

HSBC InvestDirect International Account

Sharedealing and Investment Terms and Conditions

These terms are effective for all InvestDirect International
Account customers on and from 1 July 2018

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How to contact us

If you have any questions or need to contact us, you can phone or write to us by post or through Secure e-message.

Telephone

Call us on 03456 080848, (dial +44 1226 261090 from overseas) or by Textphone 03456 088877.

Our opening hours are:

Monday to Friday: 7.30am - 9.30pm

Saturday: 10.00am - 4.00pm

Sunday/bank holidays: CLOSED

Post

You can post transfer requests, queries, comments and suggestions to us at:

HSBC InvestDirect International

HSBC UK Bank plc

PO Box 716

Forum 1

The Forum

Parkway

Whiteley

Fareham

PO14 9QD

Please note: always send valuable documents to us, such as share certificates, by recorded delivery.

Online Banking (OB)

You can contact us by logging on to your InvestDirect International Account through OB, using your Expat Personal Banking Number, password and providing other Security Details. When you have logged on you can send a Secure e-message to our Customer Service Centre.

To ensure we carry out your instructions accurately, to help us to continually improve our service and in the interest of security, we may record and monitor and keep records of all Communications we have with you.

Contacting You Personally

In these Terms, when we say that we will "contact you personally", we may do this by post, telephone (including mobile phone), email, mobile messaging, (if you are registered to use the Website), Secure e-message, a message on your Statement, or in any other way that will be sent to you individually.

Introduction

HSBC InvestDirect International is a sharedealing and investment service provided by HSBC UK Bank plc.

Execution-only service

We are not able to advise you on your Investment dealings. HSBC InvestDirect International is an execution-only service. This means that we do not provide you with any advice or personal recommendations. You are solely responsible for your own Investment dealings when using HSBC InvestDirect International. We are not required to assess the suitability of HSBC InvestDirect International for you and the protection afforded by the FCA on assessing suitability does not apply to HSBC InvestDirect International. As a result, before deciding to deal in an Investment we suggest you consider whether you need to take independent financial advice on the particular Investment dealing and, where you think it is appropriate to do so, seek and act on that advice.

These HSBC InvestDirect International Sharedealing and Investment Terms and Conditions (InvestDirect International Terms) are made up of Sections 1 and 2 (the General Terms) and Section 3 (the Sharedealing Terms).

Your agreement with us consists of the InvestDirect International Terms and any Additional Conditions (the InvestDirect International Terms and the Additional Conditions are together the "Terms") that apply to the HSBC InvestDirect International Account (IDIA).

Additional Conditions include the following:

- 1 all charges that apply to the IDIA which are covered in the Rates and Fees Page applicable to IDIA (you will be given this as part of the Key Features Document when you take out the IDIA with us and you can also find details of charges by telephoning us or by looking on our Website);
- 2 our Online Banking ('OB') Terms and Conditions and the terms and conditions that apply to the internet services we provide to you; and
- 3 any other terms that we provide you. If any Supplemental Terms contradict the InvestDirect International Terms, then the Supplemental Terms will apply.
- 4 Please note that we can only provide you with services as contemplated by this Agreement if you have established a bank account with HSBC Expat pursuant to its Personal Banking Terms and Conditions.

In the Terms:

Additional Conditions Additional Conditions comprise (i) the Key Features Document; (ii) all charges that apply to the IDIA which are covered in the Rates and Fees Page; (iii) our Online Banking ('OB') Terms and Conditions; and (iv) the terms and conditions that apply to the banking and internet services we provide to you;

Administration Office means PO Box 716, Forum 1, The Forum, Parkway, Whiteley, Fareham PO14 9QD or such other address notified to from time to time;

Agreement(s) means the Terms, any Supplemental Terms which we will communicate to you before we provide a product or service to you, and the Application signed by you;

Application(s) means the document and/or any other electronic registration process that we may require you to complete to open an IDIA with us;

Associate(s) means any holding company of ours or a subsidiary of any such holding company as such terms are defined in Sections 1159 and 1260 of the Companies Act 2006 as amended or replaced from time to time;

Authorities includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, court, central

bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group;

Best Execution Disclosure Statement means the disclosure statement in Annex 3 which sets out how we will deliver the Best Possible Result when executing Client Orders;

Best Possible Result means achieving the best possible result for orders, taking into account the factors set out in Annex 3 – Best Execution Statement;

Business Day(s) means Monday to Friday, except for bank holidays;

Cleared Funds means the amount of funds standing to the credit of the relevant account after deducting any sums due in settlement of payments of which we or HSBC Expat have notice or any sums that have been credited to your accounts, which has not yet cleared (excluding payments in connection with trade Investments which we have executed with or for you but not yet settled);

Clearing System(s) means CREST, DTC or any other market clearance facility, settlement system, centralised securities depository or similar facility, system or depository;

Client Order(s) means an Instruction received and accepted by us to buy or sell a Financial Instrument;

Communications means all communications between us and you by post or secure e-message including the sending of contract notes;

Compliance Obligations means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers;

Connected Person means any natural person or legal entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include any guarantor or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group. A Connected Person may include any guarantor or owner of a legal estate in land over which we are to take security, provider or recipient of a payment or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group;

Consolidated Tax Certificate or CTC means a document detailing the total income and/or interest received on your investments held in your IDIA during a tax year together with details of any tax deducted at source;

Controlling Persons means individuals who exercise control over an entity. For a trust, these are the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and anybody else who exercises ultimate effective control over the trust, and for entities other than a trust, these are persons in equivalent or similar positions of control;

Costs and Charges Disclosure Document means the document that gives you important information about charges and the breakdown of costs you pay in respect of your Investments and the Service we provide to you;

Costs and Charges Statement means the document which we will provide to you annually that gives you important information about charges and the breakdown of costs you pay in respect of your Funds and the related Service we provide to you;

Customer Identification Number means the 10 digit unique number to enable you to access the OB and telephone our Customer Service Centre;

Customer Information means your Personal Data, confidential information, and/or Tax Information or that of a Connected Person.

Customer Service Centre means our service centre which handles all telephone calls and secure e-message enquiries for services and products offered under the Agreement;

Default means where you do not have sufficient Cleared Funds in your Nominated Account to meet the costs of any settled Trades (including any associated charges), and you do not reimburse us in full by end of the Business Day following the day on which the Trade was made;

Email(s) means an email that is not sent or received or accessed from within our Website;

Execution Policy means our internal policy setting out how we will deliver the Best Possible Result when executing Client Orders;

Execution Venue means a venue for transactions in Financial Instruments that we believe offers the best prospects for us to obtain the Best Possible Result on a consistent basis;

Failed Trade means the event that takes place when we go into the market to buy an Investment for you but, because we can't source the Investment in the market (for whatever reason), we are restricted to using our reasonable endeavours to obtain the Investment for you from other sources;

FCA means the Financial Conduct Authority, an independent body that regulates the financial services industry in the United Kingdom, or any successor regulatory body;

FCA rules means the rules and guidance contained within the FCA Handbook and any direction given by the FCA with which we must comply;

Financial Crime Risk Management

Activity means any action to meet Compliance Obligations relating to the detection, investigation and prevention of Financial Crime. This may include (a) screening, intercepting and investigating any communication, application for Services or any payment, whether sent to or by you or on your behalf, (b) investigating the source of or intended recipient of money, (c) combining Customer Information with other related information in the possession of the HSBC Group and/or (d) making further enquiries as to the status of a relevant person or entity (whether they are subject to a sanctions regime or confirming their identity or status);

Financial Instrument(s) means those financial instruments (eg equities, bonds, OEICs, unit trusts, collective investment schemes and investment trusts) that fall within the scope of the Markets in Financial Instruments Directive and are subject to a best execution obligation under the FCA rules;

Force Majeure means any abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite reasonable efforts to the contrary;

Fund Business Day means a day upon which the Funds deal in Fund Shares;

Fund Dealing Hours means the hours during which Fund Shares may be bought or sold in the Funds;

Fund Shares means units or shares in the Funds;

Funds means the range of individual unit trusts, OEICs, collective investment schemes and investment trusts offered by us from time to time;

HSBC Bank plc, registered in England and Wales number 14259. Registered office 8 Canada Square, London, E14 5HQ. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

HSBC Expat is a division of HSBC Bank plc, Jersey Branch, HSBC House, Esplanade, St Helier, Jersey JE1 1HS. HSBC Bank plc, Jersey Branch, is regulated by the Jersey Financial Services Commission for Banking, General Insurance Mediation, Investment and Fund Services Businesses.

HSBC Group and “**any member of the HSBC Group**” means HSBC Holdings plc, and/or any of its affiliates, subsidiaries, associated entities, and any of their branches or offices, and includes HSBC Bank plc;

HSBC Securities (US) Inc. means an associate company of HSBC UK Bank plc;

HSBC InvestDirect International Account (IDIA) means the HSBC InvestDirect International Account offered by us, which comprises the currency Settlement Accounts

and Investment Account and may also include such other accounts and/or products as we may offer you from time to time;

Instruction(s) is any request or instruction to us from you given via our Website, telephone, or in writing including instructions to effect Trades which are conducted through HSBC InvestDirect International by use of your Security Details;

Investment Account means an account in which your Investments will be held;

Investment Exchange means any exchange defined as a Recognised Investment Exchange in the FCA rules;

Investments means the Investments that we allow you to buy and/or sell using the Service, including all (i) freely transferable equity and debt securities listed on the UK and US exchanges, which are listed in the relevant page of our Website or as notified to you from time to time, (ii) Fund Shares, and (iii) investment products linked to an index, which are listed in the relevant page of our Website or as notified to you from time to time but excludes derivatives;

Key Features Document means the document entitled “Key Features of HSBC InvestDirect International” which is available on our Website;

Laws include any local or foreign law, regulation, judgment or court order, voluntary

code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to us or a member of the HSBC Group;

Limit Order(s) means a Client Order to buy or sell a specified Financial Instrument at a fixed price;

Linked Supplier(s) means a company which provides additional benefits or services to you under an arrangement with us;

Market Data means all securities prices, quotations, news (both financial and non-financial), company information and other information and facilities provided via our Website or Customer Service Centre by Market Data Providers;

Market Data Providers means various third party sources, who provide Market Data via our Website, including, but not limited to the New York Stock Exchange, Inc., American Stock Exchange, Deutsche Börse, NASDAQ Stock Market, Inc., Dow Jones & Company, Inc., London Stock Exchange, FTSE™ International Limited, Nikkei, other exchanges, their affiliates and agents, third party market data providers and members of the HSBC Group;

Multilateral Trading Facility or **MTF** means a computer system through which multiple parties can buy and sell certain types of Financial Instrument;

Nominated Account means a personal HSBC Expat Bank Account in your name as nominated by you in your Application or such other personal HSBC Expat Bank Account as may be nominated by you from time to time;

Normal Market Hours means, in respect of an Investment Exchange and a day on which it is open for trading, the hours between which it is open for trading, details of which can be found on our Website;

OB ID means the identification number that you will be given to access OB;

OEIC means an open ended investment company;

Online Banking (OB) means the HSBC Expat Online Banking service by which you may access information and give us Instructions in respect of your account(s) with us;

Operator(s) means the person responsible for the management of the property held for or within a Fund which, for an authorised unit trust, will be the manager and for an open-ended investment company will be the company or its authorised corporate director;

Organised Trading Facility or **OTF** means a computer system through which multiple parties can buy and sell certain types of Financial Instrument which is not a Regulated Market or Multilateral Trading Facility;

Personal Data means any information relating to an individual, from which they can be identified;

Personal Information means all the information you give to us or our HSBC Group and to Linked Suppliers, or which we obtain about you personally in connection with the Agreement and account(s) you have with us;

Quoted Market Size means the number of shares a market maker will deal in at their advised prices;

Rates and Fees Page means a page on our Website or in paper format as amended and notified to you from time to time, which displays all our current fees for the provision of services subject to these Terms;

Regulated Market means the computer systems of an authorised market through which multiple parties can buy and sell the types of Financial Instrument which are admitted to trading under the rules of the market and which is not an MTF or OTF;

Retail Client means a customer who we have categorised as a retail client for the purposes of the FCA rules;

Rules means the FCA rules and the rules of the Prudential Regulation Authority that apply to us;

Secure e-message means a secure e-message sent via our Website relating to HSBC InvestDirect International;

Security Details means the information which enables us to authenticate

your identity including your Customer Identification Number, Security Number, User ID, passwords or other details including those which allow you to use OB and our telephone service;

Security Number means the number adopted by you in connection with the use of OB and our telephone service;

Services means all services provided to you in connection with your IDIA and these Terms and can include (a) the opening, maintaining and closing of your accounts with us; (b) providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment; (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes; (d) providing access to UK securities and gilt trading; (e) providing a secure online trading platform linked to your Nominated Account; (f) providing safe custody of your portfolio and cash and (g) providing access to a UK based call centre; (h) the administration of all corporate actions and dividend payments on your behalf;

Settlement Account means a sterling account held by us into which the proceeds of your Investments settle and into which proceeds of any dividends are paid;

Settlement Date means in relation to a sale transaction, the date the proceeds of sale are credited to your Settlement Account and in

relation to a purchase transaction, the date the purchase monies are debited from your Settlement Account;

Settlement Period means the period of time between the date your trade executes and the Settlement Date. This period is agreed prior to the trade executing and is normally quoted as T+1, T+2, T+3 etc. The buyer must make payment, and the seller must deliver stock within this settlement period;

Statements means the pages on our Website and any Communications listing the cash and Investments in your IDIA and relevant transactions;

Supplemental Terms means the various supplemental Terms and Conditions applicable to capital protected products, ISAs, or any other product or service that we may offer you from time to time which constitute part of the Agreement;

Tax Authorities means UK or foreign tax, revenue or monetary authorities (for example, HMRC);

Tax Information means documentation or information about a person's tax status, including yours;

TBS means the HSBC Telephone Banking Service;

Trade(s) means the purchase or sale by you of an Investment;

Trading Day means a day on which a relevant market is open for trading;

Trading Limit means a financial limit (which we determine) on the amount you can trade up to on your IDIA for all Trades placed and yet to settle;

Trading Venue means a Regulated Market, Multilateral Trading Facility or Organised Trading Facility;

User ID means the 10 digit unique number sent to you to enable you to access the Website;

We, us, and our means HSBC UK Bank plc;

Web-Based Account means an IDIA in respect of which the IDIA holder is able to issue instruction and access IDIA balances via our Website;

Website means the location within OB from which you can access HSBC InvestDirect International;

You and your means the person who signed the Application; The IDIA is provided to you for your personal use only and is not intended to be used for professional or business purposes.

Reference to the singular includes the plural (and vice versa).

Use of the IDIA and client categorisation

You will be categorised as a Retail Client in relation to your IDIA and your use of the IDIA.

If you are acting as agent for someone else, we will treat you alone as our customer for the purposes of FCA rules and you will be liable, in addition to that person, in respect of any transactions entered into. No third party will have any rights under the Terms.

Please read the Terms and keep them in a safe place. You can ask for a copy of the Terms at any time.

Your use of the IDIA is subject to you complying with these Terms.

Section 1 – InvestDirect International Account Terms – Operation of the IDIA

This Section 1 contains terms describing how you open an IDIA, the information you must provide to us when you place a Client Order and the different ways in which you can ask us to place a Client Order and important security information.

Section 1 also contains terms relating to Statements, fraud prevention and responsibilities, terms relating to changing the Terms and ending the Terms and closing your IDIA.

1. Opening and Maintaining an IDIA

1.1. You may apply to open an IDIA using the Website. An IDIA may only be opened in your sole name, and not in joint names. We and/or HSBC Expat reserve the right to decline to open an IDIA.

1.2. To open and maintain an IDIA you must:

- fulfil our residency requirement. For a full list of eligible countries please refer to our Website; and
- be at least 18 years of age.
- As part of your eligibility criteria, you will also need a HSBC Expat Bank Account.

1.3. We will open a Settlement Account and an Investment Account for you when your Application has been accepted and our account opening processes have been completed, together with such other accounts as you may have requested. We will confirm to you in writing when our processes are complete and whether your Application has been accepted or not.

We will notify you of your Trading Limit upon account opening as described in clause 2 of Section 3 - Sharedealing Terms.

1.4. On opening your IDIA, you must use your account in accordance with the security procedures set out in clause 3.

1.5. We reserve the right to refuse to accept your Application to open or renew an IDIA.

2. Telephone service

2.1 Making enquiries

When you want to telephone us to raise an enquiry please ring 03456 080848, or +44 1226 261090 from overseas (Textphone 03456 088877). Lines are open 7.30am - 9.30pm on Monday to Friday, 10am - 4pm on Saturday, excluding Bank Holidays.

2.2. Our telephone service is available, provided that your identity can be verified, by using a Security Number or by speaking to a customer services representative and completing security procedures. You will be asked to create a personal Security Number when you register for our telephone service (or if you lose or forget your Security Number). The number must be between six and ten digits long.

2.3. Your Instructions

2.3.1. When our Website is unavailable, you can instruct us to place orders through our telephone service (once you have completed our security procedures) by speaking to a customer service representative, who will

take details of the Instructions and then confirm the details to you. You must confirm these details are correct before we place the Client Order. Your confirmation will be your agreement for us to place a Client Order.

2.3.2. On satisfactory completion of our security procedures, we can act on any Instructions given to us, even if these Instructions were not given by you or with your authority.

2.4. Our telephone service and/or OB may be temporarily unavailable if we have to carry out routine or emergency maintenance. We will try to inform you in advance, but it may not always be possible to do so.

3. Important Security Information

3.1. You must use our telephone service and OB in accordance with the Terms. HSBC Expat internet banking is also subject to its own terms and conditions provided to you when you open a bank account with them and register for their online services.

3.2. You must take all reasonable precautions to keep safe and prevent fraudulent use of any Security Details.

3.3. These precautions include but are not limited to all of the following, as applicable:

General

- never writing down your Security Details;
- not choosing Security Details that may be easy to guess;
- taking care to ensure that no one hears

or sees your Security Details when you use them;

- keeping your Security Details unique to your IDIA with us;
- not allowing anyone else to have or use your Security Details (including for our telephone service and OB) and not disclosing them to anyone, including the police and us, except your Security Details when registering for or resetting your telephone service and OB Security Details (but even then do not disclose in full);
- keeping information about your IDIA containing personal details and your User ID (such as Statements) safe and disposing of them safely.

People who commit fraud use many methods such as searching in dustbins to obtain this type of information. You should take simple precautions such as shredding paper containing such information;

- keeping your Security Details safe;
- telling us as soon as possible if you change address;
- telling us as soon as possible if you have forgotten your Security Details or you think that someone else is trying to use any of your accounts;
- telling us as soon as possible if you think your authentication details become known by another individual;
- if we give you software to help you to use HSBC InvestDirect International Account, you must not change it or allow anyone else to use or copy it. You must carry out your own virus checks;

- you must tell us as soon as possible if you find any fault, failure, delay or error in your IDIA, especially in the sending or receiving of Instructions. Our records of your Instructions will be conclusive unless there is a clear mistake;
- changing your Security Details immediately and telling us as soon as possible in accordance with clause 3.4 if you know, or even suspect, that someone else knows any of those details, or if we ask you to.

Telephone service

- when you call us, we will confirm your identity using our current security procedures. We will never ask you for more than two digits of your Security Number. We may not be able to assist you if we are unable to identify you as our customer using our security procedures;
- when we call you, we will never ask for details of your Security Number or password to identify you as our customer. We will ask you questions based on information known to us about you and the transactions on your account;
- when you contact us by telephone, please ensure that you take necessary security precautions and we recommend that you use either a landline or a digital mobile telephone. We are not responsible for the security of your IDIA if anyone intercepts or overhears you speaking to us on the telephone.

If using a textphone:

- it is your responsibility to always clear your textphone's memory after every conversation with us;
- ensure that you tear out and destroy any printed record of your Security Number or personal Security Details from any printer attached to your textphone;
- keep your textphone properly operational.

Online Banking

- keep your personal computer secure by using anti-virus and spyware software and a personal firewall;
- keep your passwords and Security Details secret – we will never ask you for your online banking password information in full;
- always access OB by typing in the bank address to your web browser, never go to an internet banking site from a link in an email and then enter personal details;
- never access OB from any computer connected to a local area network (LAN) (this is usually the case for computers you use at work) or any public internet access device or access point (eg, at an internet café) without first making sure that no one else will be able to observe or copy your access or get access to OB by pretending to be you;
- never record any password or Security Details on any software which retains it automatically (eg, any computer screen prompts or 'save password' feature or the line on your internet browser);

- once you have logged on to OB, do not leave the device from which you have accessed it or let anyone else use that device until you have logged off; and
- follow all security measures recommended by the manufacturer of the device you use to access OB, eg, the use of personal identification numbers for mobile telephones with internet access.

3.4. If any Security Details are lost or stolen, or you suspect that someone has used or tried to use them, you must tell us without delay by calling us on the applicable number set out in the table on the next page.

When lines are closed, please call without delay the number detailed below for Cards and PINs issues and we will block access to OB, TBS and telephone service (to re-set your relevant Security Details. You will need to call the usual number during opening hours). Telephone calls will be put through to our automated service. Textphone calls will be put through to our Customer Service Centre. To help us continually improve our services and in the interests of security we may monitor and/or record your telephone calls with us. All telephone calls that lead or may lead to a Trade will be recorded and kept for seven years. You may ask us for a copy of such a record within the seven year period.

3.5. If asked, you must confirm in writing the loss or theft of your Security Details relating to OB or our telephone service.

3.6. We will ask you to co-operate with us and the police in relation to any investigation into the actual or suspected misuse of your Security Details and/or IDIA. You must report any unauthorised transactions to the police within seven days of our request. We may also disclose information about you or your IDIA to the police or other third parties, if we think it will help prevent or recover losses.

4. When Trades will and will not be placed by us

4.1. If we refuse to place a Trade, you will normally be told when you give your Instructions, unless we suspect fraud - please see clause 10 for details about our fraud prevention measures and what we do if we suspect fraud. In all cases, if you telephone us, we will tell you if a trade has been refused, the reasons for the refusal (if possible) and the procedure for correcting any factual errors that led to the refusal. This information will be available immediately after our refusal of your Instruction. We will normally not be able to provide you with details in any of these ways if it is unlawful for us to do so.

4.2. We may refuse to accept a Trade, when your Trading Limit has been reached or has been or will be exceeded, as further described in clause 2 of Section 3 - Sharedealing Terms.

General contact numbers

Website security issues	03456 002290 (8am to 10pm)	+44 1226 261010 (8am to 10pm)
TBS security Issues	03456 006161 (8am to 10pm)	+44 1226 261010 (8am to 10pm)
Any issue – Textphone users only	03457 125563 (24 hours)	For this number, please look on our Website, visit any of our branches, or call us on one of the other applicable numbers

5. Charges for services and for enquiries about an Instruction

5.1. We may charge you to place Trades.

The applicable charges, including the amount, frequency and basis of the fees, are set out in our Rates and Fees Page.

We may make changes to the charges we apply to your Account (including introducing new charges or fees or making changes to the amount, rate or basis on which we charge) in accordance with clause 12.1.

5.1.1. Each time you give us Instructions, you authorise us to

- deduct the costs of any purchases and any applicable charges from your Settlement Account; and
- (acting as your agent and on your behalf) instruct HSBC Expat to debit from (and credit to) your Nominated Account the necessary funds,

to ensure that the balance of your Settlement Account is returned to nil at the close of each Business Day.

5.2. We may make a charge for any enquiries we receive in respect of an Instruction, whether made by you or another person. We will not charge you if we have made an error. We will advise you of the charge before we start investigations on your behalf.

5.3. You must also pay any applicable VAT, stamp duty, stamp duty reserve tax, other taxes and levies relevant to your Instructions to us.

We may share fees with our Associates and other third parties where they are fees which enable or are necessary for the provision of carrying out transactions on your behalf. Details of any such remuneration or charging arrangements will not be set out in the relevant contract note or confirmation note, but will be made available to you if you contact the Customer Service Centre.

5.4. Certain additional fees will apply as set out in our Rates and Fees Page from time to time, in the event that you do not comply with your obligations under these Terms.

5.5. On occasion, we may benefit from non-financial incentives, such as corporate hospitality and training. We maintain strict policies to control how benefits of this type are managed to protect the interest of customers. Further information about these policies is available from us upon request.

5.6. Different charges will apply depending on whether you give us Instructions by telephone or through our Website. These charges are set out on our Rates and Fees Page.

5.7 We will send to you as appropriate illustrations showing the cumulative effect of costs on return of your Investments. We will also provide you with our Costs and Charges Disclosure Document containing important information about charges and the breakdown of costs you pay in respect of your Investments and the Service we provide to you.

5.8 You agree that any fees, costs, charges and other amounts payable to or recoverable by us under these Terms may be paid or, as applicable, reimbursed in the following ways:

- (a) We are entitled to instruct (acting as your agent and on your behalf) HSBC Expat to withdraw the relevant amount from the Nominated Account and pay the amount to us. This may be done without any further notice to you (and for the avoidance of doubt, you also authorise that branch to credit the Nominated Account if we owe you any amount at any time), although we may issue invoices for convenience if we wish.
- (b) If the Nominated Account holds insufficient funds for this purpose, at our election, we will send you a written notice requiring you to pay the outstanding amount within [seven] days from the date of the letter or exercise the other rights provided to us under this Agreement (for example, see Clause [4] of Section 2 and Clause [10] of Section 3).
- (c) For the avoidance of doubt, this Clause will continue to apply even after this Agreement has ended (e.g. where there are outstanding fees).

6. Transferring Investments into or out of your IDIA

You can transfer Investments into or out of your IDIA by the methods notified to you on our Website, in our Key Features Document, or by contacting us using the numbers set out in clause 4. There may be a charge for a transfer out of your IDIA. Please see our Rates and Fees Page for details. Please be aware that we are unable to transfer joint holdings from other providers, or joint holdings held in certificated form, into a sole account with us.

7. Third party authority

You can authorise another person to operate your IDIA. You will need to sign a document called an HSBC InvestDirect International Account third party mandate in respect of the IDIA, which you may request from us. If you authorise another person to operate your IDIA, then you will be responsible for their actions or omissions as if they were your own.

8. Statements

8.1. We will provide you with paper Statements for transactions on your IDIA by post every three months. Statements will be dated March, June, September and December. You will also be able to view your holdings and transactions for the previous 12 months online.

8.2. Statements will show details of the transactions that have passed through your Settlement Account and the amount of Investments you hold in your Investment Account. Trades may be shown as settled,

even if the Investments or proceeds have not yet been delivered. Statements are subject to any future adjustments that may need to be made in respect of any failed Investment or proceeds deliveries. The basis on which Investments shown on Statements are valued by us, will be their estimated value on the Business Day shown on the Statement, based on information we receive from reputable published sources.

8.3. If you ask, we will send you additional Statements, including paper copies of Statements sent to you electronically or copies of those previously supplied. We may charge for additional Statements. Details of the charges for providing additional Statements are set out in the Rates and Fees Page.

8.4. If you have investments in Funds then each year around the anniversary of your IDIA we will send you a Costs and Charges Statement. This statement shows the total actual costs that we have charged you for your investment in the Funds and the services we have provided in connection with those investments. The Costs and Charges Statement will also include an illustration of the cumulative effect of those costs on the return on your investment in the Funds.

8.5. Balance information

8.5.1. We may provide you with details of the balance on your IDIA. This may include transactions that are still in process and therefore may be subject to change.

Balance information is subject to any future adjustments that may need to be made in respect of any failed Investment or proceeds deliveries. The basis of the Investments provided are estimated values on the Business Day of us providing you with the balance of your IDIA

8.5.2. Your IDIA and the transactions passing through it may be affected by a court order, eg a court order that is obtained, for example, against you or your IDIA. If so, the balance may change and transactions may not be processed or may be reversed.

9. Fraud prevention

9.1. We carry out certain checks on transactions on your IDIA as part of our fraud prevention measures. We may Contact You Personally to say there may be suspicious activity on your IDIA, or we may leave a message to ask that you call us. If we ask, you must contact us as soon as possible.

9.2. We, or any other member of the HSBC Group, may take whatever action we consider appropriate to meet any obligations, either in the UK or elsewhere in the world, relating to the prevention of fraud, money laundering and terrorist activity and the provision of financial and other services to persons who may be subject to sanctions. This may include, but is not limited to, investigating and intercepting payments into and out of your IDIA (particularly in the case of international Account transfers of funds) and investigating the source of or intended recipient of funds. It may also include making

enquiries to establish whether a person is subject to sanctions. Exceptionally, this may delay the carrying out of your Instructions or the receipt of Cleared Funds but, where possible, we will advise you of the reasons for and likely length of any delay. If we are not satisfied that a payment in or out of your IDIA is lawful, we may refuse to deal with it.

9.3. Neither we nor any other member of the HSBC Group shall be responsible to you or any third party for any loss incurred as a result of us or any other member of the HSBC Group taking the actions set out in clause 10.2. In addition, we shall not be responsible to you for any loss you may incur if we, or any of our agents or correspondents, are prevented from or delayed in providing you with any banking or other services, due to abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary.

10. Responsibilities

10.1. Unauthorised transactions

You must read your Statements carefully on receipt or when they are available online. To help us prevent fraud, you must tell us immediately by calling us if you do not recognise any transaction shown on your Statement, or if you think any Client Order has been executed incorrectly. If you do not tell us promptly (at the latest within 13 months of the date the transaction was deducted from your IDIA), you may not be entitled to have any errors corrected.

10.2. Liability for unauthorised transactions

10.2.1. Subject to clauses 10.2.2 to 10.2.5 of the General Terms, we will be responsible for any unauthorised transactions that you tell us about in accordance with clause 10.1 of the General Terms (if we suspect fraud or that you have been fraudulently or grossly negligent, we will investigate the transaction and will only be responsible if/when we have concluded that there has been no fraud and you have not been fraudulently or grossly negligent). Where we are responsible, we will immediately refund the amount of the unauthorised transaction and any resulting interest and charges. We will have no further liability to you.

10.2.2. You will be responsible for all losses if you act fraudulently or if you allowed another person who is not a properly appointed authorised third party to use your IDIA.

10.2.3. You will be responsible for all losses arising from unauthorised transactions on your IDIA as result of:

- you acting fraudulently;
- you intentionally or with gross negligence failing to use our telephone service and/or OB in accordance with the Terms (including keeping safe your Security Details); or
- you intentionally or with gross negligence failing to notify us in accordance with clause 3.4 of the General Terms of the loss or theft of any Security Details.

10.2.4. Unless you have acted fraudulently, you will not be responsible for any losses in respect of an unauthorised transaction:

- after you have notified us of the loss or theft of your Security Details in accordance with clause 3.4 of the General Terms; or
- if we have failed to provide the facilities we describe in clause 3.4 of the General Terms for you to tell us if any Security Details have been lost or stolen.

10.2.5. We will not be responsible to you if we fail to comply with any of the Terms:

- due to Force Majeure; or
- where our failure to comply is due to our obligations under European or national law.

10.2.6. Nothing in the Terms excludes or restricts any liability which we have to you under Laws or any liability for a matter that cannot be excluded or restricted by Law.

10.3. Account aggregation

If you use an account aggregation service that is not provided by a member of the HSBC Group, you may be liable for any fraud or mistakes that occur on your accounts as a result of using the service. An account aggregation service allows you to see, on one web page, details of the online accounts you hold with financial institutions. The service may be provided by a financial institution (with whom you hold an account) or through a Website not owned by a financial institution.

10.4. Suspension of our telephone service or OB.

10.4.1. We may, at any time, suspend your use of our telephone service or OB, or otherwise limit or restrict your ability to give Instructions, or use of the Service, if we have reasonable grounds to suspect:

- the security of or the suspected unauthorised or fraudulent use of our telephone service or OB; or
- there is a significantly increased risk that you will be unable to repay any overdraft on your Nominated Account. We will normally give you advance notice by contacting you personally if we are going to suspend your use of our telephone service or OB.

10.4.2. If we are going to suspend your use of our telephone service or OB, we will tell you why we are taking this action but we will not give you notice or details of the reason for the suspension if this would compromise our reasonable security measures, or if it is unlawful to do so. We may occasionally suspend your use of our telephone service or OB without notifying you where we have been unable to contact you personally in advance. We may also suspend your use of our telephone service or OB due to national or European legal obligations that apply to us.

10.4.3. We may instruct (as your agent and on your behalf) HSBC Expat to pay us a particular amount from your Nominated Account with them for the amount of any Trade (and any charges relating to any such Trade) despite the fact that your use of OB or our telephone service may have

been suspended at the time we gave an instruction.

10.4.4. You can ask us to lift any suspension of your use of our telephone service or OB by calling us.

11. Changing the Terms – General information

11.1. We may change other Terms in accordance with this clause 11 and clauses 12 to 15 of the General Terms.

11.2. For products or services that you have which have particular Terms that are fixed, please see the Supplemental Terms for information on the circumstances in which we may make changes to those Terms. If there is a conflict between this clause 11 or clauses 12 to 15 of the General Terms and those Supplemental Terms, the Supplemental Terms will apply.

11.3. We will contact you personally to tell you about a change. We recommend that you print or save copies of electronic notifications for your records.

12. Other changes to the Terms

12.1. We may make changes to Section 1 of the General Terms, including changes to the basis on which we charge for operating/providing product(s)/service(s), by giving you at least one month's advance personal notice.

12.2. We may make any other changes to the Terms, including changes to the basis on which we charge for operating/providing

product(s)/service(s), in the following ways:

- if the change is favourable to you, by, within 30 days of the change, telling you about it personally or putting notices in the national press or on our Rates and Charges Notices in our branches; and
- if the change is not favourable to you, by giving you at least 30 days' advance personal notice.

13. Reasons for making changes

We may make any change to the Terms under clauses 11 and 12 of the General Terms for all or any of the reasons set out in this clause 13 that apply:

- if the change is favourable to you.
- following, or in anticipation of, and to reflect a change in relevant law or regulation or to reflect a change in industry guidance or code of practice or good banking practice; or
- to respond to the making of a recommendation, requirement or decision of any court, ombudsman, regulator or similar body; or
- to reflect any change in the base rate or any rate that replaces it set by the Bank of England or by any bank that takes over responsibility for setting such a rate; or in interest rates charged by other major banks or financial institutions in the UK; or
- to reflect changes or anticipated changes in costs associated with changes in relevant market conditions, changes in technology, changes in the costs we pay others, changes in inflation and/or changes in accounts, services or facilities we provide; or

- to make the Terms clearer; or
- to respond to any changes in our systems and procedures, including any change arising from the reorganisation of our business as a result of it being acquired or by our acquiring another bank or organisation; or
- to reflect the costs or consequences of any event beyond our control that may impact upon our provision of accounts, services or facilities to you; or
- to respond to our internal policies on competitiveness, market share and/or the profitability of our business as a whole, where we are not acting dishonestly, for an improper purpose, in a manner which inappropriately discriminates against a particular customer or as an unreasonable financial institution would.

We may also make changes to the Terms (including introducing new charges or fees or changing the amount, rate or basis on which we charge) for any other valid reason that applies and is not described in this clause 13. We will always give you at least 30 days' prior written notice of such a change. Please note however that we will not notify you of any change in third parties' taxes or charges attributable to Investments the imposition and amount of which are outside our control. Where we make a change under this clause 13, the change will be proportionate to the underlying reasons for the change and in accordance with the Laws to reflect any change or anticipated change.

14. What you can do when we tell you about a change

14.1. When we give you advance notice of a change we intend to make in accordance with clauses 11 and 12, before the change takes effect, or for changes that are not favourable to you made in accordance with clause 12.2 up to 30 days after the date of the notice to you, you may end this contract and close your IDIA in accordance with clause 15. There will be no charge for this. If you do not tell us that you want to end this contract, and if we do not hear from you as described in clause 14.2 before the date each change is to take effect, then you will be deemed to have accepted the change and it will take effect automatically.

14.2. You may without charge close your IDIA in accordance with clause 15 within 30 days of the date of any advance notice of a change we send you or, if longer, up to the date upon which the change is due to take effect. If you do not tell us that you want to close your IDIA by this time, then you will be deemed to have accepted such a change and the change will take effect automatically.

15. Ending this contract and closing your IDIA

15.1. You can close your IDIA and thereby end this Agreement with us at any time, by writing or telephoning us. However, please note you will not be able to cancel any transactions undertaken by HSBC InvestDirect International Account or in progress at the time of closure.

Any transactions in progress at the time of closure will be completed as soon as possible and you will not be entitled to a refund for any associated fees. Whenever you close your IDIA there may be charges for the transactions required to transfer your Assets out of your IDIA, except where you close your IDIA and terminate this Agreement in accordance with clause 12.

Please see our Rates and Fees Page for details.

15.2. If you close your IDIA in accordance with this clause 15, other than clause 16 and where Terms/products/services are expressly stated to continue, your Agreement with us including the Terms, will also end.

15.3. If your IDIA is closed or the Agreement ends for any reason:

15.3.1. you must repay any money owed to us before we close your IDIA including, without limitation, any charges arising from carrying out the transactions required to transfer your Investments as you direct (as detailed in the Rates and Fees Page). If, after closing your IDIA we pay for any outstanding Investment transactions you have made or incur any charges relating to these, you agree to repay us these amounts in full. We will waive these charges where you close your IDIA in accordance with clause 13;

15.3.2. any benefit or services provided to you by us will end immediately unless the terms relating to the particular benefit or service state otherwise; and

15.3.3. subject to clause 15.8 below, and provided we have sufficient information from you, we will transfer the Investments held in your Investment Account to you or, in the event of your death, your personal representatives, or to other brokers or charity institutions in accordance with any written Instructions you give; and we will credit or (subject to clause 15.9) instruct (acting as your agent and on your behalf) HSBC Expat to debit your Nominated Account with the necessary funds required to bring your Settlement Account balance to nil.

15.4 If your IDIA is closed for any reason and you do not tell us what you want to do with your Investments, we will contact you to obtain your instructions. If you do not tell us what you want to do with your Investments within a reasonable time, we may take necessary reasonable steps to return your Investments to you and (if we haven't heard from you) we may sell your Investments and (at our election) deposit the proceeds of sale in your Nominated Account with HSBC Expat or other HSBC Group personal bank account in your name or send the proceeds of sale to you. This may mean that we will send a cheque to the last address we hold on record for you where it is reasonable for us to do so. We will give you advance notice if we intend to sell your Investments in this way.

15.5. Cancellation or closure will not affect any outstanding transactions or any right or obligations, which may already have arisen between us. Transactions in progress at the date of cancellation/closure will be completed by us as soon as practicable subject to

these Terms. Clauses 9, 10, 11 and 12 of the Sharedealing Terms and the relevant parts of the glossary will continue to apply to us notwithstanding cancellation/closure.

15.6. If you do not hold any Investments, and there has been no activity on your IDIA for a period of 12 months, or if we become aware that the contact information we hold is incorrect and we are unable to trace you, we may add a marker to your account which could mean you are unable to access your account online. We will be happy to undertake Trades on your behalf, or release any funds which may be in your account, if you telephone customer services. Any Investments which remain in your account will continue to be your property (or that of your estate upon your death).

15.7. We can end this Agreement with you and close your IDIA immediately in any of the following situations:

15.7.1. if you have seriously and persistently breached your obligations under any of the Terms;

15.7.2. if there has been or we have reasonable grounds to suspect there has been financial crime involving your IDIA with us or any transactions on your IDIA;

15.7.3. if there has been or we have reasonable grounds to suspect there has been suspicious activity on your IDIA;

15.7.4. if we have reasonable grounds for believing you have committed or are about to commit a crime in connection with your IDIA;

15.7.5. if you have not satisfied any anti-money laundering requirements;

15.7.6. if you fail to meet the settlement of any Trades;

15.7.7. there is a change in Laws or regulation that requires us to do so;

15.7.8. you are no longer eligible for the IDIA;

15.7.9. you have given us false information in connection with your IDIA (for example, in your Application);

15.7.10. if you close your personal current account with HSBC Expat; or

15.7.11. your IDIA or other account(s) are being or have been used illegally, or if we reasonably believe that your conduct will adversely affect the ability of our other customers to trade or the Terms on which they trade (for example, if you were to deal repeatedly in many small lots, rather than one large lot so the market maker refuses to deal or will only deal at a less favourable price in the future).

15.8. We will give you notice in writing immediately after your IDIA has been closed under clause 15.3.

15.9. We may close your IDIA and/or end this Agreement for any other reason by giving you at least one month's written notice.

15.10. If you have not repaid any money owing to us at the time the IDIA is closed, we may exercise our right of set-off and other rights described in this Agreement and sell any Investments.

15.11. In the event of the death of a sole account holder, we may require a grant of probate or grant of representation issued by the authorities where your IDIA is based (including in the Channel Islands or the Isle of Man) before releasing any monies in your IDIA to your personal representatives.

15.12. Suspending your Services

15.12.1. We can suspend your Services or any part of your Services temporarily for any of the reasons set out in Clause 15.7 above.

15.12.2. We may also suspend your Services or any part of your Services where we have another good reason to do so, and where suspending the Service is proportionate to the underlying reason for the suspension. Where we do so, we will give you at least one month prior written notice of our intention to do so. Where we do so, you may close your IDIA in accordance with Clause 15 and/or transfer your IDIA to a different provider at any time up to the point at which the suspended service is reinstated.

15.12.3. Where we take steps to suspend the Services or any part of the Services under this Clause 15.12, we generally will not apply any fees for the Services (or any suspended part of the Services, where only part of the Services is suspended) during the period of suspension nor will we charge you to close your IDIA and/or transfer your Investments to a different provider during the period of suspension, unless the reason for the suspension is because:

- you have seriously or persistently breached the Terms;
- we reasonably suspect that you or your IDIA may be involved in financial crime or other illegal activity, or
- you have failed to satisfy anti-money laundering requirements.

15.12.4. We will notify you as soon as practicable of the suspension being lifted.

Section 2 – InvestDirect International Account Terms – Miscellaneous

16. Your Information

16.1 Privacy

16.1.1. Your privacy is important to HSBC.

16.1.2. Our Privacy Notice explains how we collect, use, disclose, transfer and store your information and sets your rights in relation to your information. A copy of our Privacy Notice is available separately and we will inform you when we make any changes to it. You can find a copy at www.hsbc.co.uk or you can ask for a copy in branch or by telephone.

16.2 Your responsibilities

16.2.1. If we make a reasonable request for information, you must give it to us as soon as possible. If you don't give it to us, or if we suspect fraudulent or criminal activity of any kind:

- a. you might not be able to carry on doing some or all of your banking with us anymore;
- b. we might try to get it from another source, ourselves.

16.2.2. It's up to you to make sure the information you give us is accurate and up to date, and you must tell us if anything changes, within 30 days.

16.2.3. We'll use your information as explained in our Privacy Notice. We'll give it to others if we're compelled to do so by law, we've a public duty to disclose it, we need to disclose to protect our own interests (for example in any legal proceedings) or if we

have your specific agreement. For example, if we believe you may have tax obligations in other countries, we may have to disclose information about you directly to HM Revenue & Customs (HMRC) or other local tax authorities.

16.3 Actions we may take in order to prevent Financial Crime

16.3.1. Members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("Financial Crime Risk Management Activity"). Such action may include, but is not limited to:

- a. screening, intercepting and investigating any instruction or communication sent to or by you or a Connected Person, or on your or their behalf;
- b. investigating the source of or intended recipient of funds;
- c. combining Customer Information with other related information in the possession of any member of the HSBC Group: and/or
- d. making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming their identity and status.

16.3.2. Exceptionally, our Financial Crime Risk Management Activity may lead to us:

- a. delaying or refusing to either process a payment or your instructions;
- b. being unable to provide all or part of the Services to you and ending our entire relationship with you;

- c. taking necessary steps for any member of the HSBC Group to meet the Compliance Obligations; and/or
- d. blocking or closing your account(s) (although not any of your mortgage account(s)).

16.3.3. To the extent permissible by law, no member of HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

17. Tax Compliance

17.1. You acknowledge that you are solely responsible for understanding and complying with your tax obligations (including but not limited to, tax payment and filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group. You must ensure that each Connected Person (acting in their capacity as a Connected Person and not in their personal capacity) is aware of this responsibility and also makes the same acknowledgement in their own regard. Certain countries may have tax legislation with extraterritorial effect regardless of your or Connected Person's place of domicile, residence, citizenship or incorporation. Neither we nor any member of the HSBC Group provide tax advice. You

are advised to seek independent legal and/or tax advice. Neither we nor any member of the HSBC Group have responsibility for your tax obligations in any jurisdiction in which they may arise including any that may relate specifically to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group.

17.2. Following the end of each UK Tax Year, you will generally be issued with a Consolidated Tax Certificate (CTC) between May and September. A final CTC will also be issued once an account is closed and all outstanding dividends have been received. Note that information regarding excess reportable income (to the extent relevant) will not be included in the CTC.

17.3. We cannot provide taxation advice and will not take account of an individual's tax position when providing our services.

17.4. All credit interest on your IDIA will be paid gross and will contribute towards your personal savings allowance, if applicable. If you exceed your allowances, it's your responsibility to declare this to HMRC, as you may be required to pay some tax on the interest received via your own tax return (please check your personal allowances). For further information on your allowances and responsibilities please visit www.gov.uk.

Dividends on UK shares are paid gross (but there may be some withholding tax in respect of non-UK shares) and will contribute towards your dividend nil rate band

("Dividend Allowance"). If you exceed your allowances, it's your responsibility to declare this to HMRC, as you may be required to pay some tax on the interest received via your own tax return (please check your personal allowances). For further information on your allowances and responsibilities please visit www.gov.uk.

In addition, any growth in the value of an investment may be subject to capital gains tax if your total capital gains (less allowable losses) from all sources exceeds your annual exemption limit. The sale of shares or units in certain Funds which are designated "non-reporting funds" by HMRC may have a different treatment – you may wish to seek independent advice of such Investments. Some Funds may be offshore funds which are granted the status of "reporting fund" by HMRC and as such, if you are a UK taxpayer, you may need to declare the amount of distributions received during the year on your tax return. You will also be required to declare your share of any excess reportable income from the Fund over the sums actually received. Reports of the relevant income will be made available to investors by the Fund and you will be responsible for obtaining this information. Information relating to a Fund's excess reportable income should be available from the Fund directly, for example in the annual report and accounts, or in some circumstances, may be available online.

This information is based on our understanding of current UK tax law and HM Revenue & Customs practice. Both tax law

and practice may of course change. Your tax liability will depend on your own individual circumstances, including your country of residence for tax purposes. If you are unsure about your own situation, you should seek appropriate professional advice.

17.5. We will use reasonable endeavours to forward to you any tax documents which we may receive relating to you or any money or Investments in your IDIA.

17.6. If you're a UK resident and non domiciled for UK tax purposes, using money from your HSBC Expat Bank Account (or any other money you hold offshore) to settle trades through InvestDirect International may create a UK taxable remittance. If you're not sure if our sharedealing service is right for you, we recommend you get independent tax advice.

18. Bankruptcy

In the event that a petition for a bankruptcy order is presented against you, then you agree that we may:

- refuse to act on any Instructions given by you or anyone else to make any payment(s) out of your IDIA, unless you have previously obtained an appropriate order from the Court; or
- set up a separate IDIA in your name to which any of your future payments in will be credited. In the Channel Islands and the Isle of Man, local legislation will apply.

19. Our right of "set-off"

19.1. In addition to any other rights, we will have a right to use the proceeds of sale of

your Investments to reduce or repay any amounts you owe in relation to your IDIA (including any Default amount) or on any other accounts you hold with us anywhere in the same name, whether or not those accounts are in the same currency.

19.2. If your Nominated Account is in credit, we may provide an instruction (acting as agent or on your behalf) to HSBC Expat to pay us an amount from that account in any currency, converted at our prevailing rates of exchange, to repay or reduce any amounts you owe us, including but not limited to any negative balance on your Settlement Account, any Default amount or other sums due on an IDIA you hold with us and sums payable in connection with a trade in Investments which we have executed for you, but not yet settled.

19.3. If your Nominated Account is not in credit, or it is in credit but you do not have sufficient Cleared Funds to repay the amounts you owe us, we may still provide the instruction referred to in the preceding clause. In these circumstances your Nominated Account may go into overdraft. It is your responsibility to meet any associated obligations to HSBC Expat (including any penalty fees) you may have under the terms and conditions applicable to your Nominated Account.

19.4. In addition to our rights under clauses 19.1 and 19.2 above, we also have the right to sell any of your Investments and use the proceeds to reduce or repay the amount

owed as set out in more detail in clause 10, section 3.

19.5. If we choose to exercise our rights under this section:

- we will tell you why and when it has been done;
- in doing so, we may (and you irrevocably authorise us to) convert to sterling at the prevailing market rate of exchange any balance that is in a currency other than sterling; and in doing so we will have no liability to you. Nothing in this clause will prevent us from exercising at any time any other right of set-off, or of combination of accounts to reduce or repay any amounts you owe us.

20. Cancellation of your IDIA

For a period of 14 days after the date we open your IDIA, you have the right to cancel your Agreement with us and close your IDIA. You can do this by writing to us at our Administration Office, or by sending us a secure e-message from your IDIA which is accessed through OB. However, please note you will not be able to cancel any transactions undertaken during the 14 day period via HSBC InvestDirect International where the price depends on fluctuations in the financial market place. Any transactions in progress at the time of closure will be completed as soon as possible and you will not be entitled to a refund of any charges applicable to the transactions. We will give you all your money back together with any interest it has earned less any money due to us at the time you cancel the Agreement, however you will not be charged

for cancelling the Agreement or closing your IDIA. For Applications completed by telephone, the cancellation period will start from the date you receive the Terms in the post.

21. Contacting you

21.1. You agree that we may use any of the contact details you have provided to us including your postal address, telephone number(s) (including your mobile telephone number) and Email address to contact you personally for service or operational reasons. These include telling you about changes to the Terms and generally communicating with you about the day-to-day running of your IDIA, products and services. If you are registered for OB, you agree that we may also contact you using our secure e-message service within OB for these purposes. You must ensure that the contact details you provide are accurate and that you notify us promptly of any changes. Remember, Communications may contain confidential information and if anyone else has access to your Email inbox or mobile telephone messages for example, they may be able to see this. If you would prefer that we do not contact you for service or operational reasons by Email, mobile message or secure e-message, please let us know. Whilst we will try to use your preferred channels wherever possible, you may continue to receive important service messages via any of these channels, for example, when we need to contact you urgently. Where we hold alternative postal address(es) for you, we may send mail to your principal residential

address if it is returned from, or you do not respond to, mail sent to your correspondence address.

21.2. We may provide you with information including documentation via the Website as permitted by the FCA rules and where you have agreed to this. By signing up for your IDIA you agree to receive information via the Website. We will notify you of the website address electronically when such information is put onto the Website where it will be updated from time to time. You agree that we may in particular provide the following to you via the Website:

- our terms in relation to trading;
- a general description of the nature and risks of financial instruments;
- our published fee tariffs, Costs and Charges Disclosure Document and other information on our costs and charges;
- details of our Best Execution policies; and
- Key Information Documents (KIDs) and Key Investor Information Documents (KIIDs) (as required).

21.3. KIDs (where available) and KIIDs may be accessed and viewed, downloaded, saved and printed from our Website or from another website that we will provide to you. We will provide you with a KID or KIID on paper, or via the Website depending on the choice you made when becoming a client or subsequently chose. Where you have chosen to receive KIDS or KIIDs via the Website, you confirm that you have regular access to the internet and you have provided us with your email address. Where we have provided you

with a KID or KIID via a website you have the right to request a paper copy of the KID or KIID free of charge. We will direct you to the website or websites on which any KIDs or KIIDs are available.

21.4. If for a 24 month period you hold no Investments, have not given us any Investment dealing instructions and have a cash balance below £10 and you have no other sharedealing accounts in the same name, we will mark your account as dormant. If there is no activity for a further 12 months, we may close your account. We will take this action to protect both you and us. If you ask us we will tell you how you can access your accounts either directly or via UK Finance, the Building Societies Association or National Savings and Investments dormant account scheme. If you have money in a dormant account, it will remain your property (or if you die it will form part of your estate). If you have an Investment Account which ceases to be dormant we will write to you to confirm that your account is no longer dormant.

22. Transferring rights and obligations

We may transfer all or any of our rights in relation to your IDIA. We may also transfer any of our obligations but only to someone we reasonably consider capable of performing them and who is authorised or recognised by the FCA as being entitled to accept deposits and deal in Investments. This includes us appointing another HSBC Group company as our agent (ie to act on our behalf) for debt recovery purposes. You may not transfer any of your rights or obligations in relation to your IDIA.

23. Not enforcing the Terms

We may occasionally allow you extra time to comply with your obligations or decide not to exercise some of our rights. However, we can still insist on the strict application of the Terms later on.

24. Your statutory rights

Nothing in these General Terms will reduce your statutory rights including your rights relating to misdescribed accounts or services, the fairness of Terms on which they are provided to you, any rights you may have to close your IDIA and/or claim compensation. For further information about your statutory rights, contact your local authority Trading Standards Department, the Office of Fair Trading or the Citizens Advice Bureau.

25. Governing law and language

The Terms are governed by the laws of England and Wales. The Terms are in English and all Communications we send to you will be in English.

26. US Sharedealing

If you wish to trade in US equities, we require you to complete the relevant US Internal Revenue Service form (currently W-8BEN for all non resident aliens or W9 for all persons classified as a US person). This form will allow us to ensure that the correct amount of non resident tax, withheld at source on relevant US source income, is deducted. This form needs to be completed again every three years to comply with the Internal Revenue Service regulations.

Section 3 – Sharedealing Terms

1. Foreign exchange

You authorise us to enter into foreign exchange transactions on your behalf at our prevailing rates of exchange to enable us to execute your Client Orders. Such transactions will be made either on Instructions from you, or in the absence of such Instructions, as we think fit (either before or after termination or cancellation of the Agreement) to enable us to execute your Client Orders under these Terms.

You will not be permitted to deal in Investments until your Application has been accepted and all account opening formalities have been completed including the confirmation of your Trading Limit.

2. Trading Limit

2.1. We will confirm your Trading Limit to you in writing. This will allow you to deal in Investments with us up to a pre-determined limit within our defined Settlement Period. Thereafter, you may apply from time to time to us to increase or decrease your Trading Limit. We shall be under no obligation to grant any request to increase or decrease your Trading Limit.

2.2. Each time you Trade, your available Trading Limit will be adjusted to reflect the amount of the purchase price for that Trade (including any applicable fees and charges). The amount available to you in your Trading Limit for Trades will be affected by the length of time it takes to settle Trades following a sale or purchase of an Investment.

2.3. It is your responsibility to ensure that you do not at any time exceed your Trading Limit, unless we have expressly authorised you to do so. You must take into account any fees and charges which apply to Trades when making a Trade as these also affect your Trading Limit.

2.4. We reserve the right not to act upon an Instruction if it would result in your Trading Limit being exceeded.

2.5. If we execute a Client Order on your behalf, and you have exceeded your Trading Limit, this does not mean that we have agreed to increase your Trading Limit.

2.6. Where the available Cleared Funds held in your Nominated Account are insufficient to settle any of your purchases on the Settlement Date, we reserve the right not to act upon a subsequent purchase Instruction until such time as sufficient Cleared Funds have been made available in your Nominated Account to settle the relevant purchase(s).

2.7. If you do not have sufficient Cleared Funds in your Nominated Account to pay for any Trades you have made, you must reimburse us in full by end of the Business Day following the day on which the Trade was made. Failure to do so will put you in Default. We may serve you with a default notice, failing which we may sell any of your Investments to settle the outstanding amounts at our discretion and you authorise us to do so, as set out in more detail in clause 10 of Section 3.

3. Investment dealing service

3.1. You may only trade in Investments as defined in these Terms. We do not provide any investment advice or personal recommendations. In giving orders to us to deal in Investments, you do so in reliance on your own judgement. Independent advice should be sought if required. You warrant that any orders placed pursuant to these Terms are placed on an execution-only basis. We are not required to assess the suitability of our service to you and the protection accorded by the FCA rules on assessing suitability does not apply to this service.

3.1.1. We may not offer the full range of Investments available in the Regulated Market.

We reserve the right to remove or suspend any Investment from your IDIA if there is extreme market volatility or for any other valid reason we may tell you of. However, if you have already asked us to buy an Investment before we decide to remove or suspend that Investment from your IDIA, we will still try to execute that order for you. If you have an Investment in your Investment Account which has been suspended or removed, we may still allow you to hold or sell that Investment. If we are no longer able to support holding an Investment for you we will inform you in writing with sufficient notice before any sale of the Investment is undertaken.

We also reserve the right not to make all Investments available to all customers.

If we do include or exclude a particular Investment when providing your IDIA to you, this does not mean we are giving you any advice as to the suitability of that Investment.

3.2. You may submit your Instructions via our Website or by calling the Customer Service Centre. Please be aware that we will not accept investment instructions by any other methods, which include, by fax, email or Secure e-message. If you submit your orders via the Customer Service Centre, we will generally charge you a higher fee than for dealing via Online Banking (as stated on our Rates and Fees). During times of exceptional stock market volumes, you may experience long call waiting times due to the number of customers calling us. When you place an order, we may, in our absolute discretion, decline to accept it or subject it to conditions. We will use our reasonable endeavours to contact you personally to notify you if this happens. If the price of the relevant Investment is not in sterling, a foreign exchange transaction will be performed automatically on the execution date at our rate of exchange prevailing at the time at which the Trade was executed, as displayed on your contract note and Statement.

3.3. When we accept an order, we will use reasonable steps to achieve the Best Possible Result, but we will not be liable for any loss or expense you incur if we are reasonably unable to do so for whatever reason (including systems failures), or if there is a delay or change in market conditions before the transaction is effected. If you

place a Trade or a Client Order to buy or sell Investments and we cannot execute your order in its totality, if your order can be partially executed, we will execute it to the extent possible and the balance will be cancelled at market close or on the expiry date of the order. Subject to any applicable Laws we will not be liable for any loss suffered by you arising from partially executed or cancelled orders. Please be aware that if you place an extended Limit Order (over more than one day), and at the end of the day your order has partially executed (only some of the shares you wanted to trade were available at the price you set), the remaining balance from your original order will be placed the following day. This will occur until the expiry date of your order and you will be charged a trading fee (as set out in the Rates and Fees Page) for each day your order is partially executed.

3.4. With the exception of Fund Shares, we may provide real time or delayed prices. All prices provided by us are indicative only, unless expressed by us to be a “fixed price quote” and accepted by you in the prescribed manner within 15 seconds.

Please note however, that “fixed price quotes” are occasionally subject to change as described below. All prices provided by us relate to orders of up to the Quoted Market Size. A Client Order from you will be carried out promptly. However, occasionally a “fixed price quote” may be unavailable (for example, because the price quoted was no longer current), the market price may have moved, either in your favour or against

you, during the time between the display of the price to you and the execution of your order. In these circumstances, the “fixed price quote” will not stand. Additionally, orders above the Quoted Market Size will generally be executed at a less favourable price than orders within the Quoted Market Size. The Quoted Market Size will vary from Investment to Investment.

3.5. We will accept orders given outside Normal Market Hours. Orders accepted when a market is closed will be placed when or as soon as reasonably practicable after the market next opens.

3.6. Client Orders given during Normal Market Hours are usually irrevocable. You will only be able to cancel a Client Order if you have entered it outside Normal Market Hours and it has not already been placed with the market in accordance with clause 3.4 of this Section 3 or if you have placed a Limit Order and the limit has not been met. We will not be liable for any loss if a Client Order cannot be cancelled at your request.

3.7. There is a risk of increased price volatility when placing a Client Order when the market is closed or near to the market’s opening and you should consider placing a Limit Order.

With the exception of Fund Shares, if you place a Client Order shortly before the end of Normal Market Hours, whilst we will take all reasonable steps to arrange for your order to be executed before the market’s close, your order may not be executed in which case it will be cancelled. We will make every

endeavour to advise you of the cancellation and if you still want to buy or sell the Investments, you must place the order again. To the extent permissible under applicable Laws, we will not be liable for any loss arising from such a cancellation.

3.8. In exceptional circumstances, your order may be combined with orders of other customers or other members of the HSBC Group. This would only be done where we believe that it will be more to your advantage than if your order was executed separately. Despite this, grouping orders may sometimes result in a less favourable price for you, thus working to your disadvantage.

3.9. In the absence of any written notification from you to the contrary, we may deal for you in circumstances in which the relevant transaction is not executed on a Regulated Market or Multilateral Trading Facility or otherwise regulated by the rules of any Investment Exchange. We may in any event seek to obtain your prior consent before executing a Trade that is not governed by the rules of an Investment Exchange.

3.10. You are not permitted to short sell, (in other words, to sell any Investments that you do not already hold within your IDIA).

3.11. You may not sell Investments that you do not have in your Investment Account, but you may sell Investments that have been bought but not yet been settled, or utilise cash due from Investments that have been sold but not yet been settled.

3.12. You may enter market orders and Limit Orders although you are not permitted to place Limit Orders for Fund Shares.

A market order is an order to execute at the best price reasonably obtainable. You may place a limit order to remain open for up to 28 calendar days using our telephone service. While we try to execute Limit Orders if the limit price is reached, we cannot guarantee to deal at your given price, particularly in fast moving or volatile markets.

3.13. The following terms in this clause 3.13 apply to dealing in Fund Shares (in addition to the terms of clauses 3.1 to 3.12 of this Section 3, except where stated otherwise). In the event of a conflict between the terms of this clause 3.13 and the terms of clauses 3.1 to 3.13 of this Section 3, the terms of this clause 3.13 of this Section 3 will prevail.

3.13.1. Orders for Fund Shares received by us after 11am on a Fund Business Day will be placed on the next Fund Business Day.

3.13.2. We will accept orders received outside Fund Dealing Hours, but if we are unable to carry out such orders on that day, they will be placed on the next Fund Business Day.

3.13.3. Orders given during Fund Dealing Hours are irrevocable. You will only be able to cancel an order if you have entered into it outside Fund Dealing Hours and it has not already been placed with the Operator.

3.13.4. Orders to purchase Fund Shares shall be expressed in terms of cash to be applied in the purchase of such Fund Shares.

3.13.5. Orders for the sale of Fund Shares shall be expressed in terms of the number of Fund Shares that you wish to sell.

3.13.6. All dealings in Fund Shares are subject to the dealing arrangements and the Terms and Conditions of the Funds. The scheme particulars of the Funds together with the relevant key features documents are available on our Website and hard copies are available upon request.

3.13.7. Subject to clause 3.13.6 of this Section 3, the minimum initial investment for each Fund is £1000. The minimum subsequent investment is £100. The minimum order for the sale of Fund Shares in a particular Fund is the lower of £500 and your entire holding of Fund Shares in that Fund. We may at our sole discretion waive in whole or in part the investment restrictions referred to in this clause.

3.13.8. In accordance with clause 7.1 of this Section 3, and subject to clause 7.1.4 of this Section 3, Fund Shares will be registered in the name of an appropriate nominee company selected by us or one of our sub-custodians.

3.13.9. The prices of the Funds appearing on our Website will be based on the latest prices published by the Operator, but these will not be the current prices since the Funds deal on

a forward pricing basis (in other words, the price is fixed when the Fund is next valued after your order is placed).

3.13.10. The Operator has the right to suspend the issue and redemption of Fund Shares in certain circumstances and in the event of such a suspension we will have no liability for failure of Fund Shares being issued or redeemed in such a case.

4. Stabilisation

4.1.1. When a new issue of shares comes on to the market, stabilisation may occur. Sometimes the price of newly issued shares can drop before buyers are found. Stabilisation enables the market price of a security to be maintained during the period that the new issue is being sold to the public. It may affect the price of the new issue and the price of other securities relating to it.

4.1.2. The 'stabilisation manager' is normally the firm chiefly responsible for bringing a new issue to market. The stabilisation manager is entitled to buy back securities that were previously sold to investors or allotted to institutions that have decided not to keep them. The effect of this is to keep the price at a higher level than it would otherwise be during the period of stabilisation.

4.1.3. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy securities.

4.1.4. Stabilisation is allowed by the FCA and stabilising managers have strict rules that they must adhere to.

5. Best execution

5.1. The only duties that we owe to you in respect of achieving the Best Possible Result for your Trades are those set out in the conduct of business sourcebook located in the FCA's rules.

5.2. Your Trades will be executed in accordance with our Best Execution Disclosure Statement which is set out in Annex 3.

5.3. You agree and confirm that by agreeing to these Terms and each time you give Instructions in relation to your Financial Instruments, you consent to;

5.3.1. our Best Execution Disclosure Statement; and

5.3.2. the execution of your Trades outside a Regulated Market or Multilateral Trading Facility or Organised Trading Facility.

5.4. Where we execute deals on your behalf, you authorise us to:

5.4.1. deal with or through any counterparties, including third party brokers, as we reasonably think fit;

5.4.2. negotiate and execute contracts with third parties which we reasonably consider to be necessary (for example, third party brokers), on your behalf; and

5.4.3. otherwise act as we reasonably consider to be appropriate.

6. Client money

Where we, HSBC UK Bank plc, hold money for you, we hold it as banker and not as trustee (nor your agent, if you are in Scotland).

As a result, any money will not be held in accordance with the client money rules contained in the FCA rules. If HSBC UK Bank plc were to fail, the FCA client money distribution and transfer rules would not apply to your money and so you would not be entitled to share in any distribution made under those rules. Money held may benefit from protection under the Financial Services Compensation Scheme subject to your eligibility to make a claim under that scheme. Please refer to the General Information section of these Terms for further details.

Please also see your terms and conditions with HSBC Expat as to any compensation scheme that may apply in relation to your accounts with them.

7. Settlement and custody

7.1. Investments will be registered in the name of a nominee company and will be segregated from our property in order to protect your interests in the event that we or the nominee were to fail. We have policies and procedures in place to undertake checks and reconciliations of the records and accounts of your Investments to resolve any discrepancies which are identified and to deal with any shortfalls in your Investments. Where we are

responsible for any such shortfall, we shall purchase or borrow assets immediately at our cost to correct your position.] We have also established a trust account for the purpose of holding any such assets on trust for your benefit. Subject to the terms of the relevant trust account, we may use or apply any income arising out of such assets for our own account or otherwise at our own discretion. The protection accorded to your Investments under the FCA rules is in addition to any rights you may have, subject to eligibility, to claim compensation under the Financial Services Compensation Scheme, as set out in the General Information section of these Terms.

In relation to your Investments:

7.1.1. we do not accept Instructions from our customers to register Investments in a name specified by them;

7.1.2. your Investments will be pooled with investments we hold for other customers in a single securities account (including accounts held with a sub-custodian or Clearing System) for our customers' investments, which means that your ownership of a proportion of the Investments in the pooled account may not be identifiable by separate certificates or electronic records. However we will keep a separate record of your individual entitlement. In the event of an uncorrected shortfall on the default of a sub-custodian or Clearing System, (and save as provided in clause 13.10 of this Section 3), you may share proportionately in that shortfall; and

7.1.3 Investments will be held either by us or with such sub-custodians and/or Clearing Systems as we consider appropriate. You should note that we and any sub-custodian will have security interests or liens over, or rights of set-off in relation to, Investments or cash held with us or them. A Clearing System (or its depositories) may also have such rights. In addition, where you owe us money, and you have no cash standing to the credit of your accounts, we may act as your agent to sell Investments on your behalf and credit the proceeds of sale to your cash account. A lien is the right to treat an Investment as our or their asset and dispose of it (in our case as your agent) in order to cover a debt obligation owed.

By entering into this Agreement you agree that these types of interest may occur in two situations:

- a) A security interest, lien, right of set-off or right of sale may arise to permit us, any sub-custodian or Clearing System the right to retain, transfer into our or their name, or sell (acting as agent or as principal) your Investments and apply the proceeds to discharge any monies properly owing to us or them for the provision of custody services.
- b) A security interest, lien or right of set-off may arise where it is required by the applicable law in a non-EEA country where your Investment is held. This may be a general mandatory requirement or a requirement of the custody or Clearing System of that jurisdiction.

We will only allow your Investments to be held in this way by a sub-custodian and/or Clearing System in accordance with the Rules and when we have taken reasonable steps to determine that this is in the best interests of our clients. The periodic statement that we send you as noted in Section 1, Clause 8 will contain additional information regarding Investments held in non-EEA jurisdictions.

7.1.4 In some jurisdictions it may not be possible for your Investments which are held by a sub-custodian or Clearing System to be separately identifiable from that sub-custodian's assets, the Clearing System's assets or the assets of its other clients. Where your Investments are held in this manner:

- a) your ownership of a proportion of the assets in the pooled account will not necessarily be immediately identifiable by way of separate certificates, other physical documents or equivalent electronic records. There will be a record kept by us to assist in the identification of your Investments;
- b) in the event of the failure of HSBC UK Bank plc, a sub-custodian or Clearing System, it may be difficult or not possible to identify clearly your Investments and to transfer their custody easily to you or to another sub-custodian. If there is an irreconcilable shortfall on the pooled account, your Investments may be pooled with all the assets in the pooled account including the assets of the sub-custodian

or Clearing System and all of their clients in that pooled account. Everyone who holds assets in the pooled account may then share in that shortfall. The amount of the shortfall will be calculated in proportion to their original share of the assets in the pooled account.

7.1.5. Your investments which are subject to the law of a non-EEA member state may be held overseas. There may be different settlement, legal and regulatory requirements and different practices for the separate identification of investments from those applying in the EEA.

7.2. If you transfer Investments into your Investment Account, you will not be able to sell them until they have been transferred into our nominee name. We will not be liable for any loss you may suffer if you are able to sell any Investments that you do not have in your Investment Account or that have not yet been settled.

7.3. You authorise us to debit from and credit to your Nominated Account the necessary funds at the close of each Business Day to ensure that the balance of your Settlement Account is returned to nil.

7.4. The Settlement Date for sales of equity Investments traded on a European exchange will normally be two Business Days after the date of Trade (T+2) or three Trading Days for US equities (T+3). For all other investments the Settlement Date will be indicated on your contract note. If you buy Investments you

must at the Settlement Date have sufficient funds in your Nominated Account to settle your purchases. If you sell Investments, on the date you instruct us to sell, you must have sufficient Investments available to sell in your Investment Account and, on the Settlement Date, you must have sufficient settled Investments to settle your sales.

7.5. You will be and will remain, the beneficial owner of your Investment Account (and any other Account in your IDIA other than your Settlement Account). However, the title to any Investments held in such accounts will be registered in the name of an Associate as our nominee (subject to clauses 7.1.4 and 7.7).

7.6. Where we act for you as your agent, it is the other party to the transaction and not us who is responsible for settling the trade with you and delivery or payment (as the case may be) will be at your entire risk.

Our obligation is only to pass on to you, or to pass on as you direct, or to credit to your IDIA, such deliverable documents or sale proceeds (as the case may be) as we actually receive. Where your money is held by a third party pending the settlement of a transaction which we have executed for you, we shall be entitled to retain any interest accruing on it for our own account.

7.7. We are authorised to hold your Investments with such sub-custodians and/or Clearing Systems as we may think fit, including sub-custodians who may be

members of the HSBC Group. We remain responsible for your Investments to the full extent required by the FCA Rules.

For the avoidance of doubt, a reference in these Terms to “our nominee” includes a nominee of one of our sub-custodians.

7.8. Unless you give us instructions in relation to voting in accordance with clause 7.15 of this Section 3, you will not be sent shareholder communications. You will not receive shareholder benefits and you will not be entitled to exercise any voting rights attaching to your Investments.

Notwithstanding anything else stated in these Terms, in the absence of any specific Instructions, we will not exercise any voting rights attached to any Investments.

7.9. Entitlements received by us or a sub-custodian on your Investments will be calculated by reference to our (or the sub-custodian’s) aggregate holding of a particular Investment on behalf of all customers, us or Associates. The procedure adopted for calculating entitlements may mean we receive an aggregate entitlement greater or less than the sum of the individual entitlements we would have received, if each such person’s entitlement had been held separately.

7.10. Where such entitlement is greater, we will credit your IDIA with an amount at least equal to the amount you would have received if your entitlement had been held separately.

If you are entitled to a fraction of one share, this will be aggregated with the fractional entitlements of other customers and sold. You will receive the net proceeds from the sale on a pro-rata basis. We will be entitled to any remaining balance (which will be a fraction of one pence) for our own account.

7.11. Where such entitlement is smaller, we will credit your IDIA with an amount calculated on a pro-rata basis, which will be less (by a fraction of one pence) than the amount that you would have received if your entitlement had been held separately.

7.12. When an entitlement results in your allocation being in fractions of Investments or units of currency then we may credit the equivalent value in cash to your IDA instead of the Investment or unit of currency. If we are not able to credit your IDA with cash instead of the fractional entitlement then you agree to relinquish your interest in the fractional entitlement to us or our sub-custodian then we or the sub-custodian may donate the amount to a charity of our or the sub-custodian's choice, or pay it to an Authority or as permitted by applicable law.

7.13. We will be responsible for claiming and receiving dividends and interest payments accruing to your Investments. We will convert all money received from dividends, interest payments etc. into sterling and credit it to your Settlement Account.

We will not notify you of the dividend payments attaching to your Investments,

which will be credited to your IDIA in either cash or Investments, depending on the standing Instruction that you give us or gave to us on opening your IDIA. You can check or amend the status of your standing Instruction by contacting our Customer Service Centre.

7.14. We will use reasonable endeavours to notify you by post of any corporate action such as rights issues, takeovers, mergers etc. attaching to Investments in your Investment Account. Although there may be some situations where this is not possible, in these scenarios, we will act on your behalf and in the best interests as we see fit. Any notification will be posted as soon as possible after we have been advised by our relevant sub-custodian or Market Data Provider. We will have no liability for any losses suffered and/or expenses incurred, if after using all reasonable endeavours to contact you by post we are not able to tell you about a corporate action.

7.15. If you notify us within such period as we may specify, that you wish to exercise rights in respect of your Investments, we will use reasonable endeavours to give effect to your Instructions but only on such Terms as we may agree from time to time. Otherwise, we will take such action, or refrain from taking any action, in respect of any corporate event, as we in our absolute discretion determine (including, without limitation, arranging the disposal of any subscription rights on your behalf in such manner as we think fit).

7.16. If you give us Instruction in relation to voting, only those Instructions relating to voting rights will be accepted by us and those Instructions must relate to a single line of stock (you are not permitted to make Instructions for multiple lines of stock at the same time). Instructions will not be accepted for other shareholder benefits. We will not accept standing Instructions.

7.17. Where a corporate event results in you receiving, in settlement, an Investment that can not be held in your Investment Account, we will transfer the Investment into your name on the company's register and arrange for you to be sent a share certificate or statement of holding. Where the Investment cannot be transferred into your name we will sell your entitlement and credit the net sale proceeds to your Settlement Account.

7.18. If we are notified of any demands on Investments in your Investment Account, in respect of unpaid monies, we will use reasonable endeavours to notify you of such demands. We will satisfy such demands on such terms as you advise and are reasonably acceptable to us. Otherwise, we will not be required to take any action on your behalf and will not have any liability in respect of the consequences of a failure to satisfy demands made. However, where we are legally liable to meet such demands, we may do so and you will reimburse us immediately upon demand.

7.19. In the event of a Failed Trade, we will:

- move the money we took from your Settlement Account to effect settlement

into an appropriate bank account until we are able to source the Investment in the market;

- send you a letter telling you about the Failed Trade within two Fund Business Days of the Settlement Date; and
- inform you once the trade has settled in the market.

You will pay the same price in the event of a Failed Trade as you would have paid had the Trade been settled in accordance with the contract note. Whilst you will not be able to transfer an Investment that is the subject of a Failed Trade, you will be able to sell the Investment. The delay in obtaining the stock will not affect your ability to sell the shares, nor will it affect your rights to any entitlements associated with the ownership of shares, such as dividends, which are due to you.

8. Conflicts of interests

8.1. A summary of the HSBC policy on conflicts of interests is set out in Annex 4 at the end of these Terms. In relation to some of our services we may receive other minor benefits (but not payments) that we believe improve the quality of the service provided to you. Such benefits will be minor in nature so that they do not impact on our ability to always act in your best interests.

8.2. We will always try to act in your best interests in carrying out any transaction for your IDIA.

8.3. In some circumstances we may, without prior reference to you, (and without having to account to you for any benefit received as a result) carry out any transaction for your IDIA even though:

8.3.1. a conflict may arise between our interests or that of any of our customers and our duty to you; or

8.3.2. we act on our own behalf or as agent of an Associate; or

8.3.3. we act as agent for you and for another party to the transaction (including an Associate); or

8.3.4. it relates to Investments, the issue, offer or sale of which has been underwritten, managed or arranged by an Associate within the previous twelve months; or

8.3.5. we act for more than one investor (including you) collectively.

9. Market Data providers

9.1. The Market Data provided to you is provided by various third party sources referred to as Market Data Providers.

By using the Market Data, you acknowledge and agree that:

9.1.1. Market Data is provided solely for your individual use and may not be used in connection with the issuance, trading, marketing or promotion of investment products without a separate written

agreement between you and the Market Data Provider who owns it. You may not copy, distribute or redistribute the Market Data, including by caching, framing or similar means, or sell, resell, re-transmit or otherwise make the Market Data available in any manner to any third party. You may not store the Market Data for the purposes of creating a historical database or historical data product;

9.1.2. Market Data is and will remain the property of the respective Market Data Providers; and

9.1.3. at any time, the Market Data Providers may discontinue disseminating any category of Market Data, may change or eliminate any transmission method and transmission speed and you will not hold the Market Data Providers or us liable for any resulting liability, loss or damage.

9.2. This clause 9 is for the express benefit of the Market Data Providers and they may enforce these provisions against you.

9.3. This clause 9 will remain in effect for as long as you have the ability to receive Market Data and will survive termination of your IDIA.

9.4. The Market Data is provided "as is" and there may be delays, omissions or inaccuracies in it. We, the Market Data Providers and our and their respective employees, affiliates and agents cannot and do not guarantee the accuracy, completeness, timeliness, merchantability,

fitness for a particular purpose, title or non-infringement of the Market Data and disclaim any such express or implied warranties, to the fullest extent permitted by law.

9.5. Neither we nor the Market Data Providers, and our respective and their affiliates and agents, will be responsible for any delays, losses, costs, damages or expenses you suffer in the event of a Force Majeure, provided where relevant, that we will remedy the situation as soon as possible.

9.6. You acknowledge and agree that we are not an agent of NASDAQ Stock Market, Inc.

10. Charges over Investments

10.1. All of your Investments and money in your IDIA (other than those held within ISAs) are subject to our security interest to cover outstanding amounts (including interest and any other fees) due from you to us. If you default in paying any amount by the due date, we are, subject to the default notice referred to in clause 2.7 of this Section 3, entitled to sell any such Investments and/or use any such monies in any way we consider fit to discharge your debts.

10.2. If the IDIA you hold with us is in credit, we may use it to reduce or repay any amounts you owe on other accounts you hold with us anywhere in the same name (including any card accounts), whether or not those accounts are in the same currency.

If we choose to exercise this right:

- we will tell you why and when it has been done; and

- in doing so, we may (and you irrevocably authorise us to):
 - bring to an end any fixed deposit period applying to any of the accounts you hold with us and adjust any interest payable by the Bank; and
 - convert to sterling at the prevailing market rate of exchange any balance that is in a currency other than sterling; and in doing so we will have no liability to you.

Nothing in this clause 10.2 will prevent us from exercising at any time any other right of set-off or of combination of accounts to reduce or repay any amounts you owe us.

10.3. If either the Settlement Account or the Investment Account is in debit, we may use any other accounts you hold with us anywhere in the same name (including any card accounts) whether or not those accounts are in the same currency to reduce or eliminate the debit balance. If we decide to do so:

- we will tell you why and when it has been done; and
- in doing so, we may (and you irrevocably authorise us to):
 - bring to an end any fixed deposit period applying to any of the accounts you hold with us and adjust any interest payable by us; and
 - convert to sterling at the prevailing market rate of exchange any balance that is in a currency other than sterling; and in doing so we will have no liability to you.

Nothing in this clause 10.3 will prevent us from exercising at any time any other right

of set-off or of combination of accounts to reduce or repay any amounts you owe us.

10.4. The security created hereunder will remain in full force and effect by way of continuing security and will not be affected in any way by any settlement of account or other matter or thing whatsoever and will be in addition to any other security, guarantee or indemnity now or hereafter held by us or any other person in respect of your liabilities.

10.5. You hereby authorise us to execute and sign all such transfers, assignments, further assurances or other documents and do all such other acts and things as may reasonably be required to vest or to realise the above security, or any of it in us, or to our order, or to a purchaser or transferee, or to perfect or preserve our rights and interests in respect of the security, or for the exercise by us of all or any of the powers, authorities and discretion conferred on us by these Terms.

10.6. Unless the context requires otherwise, references in this clause 10 (however they may be worded) to action or steps that may be taken by “us” include references to any person holding any of the security or in whose name any of it may be registered.

10.7. In enforcing the security, we may sell, pledge, deposit or otherwise deal with all or any of the security, free of any interest of yours and as we in our absolute discretion think fit (without being responsible to you for any loss or reduction in price).

10.8. The net proceeds of any such dealings will be applied towards the discharge of your liabilities.

You will be entitled to any balance remaining after discharge of all liabilities. In the event of a shortfall, you remain liable for any such shortfall and will immediately pay to us the balance remaining due.

10.9. All of your Investments in your Investment Account (other than those held within an ISA) are subject to our lien.

10.10. Sections 93 (restriction of right of consolidation) and 103 (restriction of right of sale) of the Law of Property Act 1925 will not apply to these Terms.

10.11. If you fail to make any payment or to deliver any assets due to us, we may enforce the security, without prior notice or demand to you.

11. Information and communication

11.1. When you contact us

11.1.1. You may contact us by Secure e-message, by telephone to our Customer Service Centre, by post to our Administration Office and in such other ways as we may inform you from time to time.

When you contact us by secure e-message or telephone, we will check your identity using your Security Details.

11.1.2. We may, in our absolute discretion allow you to contact us by fax, except for the purposes of buying, selling or exercising rights in respect of Investments. If we allow you to contact us by fax, you do so at your own risk and we will not be held liable for, and you will be responsible to us in respect of, the consequences of our acting in good faith in accordance with any Instructions contained in such fax.

11.1.3. Unless otherwise stated in these Terms, you must not contact us by Email. If you do so, you do so at your own risk and we will not be held liable for, and you will make good any loss to us in respect of, the consequences of our acting in good faith in accordance with any Instructions contained in such Email.

11.1.4. For security purposes, we may ask you to confirm in writing Instructions given to us via our Website or by telephone or carry out such further security checks as we deem appropriate before carrying out your Instructions.

11.2. When we contact you

11.2.1. When we say we will contact you personally, we may do so by post, telephone (including mobile phone), email, mobile messaging, (if you are registered for the Website) Secure e-message, a message on your Statement, or in any other way that will be sent to you individually.

11.2.2. If you are a Web-Based Account holder you agree that for the purposes of

sending you any Communications or other documentation relating to your IDIA, such as Statements and contract notes in respect of your Investments, we may subject to any regulatory requirement to use a particular manner send such documentation in electronic form only. We will send you paper Statements as set out in clause 8 of Section 1. Contract notes (trade confirmations) will be dispatched to you by Secure e-message on the Business Day following the day on which the Trade was made. You may ask for paper copies by telephoning on the number at the front of this document.

11.2.3. We will inform you of any changes in our contact details. Please tell us as soon as you can if you change your name, address, telephone, Email address (if applicable) or any other details. We will not be liable for Communications or Statements sent to you using your old details prior to our receipt of your new details in accordance with this clause 11.2.

11.2.4. To ensure we carry out your Instructions accordingly, to help us continually improve our service and in the interest of security, we will record and/or may monitor your telephone calls with us and keep records of Secure e-messages, Emails and other internet Communications.

11.2.5. Any news, prices and other information given to you or displayed on our Website is or are provided solely to enable you to make your own investment decisions and do not constitute personal investment recommendations or advice.

11.2.6. We cannot provide taxation advice.

11.2.7. We do not make any representation as to the completeness, accuracy or timeliness of such information nor do we accept any liability for any losses, costs, liabilities or expenses which may arise directly or indirectly from use of, or reliance on, the information. Such information is not an offer or solicitation by us to buy, sell or otherwise deal in any particular Investment.

11.2.8. The information is and remains our property, the property of our licensors or the property of Market Data Providers and is protected by copyright and other intellectual property laws.

12. Your obligations

12.1. You agree and confirm to us each time you use InvestDirect International, that:

12.1.1. you are not in any way legally or otherwise restricted or prohibited from making a transaction or otherwise using our services;

12.1.2. these Terms and each transaction hereunder are your valid and legally binding obligations (and/or the obligations of the person(s) on whose behalf you are acting);

12.1.3. your entering into and performance of these Terms and each transaction hereunder does not violate, contravene, conflict with or constitute a default under any law, regulation, rule, judgment, contract or other instrument binding on you or any of your assets (and/or of

the person(s) on whose behalf you are acting); and

12.1.4. in accepting these Terms, we have not made, and you are not relying upon, any statements, presentations, promises or undertakings that are not contained herein;

12.2. You accept full responsibility for monitoring your IDIA. You should notify us as soon as possible in writing if you become aware of:

12.2.1. the failure by you to receive a message from us indicating that an order was received, rejected and/or executed or any such message becoming distorted or wrongly transmitted due to defects in the network where you use our internet service; or.

12.2.2. any inaccurate information in your IDIA, payment, balances, records or assets or money held or transaction history.

12.3. You should not access your HSBC InvestDirect International Account from another country if it is not permissible to do so in that country. You acknowledge that it is your responsibility to check that this is not the case and we will not be liable for your failure to do so.

12.4. If you buy or sell Investments during an offer period in either a target or bidder company involved in a takeover, you may be required to report details of your dealings to the Takeover Panel if you own or control 1% or more of the company's securities. It is

your responsibility to make any such report or any similar report in analogous circumstances concerning a US company.

13. Liability

13.1. Subject to clause 10 of Section 1 - the General Terms,

13.1.1. neither we nor our directors, officers or employees will be responsible to you for losses you suffer unless they are caused by our (or their) breach of the Terms or our (or their) negligence, fraud, or wilful default in relation to your IDIA and

13.1.2. subject to Annex 5, clause 13.6 of this Section and clause 9 of Section 2, neither our Associates, agents or licensors nor any of their directors, officers or employees will be responsible to you for losses you suffer in relation to these Terms.

In any case, no person will be liable for any losses they could not reasonably have expected to occur.

13.2. We will not be liable to you if we do not act on your Instructions for any reason set out in the Agreement or if we cannot carry out our responsibilities to you because of any cause that we or our agents or sub-contractors cannot reasonably control. This exclusion includes any losses arising from the unavailability of the relevant network to users of our internet services, or data entered through or data becoming scrambled, lost or wrongly communicated in transmission.

This may be due to defects in the network, direct or indirect failure of power supplies, equipment, data processing and communication systems or transmission links. This exclusion also includes any losses arising because of strike or other industrial action to the extent that such matters are outside our or their reasonable control.

13.3. From time to time we may have to shut down our Website to enable us to perform essential work on, or major upgrades to, our service. We will make every effort to keep disruption to a minimum and to notify users of Web-Based Accounts in advance if such shut down becomes necessary.

13.4. If you default in paying any amount due, interest and Associated administrative and recovery costs will be payable by you on demand, at the rate from time to time published in our Rates and Fees Page.

13.5. All transactions are subject to the rules and customs of the relevant exchange, market and/or clearing house and to any other applicable rules, regulations and/or laws so that:

13.5.1. if there is any conflict between such rules and these Terms, the former will prevail;

13.5.2. we may take or omit to take any action we think appropriate to ensure compliance with such rules; and

13.5.3. such rules and any such action we take will be binding on you.

13.6. Nothing in these Terms excludes or restricts any obligation we have to you under FCA rules and/or the Financial Services and Markets Act 2000 or requires you to exempt or make good any loss to us against any breach by us of such an obligation.

13.7. If any provision of these Terms is held to be invalid or ineffective, it will not affect any other provisions.

13.8. Any of our services may be provided using the services of third parties, including our affiliates, who may act as a delegate or agent for us on such Terms as we think appropriate. We may do whatever we consider necessary or desirable for or incidental to the provision of our services.

13.9. We will not be deemed to have accepted any amendments to these Terms unless we agree otherwise in writing.

13.10. We accept liability for any sub-custodian or nominee company that is a member of the HSBC Group when they act as such. We will remain responsible for the acts or omissions of other sub-custodians to the extent of our own negligence, fraud and wilful default and to the full extent required by the FCA rules. We will not otherwise be liable for any losses suffered and/or expenses incurred as a result of Investments or cash being held with a Clearing System.

13.11. Please note, however, that applicable laws and regulatory requirements prevent us from conducting certain activities or taking on

certain liabilities. As a result, we are not able to accept responsibility for the acts and omissions of:

- a) other HSBC entities that may provide you with execution and dealing services as contemplated by Annex 3. (Please also see Annex 5 which provides further information on this front); or
- b) HSBC Expat; for example, where they provide you with banking or other services as contemplated by this Agreement.

13.12. In the event of the insolvency of a Clearing System or of a sub-custodian or nominee company that is not a member of the HSBC Group, we will not be liable except to the extent of our own negligence, fraud or default.

13.13. In the event at any time that we consider you have broken the Terms, we may without notice:

13.13.1. treat any outstanding Client Order as having been cancelled and terminated;

13.13.2. arrange the sale of Investments to realise funds to cover any outstanding amount;

13.13.3. close out, replace or reverse any transaction or take, or refrain from taking, such other action at such times and in such manner as we consider necessary or appropriate to cover, reduce or eliminate loss or liability under or in respect of any contract, positions or commitments.

Annexes

Please read thoroughly

ANNEX 1

IMPORTANT INFORMATION

We are regulated by the FCA. A share is an instrument representing a shareholder's rights in a company. When purchasing a share, you are, through our nominee company, becoming a co-owner of the company, you therefore participate in its development as well as in chances for profits and losses, which makes it difficult to forecast the precise yield on such an Investment. An extreme case would be if the company becomes insolvent, thereby eroding the total sums invested.

The value of your stocks and shares and those referred to on our Website and the income from them can go down as well as up and you may not get back the amount you originally invested. This may also happen as a result of changes in the rate of exchange where overseas securities or securities denominated in a currency other than sterling are held. Any investment should be considered as a medium to long-term investment (i.e. at least five years).

Past performance is not an indication of future performance. There is an extra risk of losing money when shares are bought in Alternative Investment Market (AIM) companies including penny shares. There is a big difference between the buying price and the selling price of these shares. If they have

to be sold immediately, you may get back much less than you paid for them. The price may change quickly and it may go down as well as up.

Any tax information we provide is based on our understanding of current law and HM Revenue & Customs practice. Both law and practice may of course change. Your tax liability will depend on your own individual circumstances, including your country of residence for tax purposes. If you are unsure about your own situation, you should seek appropriate professional advice.

The Operators of the Funds may ask applicants to provide additional information and documents regarding proof of identity and other information required by relevant money laundering laws. You will provide us with such information as may be necessary to comply with such requirements and you acknowledge that the Operators reserve the right to refuse applications for Fund Shares and that we will have no liability for the consequences of not being able to place an order, due to the fact that the Operator has refused the application.

Our website: Disclaimer of warranty and limitation of liability

Our Website is intended for use by retail customers and not for professional purposes and, by accessing our Website, you represent that you are using it for such purposes. We reserve the right to terminate your access if this is not the case. Nothing in our Website constitutes a solicitation or

recommendation by us or any other person to buy, sell or hold any security, financial product or financial service or otherwise for the purpose of making a public offer of the same. The information on our Website is provided "AS IS". The information on our Website is obtained or compiled by third parties and provided by us in good faith. Although it is provided by us in good faith, we cannot be responsible for its accuracy; however, if we become aware that such information is incorrect, we will change it as soon as we are able to.

The information available on our Website is subject to change without notice. We expressly disclaim any obligation to keep the information on our Website up to date, free of errors or viruses or to maintain uninterrupted access. We may stop producing or updating any part of our Website without notice. Access to and use of our Website is at your own risk. We do not warrant that the use of our Website or any material downloaded from it will not cause damage to any property, including but not limited to loss of data or computer virus infection.

Our sharedealing and investment service is an execution-only service. Nothing on our Website or in other documentation provided to you constitutes investment, legal, accounting, or tax advice, nor a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Before entering

into a transaction in respect of an investment referred to on our Website or otherwise, you should consult your own investment advisers as to its suitability for you. We bear no responsibility or liability for your use of any third party vendor's software, products, services or equipment in connection with your access and use of our Website.

In no circumstances will we be liable for any decision made, action or inaction taken by you in reliance on any information or data on our website.

Reservation of rights

All content and information contained within our Website or delivered to you in connection with your use of our Website is the property of ourselves and other third parties. The trade mark, trade names and logos (the "Trade Marks") used and displayed on our Website or otherwise are registered and unregistered Trade Marks of ourselves and other third parties. Nothing on our Website or otherwise should be construed as granting any licence or right to use any Trade Mark. We do not waive any of our proprietary rights in our Website. You are entitled to view, copy and print documents from our Website solely for your own non-commercial use, provided that you do not remove any copyright or other proprietary notices. You may not sell, publish, reproduce, sublicense, assign, modify or change (by use of an html "frame" or otherwise) any portion of our Website or any content and information contained within our Website without our prior written consent.

Use of links

Should you leave our Website via a link contained in our Website and view content that is not provided by us. You will do so at your own risk.

We provide links only as a convenience and without liability. The ability to link to another website and the fact that a link exists does not mean that we endorse or guarantee such site, the site sponsor or the site contents. In addition, be aware that when you leave our Website, you will be subject to the terms of use and privacy policies of the new website which you are visiting.

Cookies

In order to improve your use of our site, we use "cookies" to track your visit. A cookie is a small amount of data that is transferred to your browser by a web server. It functions as your identification card. We use cookies to track your visits to our Website.

ANNEX 2

SECURITY INFORMATION

We are committed to the privacy and security of your Personal Information.

We keep your Personal Information secure by ensuring that:

- The public (pre-login) areas of our Website do not contain any of your Personal Information.
- The secure area of our Website supports the use of strong encryption (128 bit SSL). To take advantage of this level encryption, you will need to use a browser that supports that level of encryption.
- Our web servers are protected behind "firewalls" and our systems are monitored to prevent any unauthorised access. As an extra measure of security, your data is stored on separate computers from those used to serve web pages.
- We will not send Personal Information to you by Email. As the security of Email cannot be guaranteed, you should only send Emails to us using the Secure e-messaging facility through the InvestDirect International website. In particular, to prevent unauthorised access to your data, you should take care when opening Emails from sources that are not otherwise known to you.

Please note that we cannot guarantee confidentiality of Emails that are not sent using our secure e-messaging facility within OB.

ANNEX 3

BEST EXECUTION DISCLOSURE STATEMENT

1. Purpose and scope

This Best Execution Disclosure Statement provides a summary of the steps we will take to achieve the Best Possible Result for Client Orders, taking into account the factors set out below, under our Execution Policy.

Please also note that dealing we conduct for you as contemplated by these Terms will involve us (acting as your agent) executing deals with third parties on your behalf – e.g. to buy and sell Investments for you. It will also involve us engaging another company in our group (HSBC Bank plc) to provide you with certain dealing and execution services. For more information on this, please see Annex 5.

2. Best execution factors

When executing Client Orders, we will take all sufficient steps to achieve the Best Possible Result on a consistent basis, taking into account a range of factors which include price; cost; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of Client Orders.

Price and execution costs will be paramount although other factors such as the type of Client Order, the type of Financial Instrument and the choice of Execution Venue will also

be considered where necessary to achieve the Best Possible Result. If applicable, any Execution Venue costs will be disclosed to you.

3. Execution venue

In certain cases, HSBC Bank plc will be the Execution Venue for Client Orders. In other cases, we will either choose another Execution Venue or route the transaction through HSBC Bank plc's Global Banking and Markets division which will choose the Execution Venue. You agree that Client Orders may be executed off a Regulated Market, Multilateral Trading Facility or Organised Trading Facility. Where we do execute a Client Orders other than on a Regulated Market, Multilateral Trading Facility or Organised Trading Facility there may be an increase in counterparty risk. If you have any questions regarding the consequences for such Client Orders please contact us using the details given at the beginning of these Terms.

In selecting any Execution Venue, consideration is given to the cost of executing, liquidity available for the Financial Instrument, the speed of execution, reliability, continuity of trading, the creditworthiness of the Execution Venue and the quality of any related clearing and settlement facilities.

Execution Venues

UK and European Equities

HSBC Bank plc (acting through its Global Banking and Markets division).

US equities

HSBC Securities (US) Inc. will execute as agent on AMEX, NASDAQ, NYSE and any selected multilateral trading facilities.

UK, European and US Bonds

HSBC Bank plc will execute usually via Tradeweb or Bloomberg using a panel of HSBC Bank plc approved market makers typically sourcing the best price from Barclays Bank, Deutsche Bank, HSBC Bank (Global Banking and Markets Division), Lloyds Bank and Winterflood Securities and in some case may use Citigroup Global Markets, Daiwa Capital Markets Europe Limited, JP Morgan Securities, Mizuho International PLC and Nomura Bank International PLC. Where HSBC Bank plc executes a bond order through its Global Banking and Markets division the order will be executed as principal. In all other cases the order will be executed on an agency basis.

Unit trusts and OEICs

The authorised corporate director or fund manager of the relevant unit trust or OEIC.

We keep our choices of Execution Venue under regular review. Execution Venues may vary depending on market conditions from the ones listed above. Where we use a single internal Execution Venue this choice is kept under review to ensure that their execution arrangements continue to meet the Best Possible Result obligation that we owe to you.

Information regarding execution and the top five Execution Venues for each class

of Financial Instrument can be accessed via our website hsbc.co.uk. For unit trusts and OEICs the fund manager is the relevant Execution Venue.

4. Limit Orders

Where you have placed a Limit Order in an Equity Investment admitted to trading on a Regulated Market and the Limit Order is not immediately executed under prevailing market conditions; we will make your Limit Order public to ensure that it is executed at the earliest opportunity, unless you instruct us otherwise.

There is no requirement for a Limit Order to be made public if it involves Fund Shares which are not admitted to trading on a Regulated Market, or if it is significantly larger in scale compared with the normal market size.

5. Specific instruction warning

We will only execute your instruction as set out within these Terms and we will process your order in accordance with our Execution Policy. We are not able to accept any additional specific instructions you give us as to how to execute an order e.g. to use a specific broker or Execution Venue.

6. Effective date, review, amendments and monitoring

This Best Execution Disclosure Statement is reviewed at least annually. Where necessary we may amend it where a material change has occurred. We will inform you of any changes either in writing or by publishing

the amended Best Execution Disclosure Statement on our Website.

We will also monitor our effectiveness in achieving best execution of our Client Orders on a regular basis.

You may ask us at any time in the seven years following a Client Order to provide confirmation of how we obtained the Best Possible Result for the Client Order.

ANNEX 4

POLICY ON HSBC CONFLICTS OF INTEREST

The HSBC Group is a global organisation which provides a wide range of financial services. As such, it, or a company with whom it has an association (HSBC), may from time to time have interests which conflict with its clients' interests or with the duties that it owes to its clients. These include conflicts arising between the interests of HSBC, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients themselves.

HSBC has established procedures which are designed to identify and manage such conflicts. These include organisational and administrative arrangements to safeguard the interests of clients. A key element of this policy is that persons engaged in different business activities involving a conflict of interest must carry on those activities independently of one another.

Where necessary, HSBC maintains arrangements which restrict the flow of information to certain employees in order to protect its clients' interests and to prevent improper access to client information.

HSBC may also deal as Principal for its own investment account and maybe matching transactions with another client. Procedures are in place in order to protect the client's interest in this instance.

In some cases, HSBC's procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, HSBC may consider it appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, HSBC may decline to act in any circumstance where there is residual risk of damage to the interests of any client.

You may have further questions which relate to the underlying procedures within HSBC. In such cases you should contact the Client Enquiry team, who will direct your query accordingly.

ANNEX 5

YOUR RIGHTS AND RESPONSIBILITIES

We (HSBC UK Bank plc) will act as your agent in engaging another company in our group (HSBC Bank plc) to provide you with certain dealing and execution services for the purposes of the Agreement. These services will be provided under a terms of business between us and HSBC Bank plc, as amended from time to time (Terms of Business).

In this Annex, we have set out some information about your rights and responsibilities in relation to this Terms of Business, and your relationship with HSBC Bank plc generally, which is important for you to read and understand:

- The Terms of Business is a legally binding contract between us (acting as your agent and on your behalf) and HSBC Bank plc.
- Under that contract, HSBC Bank plc will be entitled to treat us (and not you) as its client for certain regulatory purposes. But because we are entering into the contract as your agent and acting on your behalf, you will still be a party to the contract as a matter of law.
- As a result, you will be bound by the terms of the contract, and you will also be entitled to enforce the contract if it is breached by HSBC Bank plc. In other words, you will have the right to make a legal claim against HSBC Bank plc directly, rather than having to go through us.

- If you want more information about what the Terms of Business say, please let us know and we will send you a copy of the Terms of Business in force as at that time.
 - Applicable laws and regulatory requirements prevent us from conducting certain activities or taking on certain liabilities. As a result, we are not able to accept responsibility for the acts and omissions of HSBC Bank plc when it provides execution and dealing services under the Terms of Business. But if you have any concerns or complaints on this front at any time, please let us know straight away and we will explain how these can be dealt with.
 - You should also be aware that, if you are ever dissatisfied with HSBC Bank plc's services, you always have the right to submit a complaint to it directly. Further details regarding its complaints procedures are available from us on request.
 - If you are not satisfied with the way in which HSBC Bank plc deals with a complaint you have made, then you may be able to refer it to the Financial Ombudsman Service. Further information is available from us on request or from the Financial Ombudsman Service itself at South Quay Plaza, 183 Marsh Wall, London E14 9SR (www.financial-ombudsman.org.uk).
 - HSBC Bank plc is also covered by the Financial Services Compensation Scheme (FSCS). You may be eligible to compensation from the scheme if you have a valid claim against HSBC Bank plc in respect of investment business and it cannot meet its obligations, due to insolvency. Most types of investment business will be covered.
 - Under the Terms of Business, HSBC Bank plc may ask us to obtain from you certain information, documents or materials (for example, where these are requested to enable HSBC Bank plc to comply with applicable laws or regulatory requirements, or its internal policies and procedures). If we ask you to give us something for this reason, you will need to provide it to us as quickly as possible, and make sure it is complete, correct and up to date.
 - Please note that nothing in the Agreement or the Terms of Business is intended to or shall limit or exclude any rights or remedies you have under the general law or any regulatory regime. To be clear, this includes any rights you may have against HSBC Bank plc under the Consumer Rights Act 2015 or section 138D of the Financial Services and Markets Act 2000 (in each case, as in force from time to time).
- To explain further how section 138D may be relevant in practice:
- We are under a regulatory duty to take all sufficient steps to obtain the best possible result for you when executing orders on your behalf. This is known as "best execution". This is in addition to any contractual obligations we may owe you.

- We will categorise you as a retail client for the purposes of the FCA rules. This means we will have a regulatory duty to provide you with “retail quality” best execution – i.e. in general terms, when executing orders for you, we have to determine what the best possible result is in terms of price and cost.
- If this duty is breached, you may have a right to take action against us under section 138D of the Financial Services and Markets Act. In general terms, section 138D can give private persons a right to take action if they suffer loss because a relevant firm has breached certain rules made by the FCA.
- Over and above this, HSBC Bank plc will also have obligations under the Terms of Business. For example, it will be subject to a contractual obligation to provide you with “retail quality” best execution. Accordingly, depending on the circumstances, if there is a breach on this front, you may also have a right to take action against HSBC Bank plc for this breach, although this will be under the law of contract, rather than under section 138D as explained above.

If you have any questions about the information set out in this Annex, please do not hesitate to let us know and we will do our best to help.

Complaints

If you are unhappy in any way with our products and services then please let us know. On receipt of your complaint, we will send you a copy of our leaflet "Listening to your comments", which explains how we will handle your complaint. A written copy of our complaint procedures is available on request. If we cannot resolve your complaint in the first instance, you can refer it to:

Financial Ombudsman Service
Exchange Tower E14 9SR
Telephone: 0800 0234567 or to call from abroad +44 20 7964 0500
Email: complaint.info@financial-ombudsman.org.uk
Website: <http://financial-ombudsman.org.uk/contact/>

The Financial Ombudsman Service will generally review complaints from retail customers. However, their criteria for reviewing complaints may mean that even if you have been categorised by a provider of products and services as a retail client, they may not regard you as an eligible complainant. Complaining to the ombudsman will not affect your legal rights.

We offer many services for our disabled customers. For more information call us on 03457 404404 (Textphone 03457 125563). Lines are open 8am to 10pm every day (excluding Christmas Day, Boxing Day and New Year's Day) in the UK or 03456 006161 (Textphone 1 800 1 03457 125563) in the Channel Islands and Isle of Man.

To help us continually improve our service and in the interests of security we may monitor and/or record your telephone calls.

General Information

HSBC UK Bank plc is covered by the Financial Services Compensation Scheme (FSCS). You may be eligible to compensation from the scheme if you have a valid claim against us in respect of investment business and we cannot meet our obligations. Most types of investment business are covered. Your eligible deposits (including cash balances in your settlement account) are covered separately by the FSCS. The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to the current FSCS limit for deposits. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, each depositor would have a separate claim up to the FSCS deposit limit and so the maximum amount that could be claimed in total would be twice the current FSCS deposit limit. The FSCS deposit limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

First Direct and HSBC are both trading names of HSBC UK Bank plc and customers who hold deposits under both trading names will only be eligible for one claim of up to the FSCS deposit limit in total in respect of all amounts held by HSBC UK Bank plc. For further information about the compensation provided by the FSCS (including the amounts

covered and eligibility to claim) please refer to the FSCS website www.FSCS.org.uk or call the FSCS on 0800 678 1100 or 020 7741 4100. Please note only compensation related queries should be directed to the FSCS.

HSBC UK Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Further information and contact details for the Financial Conduct Authority can be found on its website at <https://www.fca.org.uk/> and for the Prudential Regulation Authority on its website at <https://www.bankofengland.co.uk/prudential-regulation>.

HSBC UK Bank plc is established at 1 Centenary Square, Birmingham, B1 1HQ, which is its registered office. Company House number: 09928412.

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www.expat.hsbc.com/1/2/sharedealing

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