



The UK Growth Early Kick Out Plan 3

**An investment designed to provide growth dependent
on the performance of the FTSE 100 Index.
Capital is not guaranteed.**

Plan/ISA Account Manager



The UK Growth Early Kick Out Plan 3

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You must read the whole of this brochure, including the terms and conditions, before applying. If there is anything you don't understand, you should speak to your adviser.

Applications will only be accepted on the basis that a recommendation has been provided by a financial adviser who has considered the suitability of this investment in line with your circumstances.

This is a product which can put your capital at risk and you may lose some or all of your original investment. The investment return will be dependent on the level of the FTSE 100 Index.

Who is the Plan provider?

The UK Growth Early Kick Out Plan 3 'the Plan' is provided by Legal & General (Portfolio Management Services) Limited, a company authorised and regulated by the Financial Services Authority. As Plan Manager, we're responsible for the management of the Plan. An investment in the Plan would be a contractual agreement with us to purchase the underlying securities from The Royal Bank of Scotland plc (RBS) and then to ensure they are held on your behalf. If you have any queries on your investment you should contact us. See 'Contacts' on page 19.

In addition to this brochure, further information on the type of securities RBS issue, including those held in this Plan, is available in the RBS Prospectus. The Prospectus contains the full information and contractual terms for the securities. If you, or your adviser, would like to review the Prospectus before investing, an electronic copy is available on request from RBS or us, see 'Contacts' on page 19.





What is the UK Growth Early Kick Out Plan 3?

The UK Growth Early Kick Out Plan 3 is a five year Plan that provides the possibility of growth on your money. Whether or not you receive any growth is dependent on the level of the FTSE 100 Index. This growth is in the form of a specified bonus at a fixed rate and does not reflect the actual growth of the FTSE 100 Index.

Your money is not guaranteed to grow and there is a chance that you may lose some or all of your money. Please read 'Could I lose my money?' on page 4.

To invest in the UK Growth Early Kick Out Plan 3 you must be prepared to tie up your money for five years. If you think you might need your money during the five year term, this Plan will be unsuitable for you.

The UK Growth Early Kick Out Plan 3 might close early on the second, third or fourth anniversary of your Plan, paying you your original investment plus a fixed bonus. This would happen automatically if certain conditions were met and you cannot choose for your Plan to continue.

The bonus paid on any applicable anniversary date, or at the end of the five year term, is a percentage of your investment held at that time.

What does the UK Growth Early Kick Out Plan 3 offer?

This Plan offers a bonus on your investment as long as the final level of the FTSE 100 Index, at either the end of the five years or on any of the anniversaries, is equal to or higher than its starting index level. Once a bonus is due, your investment will close paying you a fixed bonus plus your original capital. Full details of the fixed bonus rates and how this option works can be found on pages 7 to 8.

Please see 'What is the FTSE 100 Index?' on page 5 for further details.



How is the investment return achieved?

When you invest in the Plan, we'll use your money to buy securities, with a fixed maturity date, issued by RBS. These securities, which will consist of certificates, are essentially a type of loan to a company. The company that issues the securities agrees how much they will pay back and when. The terms of the securities have been designed to give you the investment return stated in this brochure at the end of the five years or on any applicable anniversary. These securities will be held on your behalf until the end of the Plan.

Could I lose my money?

Yes, as your capital is **not** protected with this Plan, you could potentially lose some or all of your original investment.

1. The return of your capital is dependent on RBS paying this money back to us. This might not happen if they become insolvent and unable to repay us this money. If they don't you could lose some or all of your money; **AND**
2. You will lose some or all of your money under the following conditions at the end of the five year period:
 - if the FTSE 100 Index has fallen by more than 50% of the starting index level at the end of five years, your original investment will be reduced by 1% for each 1% that the final index level is below the starting index level; or
 - if the FTSE 100 Index falls by more than 50% of the starting index level at any point during the five year term of the Plan, and is still below the starting index level at the end of five years, your original investment will be reduced by 1% for each 1% that the final index level is below the starting index level.

Therefore your invested capital is at risk and you **could** lose some or all of your original investment. For examples of how changes in the FTSE 100 Index level could affect your investment return, please see page 9.

How long should I hold my investment?

To invest in the UK Early Growth Kick Out Plan 3 you must be prepared to tie up your money for five years. If you think you might need your money during the five year term, this Plan will be unsuitable for you. Although you should plan to hold your investment for the full term, you can choose to withdraw some or all of your investment at any time during this term. However, you may get back substantially less than you invested.

What is the end date of my Plan?

Your Plan will automatically close:

- at the end of five years, on 2 September 2015
- or
- on the second, third or fourth year anniversary if the bonus conditions are met.

Can I access my money early?

You must be prepared to keep your money invested for the full five years. However, you can ask to withdraw your money at any time although you should be aware that:

- you might get back substantially less than you originally invested. This will depend on the current value determined by the issuer of the securities (RBS).
- you will not receive any bonus payment.

Is the UK Growth Early Kick Out Plan 3 right for me?

This Plan may be right for you if:

- you're happy to hold your investment until the end of the five year term but with the awareness that it could close early.
- you're looking for the potential to receive a fixed specified bonus at the end of five years, but with the awareness that an earlier fixed bonus could be payable instead. The performance of the FTSE 100 Index is only used to determine whether and when a bonus is paid.
- you're prepared to accept the risk that you could lose some or all of your money.
- you're aware that the FTSE 100 Index may perform better than the return you will receive under this Plan.
- you understand that you will be invested in securities issued by RBS only.
- you are using the Plan as part of a diversified portfolio.
- you have some money set aside for emergencies.
- you have a minimum of £3,600 to invest.

This Plan may be not right for you if:

- you're not prepared to put your capital at risk, with the potential to lose some or all of your money.
- you're looking for an investment that does not limit the growth you'll receive.
- you don't want an investment dependent on the performance of the FTSE 100 Index.
- you're not sure how the investment works and have not understood the content of this brochure.
- you can't remain invested for the full five year investment term and may need immediate access to your money.
- you want to add to your investment on a regular basis.
- you don't want your investment to close before the end of the five year investment term.
- you're worried that if the performance of your investment does not meet or exceed the rate of inflation the real value of your investment will reduce.
- you have no money set aside for emergencies.

What charges and expenses will I have to pay?

If you hold your investment for the full term, there are no charges for you to pay directly as they are already taken into account in the terms of your Plan. These charges won't be more than 4.0%, of your initial investment.

There will be no further charges or fees during the term, unless this occurs as a result of significant tax or regulatory change.

What is the FTSE 100 Index?

Your investment is dependent on the performance of the FTSE 100 Index. This index is made up of the largest 100 companies by market value listed in the UK on the London Stock Exchange and currently includes household names such as BP, Vodafone and Unilever. The share prices of these companies will change, so the level of the FTSE 100 Index will rise and fall.

How is the FTSE 100 Index measured?

To work out if there has been any growth in the FTSE 100 Index at the end of five years, or on any of the anniversaries, we'll use the level of the FTSE 100 Index at close of business on the start date of your investment, 2 September 2010. This gives us the starting level.

We'll then measure the level of the FTSE 100 Index at the close of business on every anniversary and at the end of five years, unless the investment has closed early.

We'll compare the starting level of the FTSE 100 Index with the index level at each anniversary or at the end of five years. This will tell us if the FTSE 100 Index has grown, stayed the same or fallen. This will then determine if an early bonus is payable or if the investment will continue until the next anniversary or until the end of five years.

What you could get back if an early bonus payment is triggered or your investment runs for the full five years are detailed on pages 8 and 9.

Will I be invested in the companies that make up the FTSE 100 Index?

No, you won't be invested directly in the companies that make up the FTSE 100 Index. This means that you won't be eligible to benefit from dividends paid by the companies that make up this index.

How will inflation affect the value of my investment?

Unless the performance of your investment meets or exceeds the rate of inflation, the real value of your investment will go down.

Will I earn any interest when I invest before the securities are bought?

When you invest, we'll deposit your money in a client money account, where as long as the pre-investment interest rate is above 0%, you'll earn interest from the date your payment is treated as cleared until 26 August 2010. The current rate of pre-investment interest is 0.87% gross/AER.

Any interest earned will be included in your total investment amount. The gross rate of interest is the rate payable before the deduction of tax.

AER stands for Annual Equivalent Rate. It shows what the interest rate would be if it was paid once each year. This lets you compare interest rates across different accounts and what return you can expect from your savings over time. Every advertisement for a savings product, that quotes an interest rate will contain an AER.

Investment term and important dates**Offer available:**

14 June to 13 August 2010

ISA transfer deadline

30 July 2010

ISA investment deadline

13 August 2010

Direct investment deadline:

13 August 2010

Start date of investment:

2 September 2010

Investment term

Five years unless early bonus payment is triggered.

Early bonus dates:

3 September 2012, 2 September 2013,
2 September 2014.

End date**(if investment runs for full five years):**

2 September 2015

How much can I invest?

You can hold the Plan as a stocks and shares ISA and transfer any existing ISAs you have into it. You can also invest outside an ISA as a direct investment or within a pension plan such as a SIPP or SSAS. The minimum and maximum amounts you can invest are:

Investment type	Minimum	Maximum
Stocks and shares ISA	£3,600	£10,200*
ISA transfers	£3,600	No maximum
Direct investment	£3,600	No maximum
SIPP and SSAS	£3,600	No maximum†

* Provided you haven't already used your ISA allowance for this tax year.

† Subject to any limits in your SIPP or SSAS.

The UK Growth Early Kick Out Plan 3 – how the Plan works

At the end of five years

If the Plan runs for the full five years, the return will be as follows. The chart headed 'Payout explained' on page 8 shows how this will work.

FTSE 100 Index growth at the end of five years	What you'll get back
If the final level of the FTSE 100 Index is the same or higher than its starting level	You'll get back your original investment plus a bonus of 55%
If the final level of the FTSE 100 Index has fallen by 50% or less than the starting level of the index during the term of the Plan	You'll get back your original investment
If the final level of the FTSE 100 Index has fallen by more than 50% of the starting index level at the end of the five years	Your original capital will be reduced by 1% for each 1% that the final level of the FTSE 100 Index is below its starting index level. Where the difference results in a fraction of 1%, the fraction will be applied
Or If the FTSE 100 Index falls by more than 50% of the starting index level at any point during the five year term of the Plan and finishes below the starting level	Therefore you will lose some or all of your original investment

The details of the return at the end of five years and the early bonus payment are below.

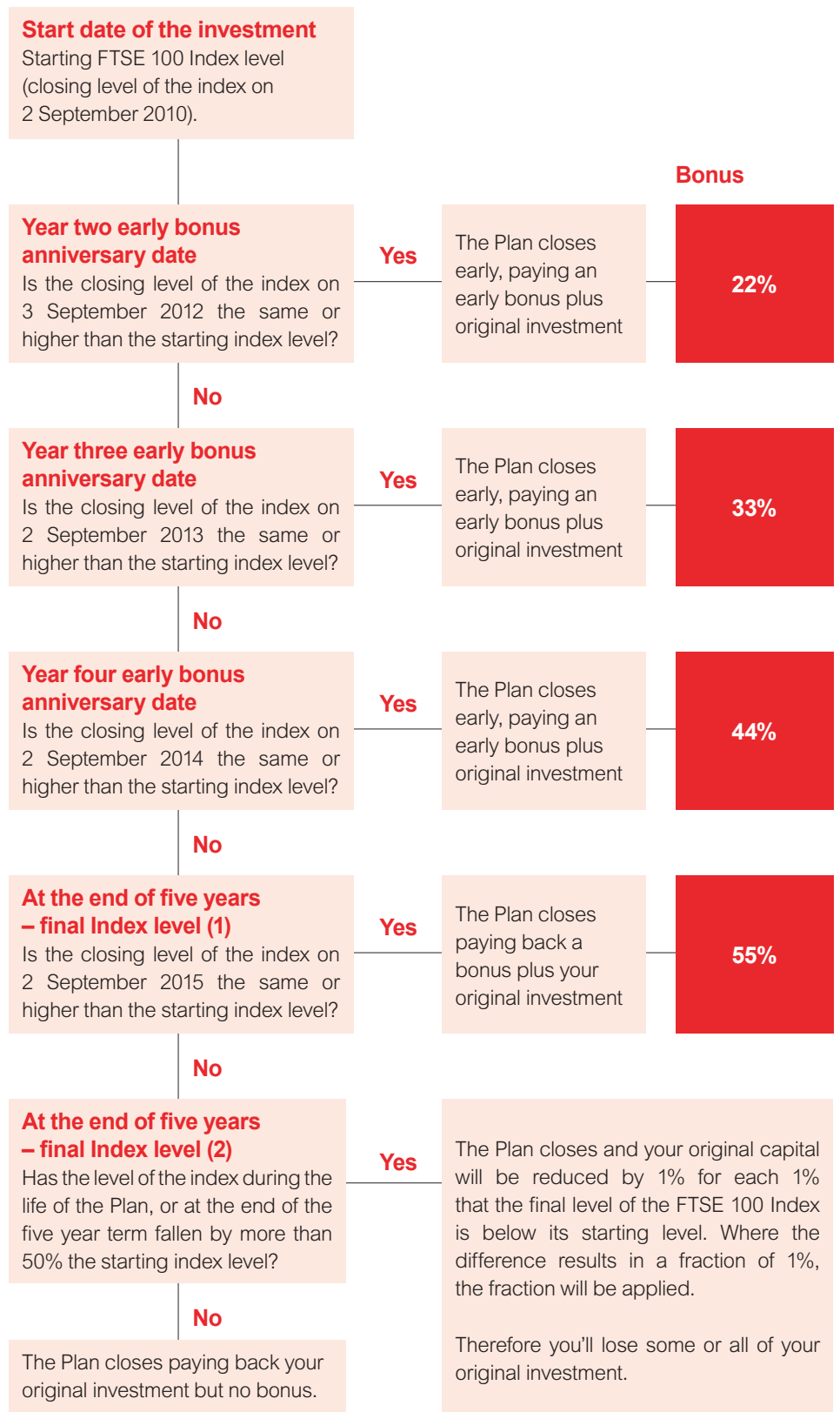
Early Bonus payment

If the FTSE 100 Index level on one of the early bonus anniversary dates (see below) is at, or above the starting index level, the Plan will close early. If this happens, you'll get back your original investment plus a set bonus at the respective early bonus payment date as stated in the table below:

Early bonus anniversary date	Early bonus payment date	Bonus
3 September 2012	10 September 2012	22%
2 September 2013	9 September 2013	33%
2 September 2014	9 September 2014	44%

Payout explained

The chart below shows how the UK Growth Early Kick Out Plan 3 works



What you could get back at the end of five years

The following tables, based on a £10,000 investment, shows what you might get back at the end of the five years provided the early bonus payment is not triggered.

You will get back less than you originally invested at the end of the five years if the FTSE 100 Index has fallen by more than 50% from its starting index level during the term of the Plan and, at the end of the five years, the FTSE 100 Index is below its starting index level.

These figures are examples only and changes in the index level have been chosen to show what you could get back from the Plan. What you will get back depends on the performance of the index. You could get back less than these example returns.

This table shows what you might get back at the end of the five year term if the FTSE 100 Index remains at 50% or above of the starting level at any time during the term of the Plan.

Percentage change in final FTSE 100 Index level	Level of Index during the term of the Plan	Bonus payment	The amount of your original investment returned to you	Total amount you get back at the end of five years
+ 1% or more	Remains 50% or above	£5,500*	£10,000	£15,500
0%	Remains 50% or above	£5,500*	£10,000	£15,500
-20%	Remains 50% or above	£0	£10,000	£10,000
-50%	Remains 50% or above	£0	£10,000	£10,000
-70%	Remains 50% or above	£0	£3,000	£3,000
-100%	Remains 50% or above	£0	£0	£0

This table shows what you might get back at the end of the five year term if the FTSE 100 Index falls by more than 50% of the starting level at any time during the term of the Plan.

Percentage change in final FTSE 100 Index level	Level of Index during the term of the Plan	Bonus payment	The amount of your original investment returned to you	Total amount you get back at the end of five years
+ 1% or more	Falls below 50%	£5,500*	£10,000	£15,500
0%	Falls below 50%	£5,500*	£10,000	£15,500
-20%	Falls below 50%	£0	£8,000	£8,000
-50%	Falls below 50%	£0	£5,000	£5,000
-70%	Falls below 50%	£0	£3,000	£3,000
-100%	Falls below 50%	£0	£0	£0

The above tables only apply if you hold your investment for the full five years and the early bonus payment has not been triggered. If you sell your investment before the end of the five year term, you could get back substantially less than you originally invested.

*55% set bonus payment.

Important information

Your questions answered

Who are the parties to the Plan?

Who is the Plan Manager and who is the ISA Manager?

Legal & General (Portfolio Management Services) Limited is the Plan Manager for your investment and your ISA Manager if you apply for an ISA in this Plan. As the Plan Manager and the ISA Manager, we issue and approve the Plan and are responsible for the management of the Plan. This means that we'll contact you once you've invested and send you statements throughout the life of your investment. If you want to close your Plan, get a valuation or have any questions about the servicing of your investment, you should contact us. See 'Contacts' on page 19.

Why choose Legal & General?

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. As at 31 December 2009, we were responsible for investing £334 billion worldwide on behalf of investors, policyholders and shareholders. We also had over 7 million customers in the UK for our life assurance, pensions, investments and general insurance plans.

Who is the underlying securities provider?

Royal Bank of Scotland plc ('RBS') is the underlying securities provider, which means they issue the securities that are designed to give you the returns described in this brochure. An investment in the Plan is a contractual agreement that we, Legal & General (Portfolio Management Services) Limited, will buy the securities from RBS and ensure they are held on your behalf until the end of the fixed term.

RBS has been rated 'A+' (long term) by Standard & Poor's (at the time of publication of this brochure). The securities however, aren't individually rated. See page 18 for more information on Standard & Poor's.

Why choose RBS?

RBS is a key player in international financial markets, with a complete set of services in retail and corporate banking, financial markets, consumer, insurance, asset management and other finance-related activities.

What returns could I receive?

The specific details of your return can be found at the beginning of this brochure. Further information can be found in the Prospectus. This is available on request from RBS or us, see 'Contacts' at the end of this section. You should be prepared to hold your investment for the full fixed term.

What are the risk factors?

- The returns provided by this Plan are achieved by exposing your capital to risk. This means that at the end of the investment term you may not get back any or all of the original capital that you invested.
- Where the FTSE 100 Index has fallen by more than 50% of the starting index level at the end of five years, your original investment will be reduced by 1% for each 1% that the final index level is below the starting index level. Where the difference results in a fraction of 1%, the fraction will be applied.
- Where the FTSE 100 Index falls by more than 50% of the starting index level at any point during the five year term of the Plan, and is still below the starting index level at the end of five years, your original investment will be reduced by 1% for each 1% that the final index level is below the starting index level. Where the difference results in a fraction of 1%, the fraction will be applied.
- You could lose some or all of your original investment and any applicable bonus if RBS does not pay us. This might happen if RBS became insolvent and was unable to repay us this money.
- If you cash in your Plan before the end of the five year term, you may get back substantially less than what you had originally invested.
- RBS as issuer of the securities may withhold, defer, reduce or even terminate payments in certain events under the terms of the securities. As a result of this you may get back less than you would otherwise or may have to wait for the proceeds. Please see point 14, 'Extraordinary Circumstances, Adjustments and Disruption' on page 24.
- Unless the performance of your investment meets or exceeds the rate of inflation, the real value of your investment will go down.
- What you get back will depend on the level of the FTSE 100 Index, nothing is guaranteed. Past performance is no guarantee of future performance.
- If you use your right to cancel your Plan within the first 14 days you may get back less than the amount you've paid in and you may lose your ISA entitlement for the current tax year. Please refer to 'What happens if I change my mind?' on page 14.
- The Plan is not the same as a bank or building society account or instant access accounts where capital is readily available without penalty.
- Tax rules may change.

How do I make an investment?

You can invest in a stocks and shares ISA and/or as a direct investment within the Plan. You can also transfer any existing ISAs you hold. You can also hold the Plan within a pension plan such as a SIPP or SSAS.

Using your ISA allowance

You can invest in this Plan within a tax efficient stocks and shares ISA. Any growth you receive will be tax free if held in an ISA.

There are two types of ISA, a cash ISA and a stocks and shares ISA.

For the 2010/2011 tax year

The maximum investment for a cash ISA is £5,100 and £10,200 for a stocks and shares ISA. These can be held with the same or different managers. This product is only available as a stocks and shares ISA. The total ISA limit for this tax year is £10,200 but please note this maximum includes any amount you may hold in a cash ISA.

ISA transfers

You can transfer any existing ISAs you hold into this Plan. You have to transfer a minimum of £3,600 but there's no maximum amount. We don't make a charge for receiving such transfers; however, you should check whether your existing manager will make a charge when you transfer.

Your existing manager will cash in your investment according to their terms and conditions and send the transfer value directly to us for investment. We must receive the funds before the end of the offer period. If this date is missed, we'll return the funds to your existing manager. You won't benefit from any rise in the market generally while your transfer is being processed.

You can transfer from a cash ISA to a stocks and shares ISA but not from a stocks and shares ISA into a cash ISA. If you start a cash ISA and transfer to a stocks and shares ISA in the same tax year, any amount you've contributed will count towards your stocks and shares allowance rather than your cash allowance.

If you're transferring an ISA taken out in the current tax year, you must transfer your whole ISA investment.

Direct investment in the Plan

If you've used up your ISA allowance and would like to invest more, you can invest directly into the Plan. Any growth will be subject to capital gains tax. You need to invest a minimum of £3,600 but there is no maximum to the amount you can invest. If you invest in both an ISA and directly into the Plan, we'll treat them as two separate investments for administration purposes.

For direct investments only, to help with your own administration, you can choose a reference (called a 'designation') to help identify your investments. This may be useful if you want to hold the shares for a specific purpose. Whatever the reason, you'll remain the owner of any referenced account.

SIPP and SSAS investment

This Plan is eligible for SIPP (Self Invested Pension Plan) and SSAS (Small Self Administered Scheme) investment. It's very important that you discuss your pension arrangements with your financial adviser to see if this option is right for you. You have to invest a minimum of £3,600 but there is no maximum amount (subject to any limits within your SIPP or SSAS).

How to apply

This investment will only be accepted on the basis that it has been recommended to you by a financial adviser who has considered your circumstances before recommending this investment.

To invest in this Plan please complete the relevant application form enclosed. There is an ISA/direct investment form and an ISA transfer form in this pack.

SIPP and SSAS forms are available on request from your financial adviser.

We must receive all applications by the date on the top of the appropriate application form. We must receive the proceeds for your investment before the end of the offer period. If proceeds are received after this date they won't be accepted and will automatically be returned to you if you're making a new investment, or to your existing manager if you're transferring an ISA.

These dates are also listed on page 6 under 'Investment term and important dates'.

How is my money invested?

Your money is used to buy securities with a fixed maturity date, issued by RBS. These securities have been structured so that they can give the Plan the return that is stated at the beginning of this brochure.

We'll open an account in your name to ensure that you hold the rights to any stated benefits of the Plan, as described at the beginning of this brochure. Your securities will be registered along with those of other investors, in our name. You'll remain the beneficial owner. In order to ensure the safekeeping of your securities we may appoint a custodian to hold them on our behalf. No certificates will be issued.

Before we buy the securities we'll deposit your money in a client money account. If the pre-investment interest rate is above 0% you'll earn interest from the date your payment is treated as cleared until 26 August 2010. Following our receipt of your application, payments by debit card will be treated as cleared after four business days and by cheque after one business day. This interest will be added to your account and will be included in your total investment amount.

For ISA investments this interest will be subject to a deduction of 20%, which is paid to HM Revenue & Customs as tax. For non ISA investments, the interest will be paid gross. This will need to be declared to HM Revenue & Customs as taxable income on your self-assessment tax return. The amount will be shown on your statement.

Who can invest?

- You must be aged 18 or over to apply.
- For ISA investments you must be resident and ordinarily resident in the UK for tax purposes.
- ISA investments can be held in one name only.
- For direct investments into the Plan only, you can hold the investment in joint names. If you are investing jointly, we'll need all investors to sign the application form and also sign for all future transactions.
- For direct investments this Plan is not available to US residents.

What documentation will I receive?

Within six working days of our receipt of your application, we'll send you a welcome letter confirming receipt of your money and a notice giving you the right to cancel.

We'll send you a contract note after the start date of the investment, showing your investment within the Plan. You'll receive a statement and valuation every year.

If the FTSE 100 Index has fallen by more than 50% during the term of the Plan we'll notify you in your next statement.

If you have invested in a Plan with joint holders, we'll send all correspondence to the first applicant, unless you request otherwise.

How is my return linked to the level of the FTSE 100 Index?

The level of the FTSE 100 Index is only used to determine whether or not the early bonus payment is triggered or if the investment runs for the full term and whether you get the bonus, just your original investment or less than you originally invested at maturity.

The securities we buy from RBS have been designed to give the returns stated in this brochure, which are dependent on the level of the FTSE 100 Index.

There is a risk during the term of the Plan;

- the FTSE 100 Index may be cancelled, amended or replaced or the level of the FTSE 100 Index may not be calculated and announced as scheduled, or
- the level of the FTSE 100 Index can't be calculated because the relevant exchanges underlying the determination of the FTSE 100 Index fail to open for trading or close early or trading is suspended or limited or other disruptions to the exchanges occur, or

If any of these events occur, RBS as issuer of the securities is permitted under the terms of those securities to adjust the calculation of payments or defer payments under those securities. As a result you may have to wait longer for the proceeds.

What happens if I change my mind?

Once we've accepted your application we'll send you a cancellation notice, as required by law. If you decide to withdraw from the offer, you've 14 days from when you receive this notice to return the form to us, see 'Contacts' at the end of this section.

If we receive the notice before the securities are bought, you'll have your investment returned without interest. If the notice is received by us after the securities are bought, the value of the securities will be affected by market prices and the cost of selling the securities will be deducted, so you may get back substantially less than you originally invested. If you exercise your right to cancel a transfer, you'll permanently lose the ISA entitlement relating to that transfer and the proceeds will be sent to you.

If you do not exercise your cancellation rights within the 14 day cancellation period then:

- you'll remain invested in the Plan;
- you'll be subject to all the risks as detailed in this brochure;
- if in an ISA, you forfeit your right to contribute to any other stocks and shares ISA with another manager for the tax year in which you make this investment; and
- if in an ISA, you won't be able to replace any contributions withdrawn within the same tax year, unless the amount you wish to invest is within your unused ISA allowance.

Can I cash in my investment before the end of the fixed term?

You can sell the whole or part of your investment before the end of the fixed term, however, you could get back substantially less than you originally invested. Please note that any returns you receive at the anniversary date or at the end of the five year term will take account of any withdrawals you make. You can take out £500 or more, but you must leave at least £500 to keep your plan open. Over the investment period, the value of your securities will depend on a number of factors, including the current market conditions. This value will be provided by RBS. Dealing will take place twice a month, as detailed in the terms and conditions.

If you would like to cash in your investment, or transfer your ISA, before the end of the fixed term you can do this by writing to us, with your instructions, at the address given in 'Contacts' at the end of this section.

What happens if I die?

For direct share investments your investment won't automatically close.

- for Plans held in joint names, the Plan will continue in the name of the survivor.
- for Plans held in one name, when we receive proof of death and all other documentation needed to make a payment we will, based on the instruction of a nominated personal representative, either:
 - a) Repay the current value to your personal representatives; or
 - b) Transfer the investment to a named beneficiary(ies) to continue the investment until maturity. If this option is chosen, your beneficiary(ies) will receive and must agree to the relevant terms and conditions.

For ISAs, your ISA automatically closes but your money remains invested in securities in a direct investment plan. Please note that any growth in this Plan will be treated as interest. When we receive proof of death and all other documentation needed to make a payment we will, based on the instruction of a nominated personal representative, either:

- a) Repay the current value to your personal representatives; or
- b) Transfer the investment to a named beneficiary(ies) to continue the investment until maturity. If this option is chosen, your beneficiary(ies) will receive and must agree to the relevant terms and conditions.

Any tax credits received after the date of your death will be paid direct to HM Revenue & Customs and deducted from the proceeds of the sale.

If you die before the end of the term, and the holding is not retained until that date, your personal representatives may get back less than the original investment, dependent on the current value as determined by RBS.

What happens at the end of the fixed term or if the early bonus payment is triggered?

At the end of the fixed term, or the early bonus anniversary date if applicable, RBS will work out whether a bonus is payable, or if you will get back less than you originally invested. They will then pay us, Legal & General (Portfolio Management Services) Limited, the applicable return within seven working days (the maturity/early bonus payment date). On, or around, the maturity/early bonus payment date we'll write to you setting out the options available to you. Once we've received your instructions, we'll endeavour to fulfil them within five working days of our receipt of your instructions.

We'll hold the proceeds of your investment in an interest bearing client account for a reasonable period of time, until we receive your instructions. For ISA investments, this interest will be subject to a deduction of 20%, which is paid to HM Revenue & Customs as tax. You will retain your ISA status whilst we are waiting for your instructions. For non-ISA investments, the interest will be paid gross. If we don't hear from you within a reasonable period of time, we reserve the right to transfer the proceeds of your investment to a non-interest bearing account and/or return them to your nominated bank or building society account.

What's my customer category?

We're required by our regulator (the Financial Services Authority) to categorise our customers to determine the level of investor protection they receive. If you buy products from this brochure you'll be treated as a retail client, unless we agree otherwise.

You can choose to be categorised as a professional client or an eligible counterparty, but this means you receive less information about our products and services. Also, you wouldn't be entitled to receive a suitability report or appropriateness assessment where these would be required for retail clients.

If you're a professional client or eligible counterparty you can ask to be categorised as a retail client, although this doesn't necessarily mean you can refer any complaints to the Financial Ombudsman Service.

What's my tax liability?

Personal tax situations vary, so one investment option may be more suitable than another. The following tax assumptions are based on our understanding of current taxation in the UK and Ireland and are subject to change. The value of any tax advantages will depend on your individual circumstances and where your money is invested. If you need tax or legal advice, please contact a financial adviser.

ISA investment including transfers

An ISA in this product is a tax free stocks and shares ISA. Any growth in this ISA will be treated as interest and will be free of income tax.

Direct investment

If your investment is held as a direct investment, all growth will be paid at maturity and will be treated as capital gains for tax purposes. You may be subject to capital gains tax depending on your individual circumstances. You may be able to reduce your liability to this tax by using your capital gains tax annual exemption (currently £10,100 for the 2010/2011 tax year).

If you become resident outside the UK at any point during the life of your investment, you may be liable to tax in that country, even if your investment is held within an ISA. If you have any queries, you should consult a tax adviser in that country.

How much will any advice cost?

We'll pay your adviser for any new investment. Your adviser will give you details of the amount that we will pay them. The amount of commission payable will be up to 3.0% of the amount you invest. These charges are already taken into account in calculating the return stated in this brochure. The amount will also be included in your welcome letter.

How do we support advisers?

We provide intermediary firms and advisers with additional benefits which are designed to enhance the quality of their service to you. These benefits may include some or all of the following: training, software, seminars and marketing materials. Further details of any benefits received from us are available on request from your intermediary firm or adviser.

What if I've any doubt about the suitability of this investment contract or require personal advice?

This brochure does not provide personal advice or recommendations. It's important that you only invest in this product if it meets your needs. This product is designed to be distributed by financial advisers only. Applications received in respect of this product must be based on a suitable investment recommendation provided by your financial adviser before you apply.

Why do I need to prove my identity?

To protect you and us from financial crime, we may need to confirm your identity from time to time. We may do this by using reference agencies to search sources of information about you (an identity search). This won't affect your credit rating. If this identity search fails, we may ask you for documents to confirm your identity. In certain circumstances, we may need to contact you to obtain more information regarding your investment.

Maximum offer period

We, Legal & General (Portfolio Management Services) Limited may close an offer early or withdraw the product prior to the end of the offer period. This may happen if not enough money is received to make it viable, because the offer is over subscribed or, in the event of changes to market conditions, laws or regulation. If your application isn't accepted, your investment will be returned in full.

Complaints:

If you wish to complain about any aspect of the service you receive from us, or would like us to send you a copy of our internal complaints handling procedures, please contact us. See the 'Contacts' at the end of this section.

If you have a complaint about the advice you have received, you should contact your financial adviser.

Should you feel that your complaint is not dealt with to your satisfaction, you may be entitled to take the matter up with the:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

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

Compensation

You don't have the right to claim compensation against us, nor from the Financial Services Compensation Scheme (FSCS), in relation to the poor performance of any underlying asset(s). Equally, if the provider of the underlying assets (for example, RBS) becomes insolvent, you will not be eligible to claim compensation.

When you initially invest, before the start date of your investment, and when your investment reaches the end of the fixed term and matures, cash may be held in a client money account with a banking third party, RBS (or such other bank or authorised institutions we may nominate from time to time) on our behalf. If we become insolvent, this cash is protected in accordance with the Financial Services Authority's client money regulations and is held by the bank. This means that no other policyholders, any of our potential creditors or the bank itself should be able to access your money. However, if the bank holding this money became insolvent, you may be entitled to compensation under the FSCS. Cash accounts are covered for 100% of the first £50,000 per firm, per customer.

If for any reason this money isn't held in a designated client account and we become insolvent, you may be entitled to compensation from the FSCS. Your ability to claim and the amount you may be able to claim will depend on the specific circumstances of your claim.

Most types of investment business are covered 100% of the first £50,000 per firm, per customer.

For more information about the scheme, including eligibility to claim and frequently asked questions, please see the FSCS's website – www.fscs.org.uk or contact their Customer Services Team on 0800 678 1100.

Plan Manager, ISA Manager and issuer of securities

Plan Manager and ISA Manager

Legal & General (Portfolio Management Services) Limited

Registered office:

One Coleman Street,

London EC2R 5AA

Registered in England No. 2457525.

Legal & General (Portfolio Management Services) Limited is authorised and regulated by the Financial Services Authority (FSA). We're entered on their register under number 146786. You can check this at www.fsa.gov.uk or by contacting them on 0845 606 1234.

Issuer of securities

The Royal Bank of Scotland plc

250 Bishopsgate

London EC2M 4AA.

Telephone 020 7627 4700

Registered in Scotland No. 90312.

RBS are authorised and regulated by the Financial Services Authority (FSA). They are entered on the FSA register under number 121882. You can check this at www.fsa.gov.uk or by contacting them on 0845 606 1234.

For further details on the Royal Bank of Scotland Group Plc financial performance and shareholder information please visit www.investors.rbs.com

Regulator

Financial Services Authority

25 The North Colonnade

Canary Wharf

London E14 5HS

Marketing Agent

SIP Nordic UK Limited

6 Old Lodge Place

St Margarets

Twickenham TW1 1RQ

Telephone 0845 680 9125, www.sipnordic.co.uk, email@sipnordic.co.uk

Standard & Poor's

Standard & Poor's is an independent ratings body that uses its own research and analysis to provide a credit rating for an issuer of securities.

The Standard & Poor's credit rating is their current opinion of an institution's overall financial capacity (its creditworthiness) to pay its financial obligations. This rating could change in the future and is not guaranteed. Credit ratings start from 'AAA' which is the highest rating assigned by Standard & Poor's and finishes with 'D', the lowest rating. The rating 'A+' means the institution's capacity to meet its financial commitment on the obligation is strong.

The credit rating is not a recommendation to purchase, sell, or hold a financial obligation, as it does not comment on market price or suitability for a particular investor. It also does not provide assurance that the institution cannot fail.

Other important information

Further details of this investment are in the prospectus, an electronic copy of which is available on request from RBS (see page 18) or us, see the 'Contacts' section below.

The terms and conditions, which are governed by English law, shall apply to an account as soon as it's accepted. In the event of any conflict between the ISA regulations and the terms and conditions, the former will prevail.

The terms and conditions and all communications will only be available in English. All communications from us will normally be by letter or telephone.

For IFAs requiring further marketing literature, please visit the RBS website at rbs.co.uk/ifa or phone +44(0)845 680 9125 or email, email@signordic.co.uk. Private investors should contact their IFA.

Important information – Please ensure that you read this brochure including the terms and conditions carefully. Neither Legal & General (Portfolio Management Services) Limited nor The Royal Bank of Scotland plc offer investment advice or make any recommendation regarding investments. This product is designed to be distributed by Financial Advisers. You are advised to take professional financial advice before you apply.

ISA products are provided by, and the Plan is managed by, Legal & General (Portfolio Management Services) Limited, Registered office: One Coleman Street, London EC2R 5AA Registered in England No. 2457525. Legal & General (Portfolio Management Services) Limited is authorised and regulated by the Financial Services Authority, 25 North Colonnade, Canary Wharf, London, E14 5HS. FSA Registration Number: 146786.

Contacts

You can write to us at this address, or call us on the number below, if you wish to obtain information, give us instructions, or have any queries or complaints.

Legal & General Retail Investments
Customer Services
PO Box 1004
Cardiff CF24 0YS

Customer services 0370 050 3350

Lines are open Monday to Friday 8.30am to 6.00pm.

We may record and monitor calls. Calls to this number won't exceed your fixed line or mobile phone provider's national rate and will be included in any inclusive free minute plan or discount scheme you may have with your telephone provider. Call charges will vary between telephone providers. This number may not be available from outside the UK.

The underlying securities provider is The Royal Bank of Scotland plc, Registered Office: 36 St Andrew Square, Edinburgh EH2 2YB, United Kingdom. Member of the RBS Group. Registered in Scotland. Registered Number: 90312. The Royal Bank of Scotland plc is authorised and regulated by the Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 5HS. FSA Registration Number: 121882. The Royal Bank of Scotland plc's only role in the products described in this document is to provide the underlying securities to Legal & General (Portfolio Management Services) Limited. The provision of these securities is independent and separate to the management of the Plan. In particular, The Royal Bank of Scotland plc does not offer, provide, sponsor, or manage the Plan and does not accept any liability in relation to the issue, management and operation of the Plan.

The product is not in any way sponsored, sold or promoted by any relevant stock market, relevant index, related exchange or index sponsor, and they make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the relevant stock market and/or figure at which the relevant stock market, relevant index or related exchange stands at any particular time on any particular day or otherwise. They shall not be liable (whether in negligence or otherwise) to any person for any error in the relevant stock market, relevant index or related exchange and shall not be under any obligation to advise any person of any error therein.

Terms and conditions

1. Definitions

“AER” means the Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and compounded once each year. As every advertisement for a savings product which quotes an interest rate will contain an AER, you will be able to compare more easily what return you can expect from your savings over time.

“Application” means the properly completed application form for investment into your Plan and includes an application for an ISA transfer.

“Business Day” means a day (other than Saturday or Sunday) on which commercial banks are open for business in London.

“Charge” means the charges taken into account in the terms of the Plan as detailed in the Key Terms and further described in Clause 13.

“Client Money Account” means a current or deposit account at a third party bank that is in our name, but includes in its title an appropriate description to indicate that it holds only clients’ money in accordance with our regulatory responsibility and is used to hold the money of one or more clients.

“Dealing Deadline” means 5.00pm on both the 7th and the 20th of each month or where this is not a Business Day then the previous Business Day. For any investment held in cash it means every Business Day.

“Early Bonus Calculation Date” means the dates detailed in the Key Terms as the dates on which the Early Bonus Index Level is calculated.

“Early Bonus Index Level” means level of the Index on the relevant Early Bonus Calculation Date.

“Early Exit Date” means any Early Bonus Calculation Date on which the applicable Early Bonus Index Level is reached and the Plan will close

“Early Bonus Payment Date” means the date on which the Issuer will transfer any Early Bonus Payment which may be payable to the Plan Manager (which should be approximately five Business Days following the applicable Early Exit Date).

“Early Bonus Payment(s)” means the payment due on the Securities on an Early Exit Date under the terms of those Securities.

“Final Interest Date” means the last date on which pre-investment interest is paid prior to the Start Date as detailed in the Key Terms.

“HMRC” means Her Majesty’s Revenue & Customs.

“Index” means the FTSE® 100 Index which is made up of 100 of the largest companies by value on the London Stock Exchange.

“Issuer” means The Royal Bank of Scotland plc which issues the Securities and also carries out the calculations relating to the Securities.

“ISA” means Individual Savings Account.

“ISA Account” means your Plan account that is a stocks and shares ISA, which includes any ISA transferred from an existing ISA, contracted under these Terms and Conditions and any relevant Key Terms.

“ISA Regulations” means The Individual Savings Account Regulations 1998.

“Maturity Date” means the date on which a specific offering of the Product is due to mature.

“Maturity Payment Date” means the date detailed in the Key Terms on which the Issuer will transfer the Maturity Payment to the Plan Manager.

“Maturity Payment(s)” means the payment due on the Securities at the Maturity Date under the terms of those Securities.

“Payment” means any lump sum payment made to the Plan, including in the case of an ISA Account, any ISA transfer value in accordance with the terms of the Application. The maximum and minimum allowable Payments into a Plan are detailed in the Product brochure.

“Plan” means your Securities Account and/or your ISA Account, as selected in your application, for the particular offering of the Product as covered by these Terms and Conditions and the Key Terms.

“Plan Manager, we, us or our” means Legal & General (Portfolio Management Services) Limited.

“Plan Opening Period” means the period during which we may accept Applications to make subscriptions into a Plan as set out in the Key Terms, subject to Clause 3.

“Product” means the UK Growth Early Kick Out Plan 3.

“Related Company” means any company in the same group of companies as the Plan Manager.

“Securities Account” means your Plan account that is not an ISA contracted under these Terms and Conditions and any relevant Key Terms.

“Securities” means certificates issued by the Issuer under the terms of the Issuer’s prospectus. These certificates are structured to provide the investment return described in the brochure.

“Start Date” means the date on which your investment is used by the Plan Manager to purchase the Securities on your behalf, as detailed in the relevant Key Terms.

“**Terms and Conditions**” mean these terms and the relevant Key Terms.

“**Transfer Amount**” means the value of an ISA transferred to us into an ISA Account, from another account manager, including transfers from a cash ISA.

“**Written**” or “**in Writing**” means an instruction that you have signed.

“**you**” and “**your**” means the individual(s), trustee or corporate body who has/have applied to open a Plan under these Terms and Conditions.

These Terms and Conditions apply to an investment in the UK Growth Early Kick Out Plan 3 including for the time your investment is held as cash either before the Start Date or after the Maturity Date.

These Terms and Conditions are in addition to those relating to any other investment account you may have with us.

2. Introduction

These Terms and Conditions apply to your Plan. Your Plan will have the features and risks set out in the remainder of this brochure and the Application and you should read all these documents.

3. Acceptance

- (a) We will open a Plan in your name once we have received an Application in a form acceptable to us and your Payment has cleared. An Application will not be acceptable if, in our reasonable opinion:
 - (i) you are not eligible to hold a Plan
 - (ii) the Application is incomplete or needs clarification
 - (iii) any Application and/or Payment is received after the close of the Plan Opening Period. If any such late Payment is a Transfer Amount, then the Payment will not be banked and will be returned to the previous ISA manager.
- (b) Where an Application is made for a Plan other than in Writing, the Plan Manager will make a written declaration confirming all the details provided by you in the Application and send a copy to you. You will have 30 days to notify any corrections to the Plan Manager from the date the copy declaration is sent to you. Any revised declaration will take effect from the date of the original declaration by the Plan Manager on your behalf. If a revised declaration is received after 30 days have elapsed, that declaration will only take effect from the date it is received at the address in Clause 23. Faxed or email Applications will not be accepted unless by prior agreement with the Plan Manager.
- (c) If, 30 days after acceptance, we are still waiting to receive any information reasonably required to verify your identity, we will assume that the Plan is to be closed in accordance with the withdrawal and termination procedures in Clause 8. In such cases, any payments will normally be returned to the original source of the contribution. If this relates to an ISA, your annual ISA entitlement relating to any ISA contribution will be lost.

- (d) The Plan Manager has the right to close the Plan Opening Period early or terminate the offering prior to the Start Date. For example, we may do this if we do not receive sufficient Payments or the Plan is oversubscribed or if the Issuer requires us to, due to changes to market conditions or as a result of changes to laws or regulations. If we do this and your Application is not accepted, we will return your Payment to you by direct credit.

4. How your Payments are invested

- (a) We will bank all Payments into a pre-investment Client Money Account on the Business Day on which it is received. This Client Money Account, which will be in our name, will be held with Royal Bank of Scotland plc (or such other bank or authorised institution as we may nominate from time to time). We are not responsible for the default of any third party financial institution that holds cash under these Terms and Conditions.
- (b) Pre-investment interest will be paid on the money held on your behalf in the Client Money Account from the date your Payment is cleared until the Final Interest Date as detailed in the Key Terms. The current rate of pre-investment interest is detailed in the Key Terms.
- (c) Any interest added to an ISA Account will be subject to a flat rate charge by HMRC, currently 20%.
- (d) Under the terms of your Application, we'll use all your Payment plus any pre-investment interest added to acquire Securities on the Start Date. If for any reason the Securities are not issued, we will return your Payment, plus any pre-investment interest to you.

5. Ownership of Securities

- (a) All Securities purchased by the Plan Manager on your behalf on the Start Date will be registered in our name or the name of any nominee we appoint, along with those of other investors who have a Plan. However, you will beneficially own the Securities.
- (b) We may appoint a third party custodian to hold the Securities for safekeeping. We are not responsible for the acts or omissions of the third party.
- (c) You may not charge, pledge or otherwise use the Securities as security for any loan or other obligation and agree to remain the sole beneficial owner of the Securities. We, or any nominee we may appoint, will hold any Security ownership documents.
- (d) The Securities will be held on your behalf until:
 - (i) The first applicable Early Exit Date, or if no Early Exit Date is triggered
 - (ii) the Maturity Date, unless the Plan is terminated earlier in accordance with these Terms and Conditions (including on any Early Exit Date).

6. Cancellation

- (a) We will send you a cancellation notice by post when we have accepted your Application and received a Payment. This means that you will not be sent a cancellation notice for an ISA Account set up by way of ISA transfer until we have received the Transfer Value.
- (b) If you wish to cancel your Plan, you must send the completed cancellation notice form to us at the address provided within 14 days from the date you receive the cancellation notice.
- (c) If we receive your cancellation notice form on or before the Start Date, we will cancel your Plan and you will receive a full refund of your Payment, without any pre-investment interest, by direct credit.
- (d) If we receive your cancellation notice form after the Start Date and the Securities have already been purchased, we'll sell the Securities in your Plan on the Business Day following the next Dealing Deadline, subject to the Issuer providing a price for the Securities on that date or such later date as the Issuer is able to provide such a price.

The amount we return to you will be affected by any market movements in the value of the Securities. Therefore, the amount we return to you may be less than the amount you subscribed to the Plan.

- (e) If you exercise your right to cancel an ISA transfer, you will permanently lose your ISA entitlement relating to that transfer.
- (f) Payments for a cancellation will be made once we're certain of cleared funds in respect of your investment (banks and building societies may take up to 21 working days to fully honour any Payment). Any cancellation payments will be returned to the original source of the Payment except for ISA transfers and in exceptional circumstances.

7. Plan Management and Payment

- (a) After the Start Date, we will send you a contract note detailing the purchase of the Securities in your Plan.
- (b) We will also send you a statement for your Plan yearly. Details of the exact statement dates are available on request from the address in Clause 23. Please note that there is no annual report or accounts (or any other information issued other than your statement). There are no shareholders', securities holders' or unit holders' mailing or voting rights applicable to your Plan.
- (c) On the Maturity Payment Date or an Early Bonus Payment Date (if triggered), the Issuer is required to pay the Maturity Payment or Early Bonus Payment (as the case may be) on the Securities.
- (d) Shortly after the Maturity Date or Early Exit Date (as applicable) we will write to you outlining the options available to you. Until we receive your Written instructions, we will hold your Maturity Payment or Early Bonus Payment in an interest bearing maturity Client Money Account for a reasonable period of time.

- (e) The ISA Regulations only allow ISAs to be invested in cash in this way as long as there's an intention to invest in another ISA eligible investment. If you don't send us an instruction, HMRC can, at any time, tell us to close the ISA and we'd send you the cash value. Any interest added to an ISA will be subject to a flat rate charge by HMRC, currently 20%.
- (f) If we do not receive your Written instructions within a reasonable period of time, we reserve the right to transfer your Maturity Payment or Early Bonus Payment (plus any interest) into a non-interest bearing Client Money Account and/or transfer such payment back into your nominated bank or building society account.

8. Withdrawal and Termination

- (a) The Plan is structured to be held until the Maturity Date or an Early Exit Date.

You may, however, withdraw all or part of your investment from any specific offering or completely close your Plan otherwise than at these times by giving notice to that effect to the Plan Manager.

Any partial withdrawal instruction must make it clear whether a particular amount is required, or a set proportion of the original investment.

The notice must be in Writing. You must be aware that if we receive your request to withdraw after the Start Date the amount you will receive on withdrawal may be considerably less than the amount of your original subscription.

- (b) If we receive your request to withdraw after the Securities have been purchased, we'll sell the Securities in your Plan on the Business Day following the next Dealing Deadline subject to the Issuer providing a price for the Securities on that date or such later date as the Issuer provides a price. The amount you receive is dependent on the market value of the Securities at the time of sale. The value of the Securities is likely to be less than the amount you originally invested for a substantial part of the investment period.
- (c) For any withdrawal, we will pay the proceeds of the sale of the Securities to you within 10 Business Days of the date we receive the proceeds of the sale of the Securities from the Issuer. Payments will be paid into the bank or building society account as detailed in your Application or any account held by you that you subsequently inform us about in Writing. Where a withdrawal is made shortly after a Payment is made, the proceeds will only be paid once we are assured of cleared funds in respect of that Payment.
- (d) If we receive your request to withdraw on or before the Start Date before the Securities have been bought, we will cancel your Plan and you will receive a full refund of your Payment, without any pre-investment interest, by direct credit.

- (e) Where we've good reason to query a signature or the validity of a withdrawal instruction, we won't pay you until the query has been resolved to our satisfaction. Whilst we're waiting for any such query to be resolved, the proceeds will be held in a Client Money Account and no interest will be paid. Where your instruction was provided by telephone, we may, in certain circumstances and at our absolute discretion, pay the proceeds to you without receipt of such verification.
- (f) Payment can be made by cheque at your request and risk, however, we will not be responsible for failure of the cheque to arrive in the post. If you instruct us to make a payment to a non-Sterling bank account, payment will be made in Sterling and we won't pay any costs for currency conversion. Payments to anyone other than you will only be made on death (see Clause 11) or when transferring to another ISA account manager (see Clause 9).
- (g) Payments won't be made to individuals holding powers of attorney unless they operate a Client Money Account.
- (h) No interest will be earned between the date Securities are sold and the date any payment clears into your bank or building society account. We reserve the right to deduct any outstanding fees, charges and expenses from the amount due to be paid to you.
- (i) If, for whatever reason, we can't pay you, we'll hold the money in a Client Money Account. If you haven't provided us with revised payment details within six years, we may write to you at your last known address informing you that it's our intention to no longer treat this as client money. You'll then have 28 days to make a claim for this money. We'll then transfer this amount from the Client Money Account. However, we will make good any valid claims that are subsequently received.
- (j) The Plan Manager may close your Plan by giving you a minimum of one months' notice. We may give you written notice to close your Plan if it is no longer feasible to continue it because of changes made to the ISA Regulations or other applicable laws or regulations or if you fail to comply with these Terms and Conditions. We will not be liable to you for any loss, liability or damage that you may suffer if we do close your Plan for these reasons.
- (k) We'll tell you if your ISA has or will become void because we've failed to meet the provisions of the ISA Regulations. If your ISA becomes void under the ISA Regulations (even if HMRC allows it to be repaired), unless you tell us otherwise, enough Securities will be sold in order to pay to HMRC any payment they demand. Unless HMRC allows the ISA to be repaired, the remaining Securities will be held outside the ISA in a Securities Account but you will remain the beneficial owner.

9. Transferring your ISA Account

You may transfer all of your ISA Account relating to any specific offering before the Maturity Date, as permitted by the ISA

Regulations, to another ISA manager. We can take up to 30 days to process this transfer. You must be aware that the amount you'll receive on such a transfer may be considerably less than the amount of the original subscription. We will deduct any outstanding charges, or any payments that are owed to HMRC in accordance with the ISA Regulations from the Transfer Value.

10. Investments by Pension Scheme Trustees

Where a pension scheme trustee ("First Trustee") purchases a Securities Account and the scheme member subsequently transfers to another pension scheme ("Second Scheme"), we will seek to allow the transfer of the Securities Account from the First Trustee to the trustee of the Second Scheme by means of a simple re-registration agreement. This agreement will allow the First Trustee to relinquish all interest in the Securities Account and for the Plan Manager to allow the Securities account to be re-registered in the name of the trustee of the Second Scheme who will takeover the Securities Scheme on exactly the same terms as the First Trustee. The terms of the original investment cannot be changed in any way on transfer.

11. Death

- (a) For Securities Accounts held in more than one name, the Plan will continue in the name(s) of the surviving investors.
- (b) For ISA Accounts, upon death, the ISA automatically terminates in accordance with the ISA Regulations but will be converted into a Securities Account.
- (c) For Securities Accounts in one name and for all ISA Accounts converted to Securities Accounts upon death of the investor, before the Maturity Date or any Early Exit Date and following receipt of the information we require, your personal representatives may elect to either:
 - (i) close your Plan, in which case we will sell the Securities on the Business Day following the next Dealing Deadline subject to the Issuer providing a price for such Securities on that date, or such later date as the Issuer provides such a price, and the proceeds (which, if the sale is prior to the Maturity Date and is not on an Early Exit Date, may be less than the amount you originally invested) will be sent to your personal representatives; or
 - (ii) transfer your Plan into the name of the personal representatives or a beneficiary(ies) of the estate so that the Plan is able to continue until the Maturity Date or any Early Exit Date subject to the personal representatives or beneficiary(ies) agreeing to these Terms and Conditions.
- (d) If any tax credits were added to your Plan after the date of your death, a sum equal to these credits will be deducted from the Plan and paid to HMRC and your personal representatives will receive the cash value of the Plan subject to that deduction.
- (e) If your personal representatives require a Plan to be opened with us in another investor's name, we may require verification of identity from the new Plan holder.
- (f) There may be a tax liability if the value of the Securities increases after your death.

12. Tax

- (a) For ISA Accounts which remain ISA Accounts until the Maturity Date no tax is currently payable on any Maturity Payments.
- (b) For Securities Accounts, (including those which converted to Securities Accounts through termination of an ISA (including under Clause 8(k) or Clause 11) any growth is treated as a capital gain for tax purposes and may be subject to capital gains tax depending on your particular circumstances.
- (c) Please note that tax law is subject to change.

13. Charge

The Charge has already been taken into account in the terms available for your Plan. This Charge is used to meet plan management administration costs together with any commission paid to the financial adviser who has introduced you to us. There are no other charges payable in relation to your Plan.

14. Extraordinary Circumstances, Adjustments and Disruption

- (a) Any payment under the Plan is dependent on the payment under the Securities which will be made in accordance with the terms of the Securities. These terms contain provisions which may result in adjustments to the calculation of your entitlement and/or the timing of such calculation or payment as a result of certain adjustment or disruption events. Depending on the event or circumstance, you may have to wait longer for Payment after the Maturity Payment Date or Early Bonus Payment Date.
- (b) The Issuer's determination of the Index level in accordance with the terms of the Securities at the Start Date and the Maturity Date and each Early Bonus Calculation Date will be conclusive and binding on you.
- (c) There may be circumstances where the Issuer is not able to calculate the level of the Index on a day on which a calculation in respect of the Securities is required to be made. These circumstances include:
 - (i) the relevant exchanges underlying the determination of the Index fail to open for trading or close early;
 - (ii) trading on the relevant exchanges is suspended or limited or is materially disrupted;
 - (iii) the level of the Index is not calculated or published;
 - (iv) there is a change to the formula or method of calculating the Index; or
 - (v) the Index is replaced by a successor index
- (d) In the event of the circumstances set out in Clause 14(c) applying, the Issuer may adjust the terms of the Securities as appropriate which may include:
 - (i) making its own calculation of the level of the Index;
 - (ii) substituting the Index for a different index;
 - (iii) changing the date for the calculation of the value of the Securities; or

- (iv) making a change to the payment terms of the Securities. In these circumstances the calculation of any Early Bonus Payment or Maturity Payment will be affected and you may have to wait longer for payment.

- (e) If the Issuer is unable to make an adjustment in accordance with Clause 14(d), it may cancel the Securities and your Plan will close early. The amount you will receive in these circumstances will depend on the fair market value of the Securities less any costs incurred by the Issuer in making such early payment. This could mean that you lose some or all of your original investment.
- (f) Except where Clause 14(c) applies, if there is an error in the published level of the Index which is subsequently corrected, this correction will not be taken into account in determining the Index level. The application of any Early Bonus Payment and the amount of any Maturity Payment will therefore be determined on the basis of the Index level at the Early Bonus Calculation Date or Maturity Date (as the case may be) even if this Index level is subsequently corrected.
- (g) There may be circumstances where the ability of the Issuer to comply with the terms of the Securities or any arrangement to ensure payment under the terms of the Securities becomes either illegal or prohibited or there is a change in the application of taxation regulation to such terms or arrangements. In these circumstances, the Issuer may cancel the Securities and your Plan will close early. The amount you receive in these circumstances will depend on the fair market value of the Securities less any costs incurred by the Issuer in making such early payment. This could mean that you could lose some or all of your original investment.

15. Issuer and other Risks

During your investment you will be exposed to the credit risk of the Issuer and the risk that the Issuer fails to perform its payment obligations under the terms of the Securities. Any default by the Issuer will affect payments under the Plan leading to lesser amounts being paid than expected or no amounts being paid under the Plan. We are not responsible for any default of the Issuer.

16. Conflicts of interests

During your investment conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. To ensure we treat investors consistently and fairly, we're required to have a policy on how to identify and manage these conflicts.

A summary of our policy is detailed below. A copy of the full policy is available on request from the address in Clause 23. We:

- (a) will consider the interests of all of our customers and treat them fairly;
- (b) will manage conflicts of interest fairly to ensure that all customers are treated consistently and to prevent any conflict of interest from giving rise to a material risk of damage to the interests of our customers;

- (c) have in place procedures to ensure that staff identify and report any new conflicts;
- (d) will keep a written record of any conflicts or potential conflicts;
- (e) if appropriate, will disclose any relevant conflict to a customer before undertaking business with that customer;
- (f) will carry out an annual review to identify any new conflicts;
- (g) will ensure new business developments identify any new conflicts of interest;

This policy applies to any company to whom we delegate any of our responsibilities.

17. Delegation

We may delegate any of our duties under these Terms and Conditions to any Related Company or other agent and may provide them with information about you and your Plan and you agree that we may do so. However, we will remain responsible to you for the performance of any delegated matters. We shall only delegate our functions under these Terms and Conditions where it is permitted by law and regulations and, in particular, the ISA Regulations. In any event, we will not delegate unless we are satisfied that any person to whom we delegate any of our functions is competent to carry out those functions.

18. Assignment

We may appoint another company to be the Plan Manager of your Plan under these Terms and Conditions providing one month's notice has been given to you. The new Plan Manager must be approved to act as an ISA Manager by the Commissioners of HMRC.

19. Disclosure of information

The Plan Manager may disclose any information arising in connection with a transaction under these Terms and Conditions to any relevant authority or as required by such authority (whether or not pursuant to compulsion of law or regulation) and shall not be under any liability for any disclosure which we make in good faith.

20. Liabilities

- (a) The Plan Manager or any Related Company will not be responsible for any loss incurred, including any loss in the value of the Securities except those losses incurred as a direct result of our fraud, negligence or wilful default. In particular, the Plan Manager or any Related Company will not be responsible for any loss incurred as a result of or in connection with any of the circumstances set out in Clause 14 or Clause 15, the failure of the Issuer to comply with the terms of the Securities or any change to the terms of the Securities.
- (b) In the event of any failure, interruption or delay in the performance of its obligations resulting from any breakdown, failure or malfunction of any telecommunications or computer services or systems, or any event not reasonably within its control, neither the Plan Manager nor any Related Company shall be liable or have any responsibility of any kind for any loss or damage you incur or suffer as a result

21. Changes to the Terms

We may amend these Terms and Conditions by giving you at least 30 days notice, in writing, provided that such variations or changes are permitted under the Financial Services Authority Handbook and mean that an ISA continues to meet the ISA Regulations .

We may make such a change to these Terms and Conditions in the following circumstances:

- (i) to conform with or anticipate any changes in applicable laws, rules and regulations;
- (ii) to provide for the introduction of new or improved systems, methods of operation, services or facilities;
- (iii) to take account of a ruling by a Court, Ombudsman, regulator or similar body;
- (iv) to reflect market conditions;
- (v) to make them clearer or more favourable to you;
- (vi) to correct any mistake that might be discovered in due course;
- (vii) to reflect any change made by the Issuer to the terms of the Securities; or
- (viii) we need to respond to changes in tax rates, interest rates or the costs of providing the Plan.

If you're unhappy with any such changes you can transfer an ISA (see Clause 9) or close your Plan (see Clause 8).

22. Why do I need to prove my Identity?

To protect you and us from financial crime, we may need to confirm your identity from time to time. We may do this by using reference agencies to search sources of information about you (an identity search). This won't affect your credit rating. If this identity search fails, we may ask you for documents to confirm your identity.

In certain circumstances, we may need to contact you to obtain more information regarding your investment.

23. Notices or Requests

- (a) We will send any notices or other correspondence to the address you have given us in your Application form, or to a new permanent residential address of yours, provided you have notified us in Writing of the change. We'll only carry out instructions if they're from you or your authorised representatives.
- (b) You should send any notices, instructions, or requests for further information, to us at:

For postal instructions

Legal & General Retail Investments
Customer Services Centre
PO Box 1004
Cardiff CF24 0YS
Or

For couriered instructions

Legal & General Retail Investments
Customer Services Centre
4th Floor Brunel House
2 Fitzalan Road
Cardiff CF24 0EB
or, such other address that we tell you about after acceptance.

We will notify you, if by failure to satisfy the provisions of the ISA Regulations, your Account has, or will, become void.

24. Complaints

We have a procedure for handling any complaints relating to the operation of your Account, a copy of which is available on request at the address in Clause 23. In the event you are not satisfied, you also have a right of complaint direct to the Financial Ombudsman Service.

Should your complaint relate to any aspect of the service that is provided by the Issuer, we will refer your complaint to the Issuer.

Should your complaint relate to the advice you have received or to the service provided by your financial adviser, we will refer your complaint to your financial adviser.

25. Policies

You can also request copies of the following policies:

- (a) Best Execution
- (b) The Use of Powers of Attorney
- (c) Investments held in joint names;
- (d) Investments from Overseas
- (e) Locating customers without an address

26. Informing us of changes

You agree to inform us, without delay, of any change in your circumstances or status, including in particular any change of address, name, bank account or residency status. Where we do not have an up to date address for you, we may make enquiries to identify your new address and reclaim the cost of tracing. To this end, we may need to share your details with trusted external parties.

27. Third Parties

Our relationship is with you and we will not recognise the interest or claim of any other person unless we are required to do so by law.

28. Law and jurisdiction

- (a) This document is based on our understanding of current English Law and HM Revenue & Customs practice, both of which may change in the future.
- (b) These Terms and Conditions will be governed by and construed in accordance with laws of England.
- (c) We will always communicate with you in English.
- (d) All communications from us will normally be by letter or telephone.

29. Entire Terms

These Terms and Conditions, any relevant Key Terms, the remainder of the brochure and the completed Application constitute the entire terms on which the Plan is provided to you.

30. Regulators

Legal & General (Portfolio Management Services) Limited is authorised and regulated by the Financial Services Authority.

Important Information

None of the Products are guaranteed investments. Returns depend on investments with Royal Bank of Scotland plc and in the event of it being unable to meet their obligations, the benefits will fall short of those mentioned. These benefits are dependent on the investment being held until the Maturity Date or any Early Exit Date if triggered. The value of your investment may fall as well as rise and isn't guaranteed. The benefits are based on our understanding of current tax rules in the United Kingdom, which are subject to change. The value of tax relief will depend on your individual circumstances. Transfers into a Product do not take into account any withdrawal charges levied by existing providers.

Key terms for the UK Growth Early Kick Out Plan 3

“Charge”	The charges taken into account in the terms of the Plan will be no more than 4.0% of your total Payment.
“Early Bonus Calculation Date”	3 September 2012 2 September 2013 2 September 2014
“Early Bonus Index Level”	The closing level of the Index on an Early Bonus Calculation Date being greater than or equal to the closing level of the Index on the Start Date.
“Final Interest Date”	26 August 2010
“Maturity Date” (at end of five years)	2 September 2015
“Maturity Payment Date”	9 September 2015
“Plan Opening Period”	14 June 2010 to 13 August 2010
“Pre-investment Interest”	The current pre-investment interest rate is 0.87% gross/AER.
“Start Date”	2 September 2010



To find out more about the UK Growth Early Kick Out Plan 3,
IFAs may call **+44 (0) 845 680 9125**. Private investors should contact their IFA.

