suspend the monthly payment.

How will I be able to follow the progress of my investment?

- You can view your STOCKPLAN account online by registering with halifaxsharedealing-online, which can be found through the links in the STOCKPLAN section of our website www.sit.co.uk or by visiting www.halifaxsharedealing.co.uk/online

Please note: you will need your Share Dealing Personal Reference Number (PRN) to access the online service. New investors will receive this in their welcome letter.

If you do not have your PRN, please contact the STOCKPLAN Administrator, HSDL, on **0845 850 0181**.

- We will also supply, on request, information about the status of any order.
- You will receive a contract note after every purchase and sale of shares in your STOCKPLAN.
- Each May and November you will receive a consolidated statement which gives you the valuation of your STOCKPLAN as at 5 April and 5 October, together with details of all the transactions and dividends received for the period. This will also show any cash balances being held in your account.

Statements may also be ordered at any other time, at a charge of £10 + VAT per statement.

You will also be sent a consolidated tax certificate with the April statement.

- Every six months you will receive SIT's annual or interim report.
- You can track the price of SIT shares in a number of UK daily newspapers in the 'investment trust companies' section of the UK share prices page. Most listings also show the year's high and low and the current dividend yield. The Financial Times provides an estimate of the latest NAV and the current discount or premium.

- Information is available through a number of financial sites on the internet. The code for SIT is often shown as 'SCIN'.
- Share price information and an up-to-date financial summary are also available from our website www.sit.co.uk
- In order to minimise your own paperwork, all investments will be held on your behalf by our Administrator in the name of its nominee.
- STOCKPLAN investors are entitled to attend SIT shareholders' meetings and vote on a poll by completing the form of direction they will be sent with SIT's annual report or notice of meeting.

How may I receive my dividends?

Dividends are automatically reinvested into SIT shares.

The interim dividend is normally paid in July and the final dividend is normally paid in February of each year. The minimum amount which may be reinvested is the price of one share plus stamp duty. Smaller amounts will be held in a non-interest bearing account pending further investment. Dividend reinvestments will be taxed as if you had received cash.

However, you may decide to have your dividends paid into your UK bank or building society account. To arrange this, please complete an income distribution request which can be found on [page 29](#).

How do I sell my shares?

You simply telephone the Administrator, HSDL, on **0845 850 0181**, quoting your account code and giving instructions as to the number of shares that you wish to sell. Investors may also give their instructions in writing to the Administrator.

Alternatively, your financial adviser can act on your behalf, if the Administrator has your written instructions for them to do so.

In the case of a jointly-held account, the instruction or authority of any one of the joint holders will be accepted.

Shares will be sold as soon as practicably possible for the best price at the time of dealing in accordance with our Administrator's Order Handling Policy. We aim to send you the proceeds, less the cost of the sale, within five working days. The proceeds are paid directly into your bank account.

Alternatively, it may be possible to request the proceeds be sent to you by cheque, although any amounts under £5 cannot be paid by this method.

You may sell all or part of your holding.

If you sell all the shares in your STOCKPLAN and no monthly investment is being made, the account will be closed on settlement of the trade.

Key Features - Questions & Answers

How do I close my STOCKPLAN account?

You can close your account by telephoning the Administrator, HSDL, on **0845 850 0181**, quoting your account code and instructing the closure of your account.

Alternatively, your financial adviser can act on your behalf, if the Administrator has your written instructions for them to do so.

In the case of a jointly-held account, the instruction or authority of any one of the joint holders will be accepted.

Small outstanding account balances can only be paid directly into your bank account as amounts under £5 cannot be paid to you by cheque.

Investors may also give their instructions in writing to the Administrator.

What happens if I change my address?

If you move home, please either write to, or telephone, our Administrator, HSDL, giving your old and new address, the date of your move and, if possible, your STOCKPLAN account code.

Please note: it is important that you notify the scheme Administrator of any change of address. Failure to do so may result in restrictions being applied to your account which could delay or prevent investment, including dividend reinvestment.

Moving overseas

Investors who move overseas should note that our Administrator is unable to send any correspondence to an overseas address. If you are moving overseas, please provide our Administrator with a UK correspondence address.

What is the tax position of investing in an investment trust company?

SIT

SIT is exempt from tax on the capital gains realised in its portfolio of investments. It is subject to corporation tax on the excess of the taxable income it receives from foreign companies and deposit interest over the total of the management expenses and any loan interest it has paid.

Your own position

Income is distributed in the form of net dividends. Your tax position is exactly the same whether you take the dividend in cash or reinvest it.

- If you pay income tax at the basic rate, you will have no further liability to income tax. Non tax payers will not be able to reclaim the amount of the tax credit.
- If you pay income tax at the higher or additional rate, you will have an additional liability which will be assessed through your annual tax return.

If you sell some or all of your STOCKPLAN holding, you may apply your annual capital gains tax exemption to your realised gains. In this case, your total capital gains from sales of all liable investments would be free of capital gains

tax if the total gains fall within each year's annual exemption. You would be liable for capital gains tax on any gains over the annual exemption (unless you have suitable losses to use).

Taxation levels, bases and reliefs can change, depend on individual circumstances and are based on our understanding of current UK law and HM Revenue & Customs practice.

What cancellation rights do I have?

As you are buying shares through the stockmarket, you will not be able to cancel your purchase, nor is there a cooling off period.

If you are making regular monthly contributions, you should contact the Administrator if you wish to stop your monthly subscription.

If something goes wrong, am I entitled to compensation?

We are covered by the Financial Services Compensation Scheme.

You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000.

Further information about compensation arrangements is available from the:

Financial Services Compensation Scheme
7th Floor
Lloyds Chambers
Portsoken Street
London
E1 8BN
Telephone: 0800 678 1100

What if I have a complaint?

Administrative queries should be referred to the Administrator on **0845 850 0181**.

If you have any complaints about the service you have received, please contact the STOCKPLAN Manager on **0131 225 7781**, or write to the address shown on [page 19](#).

If your complaint is not dealt with to your satisfaction, you can then contact the:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Telephone: 0845 080 1800

Making a complaint will not prejudice your right to take legal proceedings.

Key Features - Questions & Answers

How will charges and expenses affect my investment?

Charging details

Actual Plan Charges

There is no charge for buying SIT shares other than compulsory government stamp duty of 0.5% of the amount invested and the PTM (Panel on Takeovers and Mergers) levy of £1 for any purchase or sale of shares over £10,000.

There is no plan charge levied on an investor in STOCKPLAN other than for sales of holdings, which cost £11.95, or for transferring out where there is a charge of £30 + VAT if you wish to transfer your SIT STOCKPLAN holding to another nominee or to a certificated shareholding.

Bid-offer spread

As with all stockmarket transactions, there will be a difference, or spread, between the buying and selling prices of SIT shares on any particular day (The Scottish Investment Trust's spread has averaged 0.5% over the last 3 years).

The spread varies with the number of shares being traded and the availability of shares on the market.

An average spread is included in the calculations in the table which follows and up-to-date information is available from The Scottish Investment Trust PLC.

Total Expense Ratio

In addition, there are charges and expenses relating to the management of The Scottish Investment Trust PLC (such as SIT's investment management and administrative costs). These are not directly applied to the value of your investment, they are deducted from the income and capital of the company.

Last year SIT's management expenses were 0.7% of average shareholders' funds.

Each of these costs will affect your investment returns.

An illustration of the effect of the charges

The effect of the charges detailed previously on an investment of £10,000, assuming growth of 6.0% per year and dividend reinvestment, is set out in the following table.

These figures are not guaranteed and are based on a notional rate of growth which may not be achieved and are no indicator of future performance. They serve only to demonstrate the effect of the stated charges on an investment.

End of Year	Investment to date (£)	Effect of Deductions to Date (£)	What you might get back, with 6% per year growth (£)
1	10,000	195	10,400
2	10,000	285	10,900
3	10,000	384	11,500
4	10,000	493	12,100
5	10,000	614	12,700
10	10,000	1,420	16,400

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £1,420.

Putting it another way, this would have the same effect over 10 years as bringing the investment growth from 6.0% per year down to 5.1% per year.

How much might any investment advice cost?

SIT Savings Ltd staff are not permitted to advise you on the suitability or otherwise of investing through the scheme. If you wish to take the advice of a professional adviser, he or she will give you details about the cost of that advice.

How will I be advised of any corporate activity or alterations to STOCKPLAN?

If SIT is involved in a rights issue, an issue of new shares or warrants or anything similar, you will be given written information which will allow you (and your adviser, if applicable) to proceed appropriately.

You will be given written notice of any alteration to the plan - further details are available in the STOCKPLAN Terms & Conditions.

Order Handling Policy

We have delegated all of the dealing functions in respect of STOCKPLAN to the STOCKPLAN Administrator (Halifax Share Dealing Limited) and set out below a summary of the STOCKPLAN Administrator's Order Handling Policy. The buying and selling of shares in SIT on your behalf will take place in accordance with the STOCKPLAN Administrator's Order Handling Policy as summarised below. A copy of the full policy can be obtained by contacting the STOCKPLAN Administrator.

The STOCKPLAN Administrator's Order Handling Policy

We are committed to helping you make informed investment decisions. One way we do this is to explain how we will handle your investment instructions. Further details are contained in our Terms & Conditions¹.

Our Approach to Order Handling

We will endeavour to arrange the completion of your order in accordance with the following policy.

We will take all reasonable steps to obtain the best possible results when completing a buy or sell order for you.

To do this, we rely on three core components:

1. State-of-the-art technology for routing, completion and monitoring orders.
2. Careful consideration of the elements of order execution.
3. Regular examination of overall execution quality.

Trading Venues

We have carefully considered the available trading venues for your orders and have selected the following organisations as being able to provide the best possible result on a consistent basis.

Orders in respect of shares in UK listed companies will be routed to the associated Member Firms of the London Stock Exchange, PLUS Markets and AIM (including Retail Service Providers (RSPs) and Market Makers) - collectively referred to as "market counterparties".

UK Markets

- (a) We use automated systems to request quotes from a large number of market counterparties. Upon receipt of these quotes we will automatically ascertain the best price available from those returned and then transmit your order to the appropriate market counterparty who will execute it at that price.
- (b) For orders which cannot be completed automatically, for example because the size of your order is greater than that available from our market counterparties to trade electronically, you will be given the option of routing the order to one of our dealers who will then contact a market counterparty and negotiate the order on your behalf. Where appropriate the dealer will obtain multiple price quotes to determine the best price available.

- (c) On very rare occasions market conditions are such that we may be unable to receive and process quotes from all market counterparties, or it becomes impractical for us to do so. These conditions are likely to exist at times of extreme market volatility or where electronic connections to the market counterparties are interrupted. At these times and in order that we can ensure your orders are completed in a timely manner, we may route orders to just one specific trading venue. In these circumstances we will, of course, endeavour to ensure that you continue to receive the best price reasonably available.

Key Factors

There are a number of factors including price, costs, speed, likelihood of execution and settlement, size and nature of your order which could affect the outcome. We will take all of these into account, although the principal factors used to determine how your order is carried out are:

1. **Price.** We understand that price is probably the most important element and endeavour to achieve the best possible result for your order, taking into consideration elements such as the size and nature of the order.
2. **Speed.** We seek to provide you with a facility that allows you the ability to complete your order as quickly as possible to minimise the risk of the market moving against your interests.

Regular Review of Completed Orders & Order Handling Policy

We regularly evaluate the overall quality of completed orders to ensure our high standards are maintained and will take appropriate action if a process can be enhanced.

We will carry out a review of our Order Handling Policy on at least an annual basis to ensure that it allows us to obtain the best overall outcome for our clients. If, as a result of such review, we make any changes to our policy the revised policy will be published on our website. Any material changes will be dealt with in accordance with our Terms & Conditions.

¹ In the event that there is a conflict between this policy and our Terms & Conditions, the Terms & Conditions will take precedence.

Conflicts of Interest Policy

Since we have delegated all of the dealing functions in respect of STOCKPLAN to the STOCKPLAN Administrator (Halifax Share Dealing Limited) and only buy and sell shares in SIT on your instructions on an execution-only basis (i.e. without giving you advice), we believe there is limited scope of a conflict of interest arising between your and our interests, or between the interests of different clients. However, in the unlikely event that any such conflict may or does arise, we will ensure fair treatment of our clients' interests in accordance with the STOCKPLAN Administrator's Conflicts of Interest Policy, a summary of which is provided below. A copy of the full policy can be obtained by contacting the STOCKPLAN Administrator.

The STOCKPLAN Administrator's Conflicts of Interest Policy

We have set a policy on the management of conflicts of interest with the objective of taking all reasonable steps to identify and manage conflicts that may arise, which might result in a material risk to the interests of our clients.

Our approach has been to identify those aspects of our service, including how we interact with other Lloyds Banking Group companies and third party suppliers, which could result in a conflict between your and our interests, or between the interests of different clients.

Below is a summary of those types of conflicts and the way we manage them. In all cases we believe that our current organisational arrangements, systems and controls provide an effective way of preventing your interests being unfairly affected.

Decision Criteria for Dealing

We have in place an Aggregation and Allocation Policy, which sets out the criteria by which aggregated client orders are managed and promptly allocated to individual client accounts.

In addition, all client orders are dealt in a timely manner and in fair and due turn. No unfair priority is given to orders from other clients, colleagues or from other parts of the Lloyds Banking Group.

Confidentiality and Protection of Inside Information

We operate information barriers which limit the flow of potentially price sensitive information between colleagues and different areas of the Lloyds Banking Group. Our internal dealing rules prevent colleagues in possession of price sensitive information from taking advantage of that information by dealing in the respective security, or arranging for someone else to do so on their behalf.

Organisational Arrangements

The organisational structure we have implemented provides for the segregation of duties and so prevents conflict arising through inappropriately apportioned roles and responsibilities by ensuring that no one individual can exercise inappropriate influence over a particular process.

Though we are part of the Lloyds Banking Group, we do not receive any details of commercial arrangements entered into by other parts of the Lloyds Banking Group, e.g. loans, financing, acquisition or merger activities extended to individuals, partnerships or companies. Nor are we subject to any other conflicts arising from the structure of business activities of other members of the Lloyds Banking Group.

Our management team operates independently from other Lloyds Banking Group companies and there are appropriate controls on cross-board membership. If we were to acquire information that gave rise to a conflict of interest in a Lloyds Banking Group context, we would take steps to manage that conflict.

The dealing arrangements for personnel of key service providers can be relevant to our conflict management responsibilities. Potential conflicts are controlled in these circumstances through the use of contractual provisions together with regular monitoring of the dealing arrangements of the staff of these providers.

Personal Conflicts

Contracts of employment prevent colleagues from accepting roles or directorships with companies outside the Lloyds Banking Group, including those with whom we have commercial relationships, unless prior approval has been received from the divisional CEO.

We are mindful that a conflict may arise should colleagues have other business interests which involve clients who are also Lloyds Banking Group clients, or which conflict with their duties to Halifax Share Dealing Limited or Lloyds Banking Group. Potential conflict may in theory also arise where our colleagues have friends and relatives who are clients of Halifax Share Dealing Limited. To overcome this type of potential conflict we have specific internal controls and dealing arrangements which also comply with FSA rules.

We do not display preference to any client, group of clients or clients who are also colleagues, over another in the provision of our dealing and safe custody services.

In addition to the above, colleague bonus and remuneration arrangements are carefully considered to ensure that conflicts do not inadvertently arise through inappropriately set targets. Furthermore, an internal Whistleblowing Policy is in operation which affords colleagues a high level of protection should they report any wrongdoing by others.

Conflicts of Interest Policy

Selection of Suppliers

We prevent conflicts arising regarding the selection of suppliers by refusing to accept or provide fees, commissions and non-monetary benefits which do not directly enhance the service offered.

Any personal relationships are disregarded in the selection of service providers, agents, third party suppliers, distributors and equity partners to prevent inappropriate selection.

Commission and Income Disclosure

There are limited circumstances in which we receive payments in relation to the services we provide to you.

Dealing charges which we apply to your trades may be shared with other members of the Lloyds Banking Group or other third parties. We will not show details of any remuneration or sharing arrangements of this kind on your contract note but, if you ask us to, we will make them available to you. In any case you will not be liable to pay more commission than is disclosed in our brochure.

We acknowledge that gifts and entertainment arrangements common in the stockbroking industry, may give rise to adverse influence. We address this by limiting the receipt of gifts/entertainment to that of a non-material nature.

Summary

The above summary reflects our detailed Conflicts of Interest Policy that is in place to ensure fair treatment for our clients through the effective management of potential conflicts. We are not aware of any further material conflicts of interest. A full copy of the Conflicts of Interest Policy is available on request.

Key Features - Terms & Conditions

SIT STOCKPLAN allows investment to be made on a monthly and/or lump sum basis. Further details can be found on [pages 5 and 7](#).

SIT STOCKPLAN is managed by SIT Savings Limited ('the Manager') which is a wholly-owned subsidiary of The Scottish Investment Trust PLC ('the Company').

SIT Savings Limited is a limited company incorporated in Scotland (registered number SC091859) having its registered office at 6 Albyn Place, Edinburgh EH2 4NL. Our VAT registration number is 634715537.

SIT Savings Limited is authorised and regulated by the Financial Services Authority and entered on the FSA Register (number 125495). Our main business is to provide an investment trust savings scheme and an ISA wrapper around this Scheme.

References to we, us and our shall include our successors and assignees where necessary. You are the holder of the STOCKPLAN.

The Manager has appointed Halifax Share Dealing Limited (HSDL) ('the Administrator') to administer the Scheme on its behalf. Halifax Share Dealing Limited is registered in England No 3195646. Registered office: Trinity Road, Halifax, West Yorkshire, HX1 2RG. Authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

We will treat you as a retail client for the purposes of our relationship. This classification provides the highest level of protection under the FSA rules.

We and the Administrator will act for you on an execution-only basis which means neither we, nor the Administrator, can give you investment or taxation advice.

To participate, please complete the application form, ticking the appropriate boxes, and send the form(s) to the Administrator.

By signing the application form, you appoint the Manager to manage the Scheme on your behalf as beneficial owner subject to the [Terms & Conditions](#) set out in this Agreement and applicable law (including the FSA rules) and give us your express consent to the handling of your orders in accordance with the Administrator's Order Handling Policy and to deal with any conflicts of interest in accordance with the Administrator's Conflicts of Interest Policy (as such Policies are described in the [Key Features](#)).

1. Definitions

the **Administrator** means the company we appoint from time to time to carry out the day to day administration of the Plan. The current administrator is Halifax Share Dealing Limited (HSDL). The Administrator will act as our agent in its dealings with you.

the **Administrator's Conflicts of Interest Policy** means the policy for managing conflicts of interest, should they arise, as summarised in the [Key Features](#).

the **Administrator's Order Handling Policy** means the execution policy developed by the Administrator, as summarised in the [Key Features](#).

the **FSA** means the Financial Services Authority.

the **FSA Rules** means the handbook of rules and guidance published by the FSA as amended, updated or replaced from time to time.

the **Key Features** means the key features of the STOCKPLAN.

the **Manager** means SIT Savings Limited.

the **Shares** means shares in The Scottish Investment Trust PLC.

the **Scheme** or the **Account** means your STOCKPLAN.

2. Investment Objective

The investment objective of the Scheme is to achieve both capital and income growth, by investment in Shares in The Scottish Investment Trust PLC.

3. Dealing

a. The Administrator will arrange for funds on the STOCKPLAN account to be invested in the Company's Shares on the next dealing day after receipt, as well as any dividends that are to be reinvested using the dividend reinvestment option. Any balance of uninvested cash will be held by the Administrator in a non-interest bearing client account pending the next investment.

b. Following each investment, the investor will receive a contract note confirming the date of purchase, the number of Shares purchased, the price per Share and the total cost of the purchase. There is no stockbroker commission, but Government Stamp Duty of 0.5% is payable, as is the PTM (Panel on Takeovers and Mergers) levy of £1 for any purchase or sale of Shares over £10,000. Investors will receive a consolidated statement of holding twice per year - for the six-month periods as at 5 April and 5 October.

c. Orders to buy or sell Shares in the Company will be executed in accordance with the Administrator's Order Handling Policy.

d. The Administrator may, without prior reference to you, aggregate transactions on behalf of more than one client. Such aggregation may sometimes achieve a better result and sometimes a worse result for you than if the transaction had been carried out separately.

4. Selling Facility

a. The income from your investments can be paid out half-yearly.

b. A holding may be encashed in whole or in part. The investor must telephone, or write to, the Administrator, quoting the applicable account code, providing instructions on the number of shares to be sold. In the case of a jointly-held account, the instruction or authority of any one of the joint holders will be accepted.

c. Shares will be sold on the first normal dealing day after receipt of your instructions. The cost of STOCKPLAN sale is £11.95. Once the sale has been carried out, the Administrator will issue a contract note giving full details. The Administrator aims to send you the proceeds, less the selling cost, within five working days of the sale.

d. If all the holding is encashed and no monthly investment is being made, the Scheme will be closed on settlement of the trade.

Key Features - Terms & Conditions

5. Custody of Investments

- a. You are the beneficial owner of all plan investments.
- b. Title to Scheme investments will be registered in the name of the Administrator's chosen nominee, HSDL Nominees Limited, or in the name of such eligible nominee we may consider appropriate from time to time. The Administrator has accepted responsibility under the FSA rules for any custodian function carried out by its chosen nominee in its capacity as an eligible nominee.
- c. Your Scheme investments will be pooled with investments held for other clients. This means that your investments will not be identified by separate certificates. The current nominee is a company owned by the Administrator so if such nominee company defaults, the Administrator will accept full responsibility for it. The Administrator will not disclaim losses arising directly from the fraud, wilful default or negligence of such nominee.
- d. Scheme investments and certificates or other evidence of title in respect thereof may not be lent to any person nor may money be borrowed against the security thereof.
- e. Until we receive in cleared funds any outstanding amounts that you owe us, you authorise our nominee to keep your holding, Share certificate(s) and/or connected rights and we may also refuse to carry out any instructions relating to your holding, Share certificate(s) and/or connected rights. Title to the Shares shall not pass to you until you have paid the purchase costs and any related charges in full. You cannot transfer the Shares out of our nominee until you have paid for them and they are held in your account.
- f. We can employ agents on such terms as we think fit and we can delegate any of our functions under these conditions. We will satisfy ourselves that any person to whom we delegate any functions under these conditions is competent to carry out those functions.
- g. By entering into this Agreement you agree that we will hold your client money in a Halifax Share Dealing Limited client bank account. We may hold money with approved banks in the UK. We will not pay any credit interest on any cash balance you might hold in the Scheme.
- h. By signing the application form you give us your express consent to the handling of your orders in accordance with the Administrator's Order Handling Policy and to deal with any conflicts of interest in accordance with the Administrator's Conflicts of Interest Policy.

6. Remuneration and Expenses

- a. Details of our charges are set out in the **Key Features**. We reserve the right to amend our charges or levy additional charges as and when we deem it necessary. We will give advance notice to participants about any proposed amendments or introduction of additional charges.

- b. You, your personal representative(s) or your transferee will be liable for any stamp duty or other tax arising on any sale, purchase or transfer of investments in your Scheme. Other taxes and costs may be incurred by you in connection with the establishment, operation and termination of the Scheme which are not imposed by or paid through us.
- c. We will be entitled to realise investments to cover any sums due from you.

7. Reports and Valuation

Every six months we will provide you with a statement detailing all cash movements in the Scheme since the date of the last statement and with a list of the investments currently held in the Scheme and their values.

8. Termination

- a. A participant may stop investing in the Scheme by giving written notice to the Administrator and there will be no penalties for doing so.
- b. Uninvested cash will be returned to the participants on closure of the Scheme.
- c. The Manager may terminate or alter the Scheme on giving at least one month's notice to participants.
- d. You or we may terminate our authority to act on your behalf at any time, without penalty. Notice of this termination must be given in writing.

9. Taxation

- a. For capital gains tax purposes, the base cost of Shares acquired under the Scheme is the purchase cost, including expenses as shown on the statement of account issued by the Administrator after dealing.
- b. Sales of Shares may give rise to capital gains tax liability; the annual exempt amount may change from time to time.
- c. Participants in doubt as to their personal tax position should consult their professional adviser.

10. Liability and Responsibility

- a. Neither we, nor the Administrator, shall be liable for any loss (of any nature) suffered (directly or indirectly) as a result of any delay in the settlement of any transaction, the fluctuation in the value of investments or the income derived from them or any failure to achieve the investment objective howsoever arising by reason of the exercise or nonexercise of our, or the Administrator's, powers hereunder, unless resulting directly from our, or the Administrator's, fraud, wilful default or neglect and further provided that this Agreement shall in no way exclude or restrict any duty or liability we and the Administrator may have under the regulatory system.
- b. Neither we, nor the Administrator, will be in breach of this Agreement, nor will be liable in any way, for any delay or failure to perform any of our obligations which is due to circumstances beyond the Manager's reasonable control.

Key Features - Terms & Conditions

- c. To the extent permitted by applicable laws and regulations and the FSA rules, we shall not be liable for any loss suffered as a result of the acts or omissions or insolvency of any agent or delegate unless, and only to the extent, such loss arises directly as a result of our own fraud, wilful default or negligence in the selection or monitoring of such agent or delegate.
- d. Whilst every effort will be made to keep costs to a minimum, charges which are not within our reasonable control may be subject to change without notice.

11. Reminder

SIT Shares are quoted on the London Stock Exchange. As with other stockmarket securities, the price fluctuates according to supply and demand and other market factors and can therefore fall as well as rise. SIT Shares are best regarded as an investment to be held for several years.

12. Instructions, Calls and Notices

- a. Instructions shall be given to us and the Administrator by telephone, or in writing, and may be relied upon by us and the Administrator if purporting to be instructed/signed by you. Such notices will only be deemed to have been given to us and the Administrator if we actually receive them. Instructions shall remain in place until cancelled or replaced.
- b. We and the Administrator reserve the right not to accept instructions if they are unclear, contrary to the terms of this Agreement or they would cause us to breach applicable law (including the FSA rules). We, or the Administrator, will notify you within a reasonable time if we are unable to carry out any instructions.
- c. We and the Administrator shall be entitled to contact you otherwise than in writing in regard to matters concerning the Scheme and any investments held or proposed to be acquired.
- d. Unless we, or the Administrator, tell you otherwise, you may send notices and other communications to us in writing to:

SIT Savings Limited
6 Albyn Place
Edinburgh
EH2 4NL

or to the STOCKPLAN Administrator by calling
0845 850 0181

- e. We and the Administrator will send all written notices, statements and other communications to you by post to the address that you gave us when you applied for your Scheme or the latest address that you have given us. They will be treated as arriving 72 hours after posting (if sent to an address in the UK) or 10 days after posting (if sent abroad).

If you register for the Administrator's online service, you must supply the Administrator with an up to date email address. Emails will be treated as arriving immediately upon sending by the Administrator. The Administrator may keep any emails sent to or from it. The Administrator does this to check what was written and also to help train its staff.

13. Complaints and Compensation

- a. We and the Administrator are participants in the Financial Services Compensation Scheme. As you are a retail client, you may be able to make a claim on this compensation scheme if we default in our obligations to you. Compensation is available to eligible claimants under the Financial Services Compensation Scheme. If you ask, we will send you a summary of your rights under the Financial Services Compensation Scheme. Further information can also be obtained from the FSA.
- b. If you have a complaint about the way the STOCKPLAN Scheme is operated, you can write to us at the following address:

Compliance Officer
SIT Savings Limited
6 Albyn Place, Edinburgh
EH2 4NL

A copy of our internal complaints handling procedure is available on request and we will give you a copy if you make a complaint.

- c. If you cannot settle your complaint with us, you may subsequently take your complaint to the:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Telephone: 0845 080 1800

14. EU Directive on Money Laundering

- a. To comply with UK legislation and EU Directives on Money Laundering, the Administrator is required to verify the identity of all investors. This may involve the electronic verification of names and addresses through a reputable agency.
Some investors may be asked to supply additional evidence of identity.
- b. The Administrator will endeavour to ensure that all funds are invested on the appropriate day. However, where positive verification is considered to be required, this must be obtained before any documents of title, investment proceeds or income payments can be despatched.
- c. The Administrator is legally obliged to collect, verify and record information confirming customer identity and to report details of suspicious transactions to the Serious Organised Crime Agency. For more details please contact the Administrator, HSDL, at Halifax Share Dealing Limited, Lovell Park Road, Leeds, LS1 1NS.

Key Features - Terms & Conditions

d. The Administrator may use credit scoring methods to assess your application and verify your identity. Members of the Lloyds Banking Group and other companies may use credit searches and other information supplied to them and/or the credit reference agencies about you and someone linked financially with you, including previous and subsequent names, to make credit decisions about you or other members of your household. Any of this information may also be used for identification purposes, debt tracing, preventing money laundering and managing your account.

e. The Administrator may disclose any information you provide to it to a licensed credit reference agency that may retain a record of the search. The Administrator will use the results of the search to check your identity and to determine your creditworthiness, although it will not extend a line of credit to you.

f. The Administrator has systems that protect it, us and our customers against fraud and other crime. Customer information can be used to prevent crime and trace those responsible. The Administrator may check your details with fraud prevention agencies. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. We, the Administrator and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:

- checking details on applications for credit and credit related or other facilities;
- managing credit and credit related accounts or facilities;
- recovering debt;
- checking details on proposals and claims for all types of insurance;
- checking details of job applicants and employees.

Please contact the Administrator at: Compliance & Risk, Halifax Share Dealing Limited, Lovell Park Road, Leeds, LS1 1NS if you require details of those credit reference agencies and fraud prevention agencies from whom it obtains and with whom it records information about you.

The Administrator and other organisations may access and use from other countries the information recorded by fraud prevention agencies. You have a legal right to these details.

g. Occasionally, the Administrator searches credit reference and fraud prevention agency files as well as its own internal group records to manage your account and take decisions such as whether to offer or continue to offer its service. Lenders who may assess your ability to obtain credit may see these searches.

h. 'Associations' linking your financial records may be created on credit reference agency records when you apply for accounts in joint names. Your financial records, and those of anyone financially associated with you, may be considered in any future applications you make.

15. Disclosure of Information

We and the Administrator may, when requested (and whether compelled by law or not), disclose or permit disclosure to any relevant authority of any information relating to any transaction effected pursuant to this Agreement and shall incur no liability for any disclosure made in good faith in response to such request.

16. Data Protection Act

a. The Data Protection Act places obligations on users of personal information and sets down principles for its use. One principle states that information has to be processed fairly and lawfully. This means that you are entitled to know how we and the Administrator intend to use any information you provide. You can then decide whether you want to give it to us. We need accurate customer information.

You can help by informing the Administrator whenever your circumstances change.

b. Organisations must lodge a notification with the Information Commissioner describing the purposes for which they process personal information. The details are publicly available from the Commissioner's office at Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Telephone 01625 545745, Fax 01625 524510.

Alternatively, see the Commissioner's website: www.informationcommissioner.gov.uk

c. The Administrator may ask any other members of the Lloyds Banking Group to provide information about you which will help to identify you. The Administrator and other members of the Lloyds Banking Group may exchange information about you for administrative purposes.

d. The main use of your personal information is to look after your account or to provide the specific service you require.

e. Without prejudice to clause 14, we and the Administrator disclose personal information only with your consent, or if required to do so by law. Sometimes we, or the Administrator, need to give information to agents and subcontractors so that they can provide a particular service for us. Sometimes, these companies may be located abroad in countries that do not have data protection laws. In these circumstances great care is always taken to ensure that your personal information is kept safe and secure.

f. The Administrator may record telephone conversations to offer you additional security, resolve complaints and improve its service standards. Conversations may also be monitored for staff training purposes.

g. If you send us, or the Administrator, an e-mail over the Internet, remember that it will be 'insecure' and could be intercepted. If you do send us, or the Administrator, an 'insecure' e-mail, please keep the amount of confidential information you include to a minimum. We and the Administrator will do likewise when we reply.

Key Features - Terms & Conditions

- h. Certain information collected may be classified as sensitive and this data can only be used where your explicit consent has been given. This data relates to racial or ethnic origin, political opinions, religious beliefs, trade union membership, physical or mental health, sexual life, criminal proceedings and offences and will only be processed in order to provide the service requested.
- i. Under the Data Protection Act you have the right of access to information we and the Administrator hold about you on our records. The Act allows us, or the Administrator, to charge a fee of £10 for this service. If anything is inaccurate or incorrect, please let us, or the Administrator, know and your records will be corrected.
- j. Without prejudice to clause 14, the Administrator may disclose any information that it has about you or your account to any governmental or regulatory body entitled by law to that information. Any information you provide will be held by Halifax Share Dealing Limited which is a member of the Lloyds Banking Group of Companies. Data may be shared with other Lloyds Banking Group members for administrative purposes only. Halifax Share Dealing Limited may pass information to, among others, SIT Savings Ltd, the London Stock Exchange and HM Revenue and Customs.
- Relevant information may also be given to Halifax Share Dealing Limited's agents and service providers for administrative purposes.
- k. No member of the Lloyds Banking Group will contact you for marketing purposes unless you give your consent as a result of another relationship you have with the Lloyds Banking Group.
- l. By signing the declaration on the STOCKPLAN application form you agree that your information may be used in the ways described above.

17. Further Information

SIT Savings Ltd is authorised and regulated by the Financial Services Authority. Halifax Share Dealing Limited is authorised and regulated by the Financial Services Authority.

- a. We and the Administrator are bound by the rules of the Financial Services Authority.
- b. We will manage any conflict of interest arising between your and our interests, or between the interests of different clients in accordance with the Administrator's Conflict of Interest Policy, details of which are set out in the Key Features.
- c. We and the Administrator keep records of all our business transactions for at least six years. You may inspect contract notes, vouchers and entries in books which relate to you - whether kept manually or electronically. We and the Administrator treat all participants' records as confidential. Therefore, we reserve the right to give you copies of your particular records, rather than allowing access to files that contain records concerning other participants.
- d. We and the Administrator maintain professional indemnity insurance.

18. General

- a. This Agreement shall be governed by and construed in accordance with the law of Scotland and the parties accept the jurisdiction of the Scottish Courts.
- b. All communication, either written or oral, will be in English.

Administrator:

SIT STOCKPLAN
Halifax Share Dealing Ltd
Lovell Park Road
Leeds
LS1 1NS
Telephone: 0845 850 0181

If you require further information, please contact:

SIT Savings Limited
Freepost EH882
Edinburgh
EH2 OBR
Telephone: 0131 225 7781

Applying for STOCKPLAN



STOCKPLAN Application Form

For lump sum and regular monthly investment



INSTRUCTIONS FOR COMPLETING THIS FORM:

- (1) Please complete using BLOCK CAPITALS.
- (2) Section 3 (overleaf) should only be completed if you wish to invest on behalf of a child, another adult, or for a special purpose.
- (3) All documentation will be sent to the first applicant's address.
- (4) Please remember to sign and date the application (overleaf). All joint applicants must sign.
- (5) Monthly investors - please complete the attached Direct Debit Instruction and return it with your application along with your personal cheque, drawn on your own bank account and made payable to **SIT STOCKPLAN**, for the first month's investment.
- (6) Lump sum investments - please remember to enclose your personal cheque, drawn on your own bank account, made payable to **SIT STOCKPLAN**.

SECTION 1

Personal Details

First Applicant

Title (Mr, Mrs, Miss, Ms)	Forename(s)	Surname
UK Residential Address		
		Postcode
Daytime Telephone Number (incl. area code)		E-mail
Time at Current Address ___ years ___ months. If less than 3 years, please give details of your previous residential address.		
		Postcode
Date of Birth	Nationality	Occupation
Reference Number if already SIT investor		

Security details:

Mother's maiden name	Father's initials	First job/employer
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Joint Applicants (if applicable)

Second Applicant

Title (Mr, Mrs, Miss, Ms)	Forename(s)	Surname
UK Residential Address		
		Postcode
Daytime Telephone Number (incl. area code)		E-mail
Time at Current Address ___ years ___ months. If less than 3 years, please give details of your previous residential address.		
		Postcode
Date of Birth	Nationality	Occupation
Reference Number if already SIT investor		

Security details:

Mother's maiden name	Father's initials	First job/employer
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SECTION 1 (continued)

Personal Details

Third Applicant

Title (Mr, Mrs, Miss, Ms)	Forename(s)	Surname
UK Residential Address		Postcode
Daytime Telephone Number (incl. area code)	E-mail	
Time at Current Address ___ years ___ months. If less than 3 years, please give details of your previous residential address.		
		Postcode
Date of Birth	Nationality	Occupation
Reference Number if already SIT investor		

Security details:

Mother's maiden name	Father's initials	First job/employer
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Fourth Applicant

Title (Mr, Mrs, Miss, Ms)	Forename(s)	Surname
UK Residential Address		Postcode
Daytime Telephone Number (incl. area code)	E-mail	
Time at Current Address ___ years ___ months. If less than 3 years, please give details of your previous residential address.		
		Postcode
Date of Birth	Nationality	Occupation
Reference Number if already SIT investor		

Security details:

Mother's maiden name	Father's initials	First job/employer
----------------------	-------------------	--------------------

SECTION 2

Please indicate your investment below.

Monthly investment

To allow time for your Direct Debit Instruction to be processed, **your initial investment must be by cheque.**

You may wish to increase your initial payment by cheque to an amount greater than your monthly Direct Debit instalments - this is perfectly acceptable.

I/We have completed the Direct Debit, showing my/our monthly payment of:

£ _____ (minimum £25)

and enclose my/our personal cheque payable to **SIT STOCKPLAN**

£ _____ (minimum £25)

Date you wish monthly investment to be collected

If you do not insert a date, your Direct Debit will be collected on, or shortly after, the 4th of each month.

Lump sum investment

I/We enclose a cheque for:

£ _____ (minimum £250)

made payable to **SIT STOCKPLAN**

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SECTION 5

SIT STOCKPLAN



Please fill in the whole form, excluding the official use box, using a ball point pen and send it to:

SIT STOCKPLAN
Halifax Share Dealing Limited
Lovell Park Road
Leeds
LS1 1NS

Instruction to your Bank or Building Society to pay by Direct Debit

Originator's Identification Number

7 2 8 7 9 8

Name and full postal address of your Bank or Building Society
To: The Manager Bank/Building Society

Address

Postcode

FOR HSDL OFFICIAL USE ONLY
This is not part of the instruction to your Bank or Building Society.

Branch Sort Code

--	--	--	--	--	--

Bank/Building Society Account Number

--	--	--	--	--	--	--	--	--	--

Name(s) of Account Holder(s)

Signature(s)

Date

Reference Number (for HSDL use only)

--	--	--	--	--	--	--	--	--	--

Instruction to your Bank or Building Society
Please pay Halifax Share Dealing Direct Debits from the account detailed in this Instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with Halifax Share Dealing Limited and, if so, details will be passed electronically to my Bank/Building Society.

Banks and Building Societies may not accept Direct Debit Instructions for some types of account

This guarantee should be detached and retained by the Payer.

The Direct Debit Guarantee



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit, Halifax Share Dealing Limited will notify you 3 working days in advance of your account being debited or as otherwise agreed. If you request Halifax Share Dealing Limited to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Halifax Share Dealing Limited or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.
- If you receive a refund you are not entitled to, you must pay it back when Halifax Share Dealing Limited asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

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SECTION 6

SIT STOCKPLAN Income Distribution Request

INCOME WILL NORMALLY BE REINVESTED. However if you wish to have your income paid directly into your Bank or Building Society account, please complete the following. The nominated account must be the same account that any contributions to your STOCKPLAN are paid from.

TO: SIT STOCKPLAN
Halifax Share Dealing Limited
Lovell Park Road
Leeds
LS1 1NS

(Please complete all sections in BLOCK CAPITALS)

Full name and address of Plan Holder:

Name
Address
Postcode

Name of Bank/Building Society
Branch
Address
Postcode

Sort Code Number

--	--	--	--	--	--	--

Account Number

--	--	--	--	--	--	--	--	--	--

Name of Account Holder(s)

Signature(s)	Date:
Signature(s)	Date:

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Checklist

Have you enclosed:

1. Your completed and signed Application Form
2. Your personal cheque for the lump sum or the first month's instalment, payable to SIT STOCKPLAN
3. A Direct Debit instruction (if applicable)
4. The Income Distribution Request Form (if applicable).

All of these items may be enclosed in the reply-paid envelope provided, or sent to the following Freepost address:

**Freepost RRXS-HLAZ-BUGY
SIT STOCKPLAN
Halifax Share Dealing Ltd
PO Box 93
1 Lovell Park Road
Leeds
LS1 1NS
Telephone: 0845 850 0181**

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This is an important document - please keep it in a safe place

It is important that you read the **Terms & Conditions** and **Key Features** before joining the Scheme. Please retain these for future reference.

If you have any questions please do not hesitate to contact us - or your professional adviser.

Further Information

**Investor Services
SIT Savings Limited
FREEPOST EH882
6 Albyn Place
EDINBURGH
EH2 OBR**

Telephone: 0131 225 7781

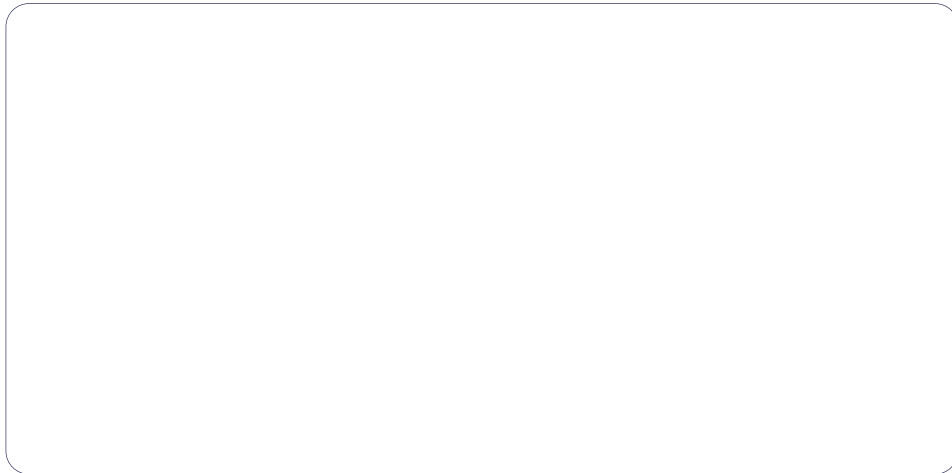
E-mail: info@sit.co.uk

Website: www.sit.co.uk

Brochures are also available for Investing for Children - STOCKPLAN: A Flying Start, The SIT ISA and The SIT ISA Transfer.

For copies, please call our Brochure Request Line free on **0800 42 44 22**.

These brochures and The SIT SIPP application pack can be downloaded from our website **www.sit.co.uk**



Registered Office:

6 Albyn Place, Edinburgh EH2 4NL
Telephone: 0131 225 7781 Fax: 0131 226 3663
Email: info@sit.co.uk www.sit.co.uk

Administrator:

The SIT STOCKPLAN
Halifax Share Dealing Limited
Lovell Park Road
Leeds
LS1 1NS
Helpline: 0845 850 0181

SB 04/11

SIT STOCKPLAN is managed by SIT Savings Ltd, a wholly-owned subsidiary of The Scottish Investment Trust PLC, authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

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