

HSBC Child Trust Fund

Terms and Conditions

Important Information

These are the Terms for your HSBC Child Trust Fund and you are advised to read them carefully. These Terms will come into force on the Effective Date. The Terms of the Application Form, Key Features Document, Simplified Prospectus and accompanying brochure, if any, also form part of these Terms.

These Terms amend the terms of any agreement we may previously have entered into with you in respect of your HSBC Child Trust Fund.

1. Definitions

In these Terms:

“Administrative Office” means HSBC Trust Company (UK) Limited, Frobisher House, Nelson Gate, Commercial Road, Southampton, SO15 9DF or such other address notified to you from time to time.

“Application Form” means a properly completed application form to open an HSBC Child Trust Fund; to transfer an existing Child Trust Fund to us; or to become the new Registered Contact of the HSBC Child Trust Fund in accordance with these Terms, the Rules and the Regulations.

“Associated Company” means any company in the same ‘group’ as the CTF Provider 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.

“Best Possible Result” means the best possible result for a purchase or sale of Shares in order to comply with our best execution obligations under the Rules.

“Birthday Year” means the year beginning on the date the Child is born and ending on the day before the Child’s next birthday.

“Business Day” means any day on which we are open for business.

“Cash Account” means a deposit account in the name of the child with HSBC Bank plc into which Subscriptions and Credits received from HM Revenue & Customs are paid.

“Child” means the Child specified in the Application Form and in whose name the HSBC Child Trust Fund is held.

“Client Money” means money we hold in our name, on the Child’s behalf, in relation to the HSBC Child Trust Fund. Such money is identified as Client Money and is segregated from our money.

“Credits” means any money received from HM Revenue & Customs for investment in your HSBC Child Trust Fund.

“CTF Provider”, “we”, “us”, “our” or “ourselves” means HSBC Trust Company (UK) Limited, a member of the HSBC Group, whose registered office is 8 Canada Square, London E14 5HQ. HSBC Trust Company (UK) Limited is authorised and regulated by the Financial Services Authority.

“Effective Date” means the Business Day upon which we accept both your Application Form and the information set out in Clause 3.4(i) from the Child Trust Fund Voucher.

“Eligible Child” means a child born on or after 1 September 2002 and in respect of whom a person is entitled to child benefit or any other benefit that may replace it.

“Execution Policy” means our internal policy setting out how we will deliver the Best Possible Result for purchases and sales of Shares.

“Fund” means the HSBC UK Growth & Income Fund, a sub-fund of an Open-Ended Investment Company.

“HM Revenue & Customs” means the Commissioners of HM Revenue & Customs.

“HSBC Child Trust Fund” means the HSBC Child Trust Fund (consisting of a Cash Account, an Investment Account and an Overflow Account) opened in accordance with these Terms, the Application Form and, in respect of the Cash Account and the Investment Account, the Rules and the Regulations.

“HSBC Group” means HSBC Holdings plc and its subsidiaries, associated and affiliated companies.

“Investment Account” means the account with HSBC Trust Company (UK) Limited in which Shares purchased in the Fund are held.

“Lifestyling” means an investment strategy that aims to reduce the volatility in the value of investments held in the HSBC Child Trust Fund.

“Maximum Subscription Limit” means the limit set by HM Revenue & Customs for Subscriptions into your Child Trust Fund in each Birthday Year. This is specified in the Regulations and may change. It is in addition to the contributions from HM Revenue & Customs.

“Open-Ended Investment Company” means HSBC Investment Funds.

“Overflow Account” means a deposit account in the name of the Child with HSBC Bank plc. Subscriptions received over the Maximum Subscription Limit for a Birthday Year will be deposited in to this account. It is not covered by the Regulations.

“Registered Contact”, “you” or “your” means the person who applies to open a Child Trust Fund, either the Child or a Responsible Person as appropriate, or any other person who subsequently becomes the Registered Contact of the Child Trust Fund.

“Regulations” means the Child Trust Fund Act 2004 and the Child Trust Fund Regulations 2004 (as amended or replaced from time to time).

“Responsible Person” means a person who has parental responsibility in respect of the Child and is not a local authority or a person under sixteen. Parental responsibility has the meaning given to it in the Children’s Act 1989, the Children (Northern Ireland) Order 1995 or the Children (Scotland) Act 1995.

“Rules” means the rules of the Financial Services Authority that apply to your HSBC Child Trust Fund.

“Shares” means shares in the Fund.

“Subscriptions” means any amount received by us for payment into the HSBC Child Trust Fund but not including Credits received from HM Revenue & Customs.

“Terms” means these terms and conditions.

“Voucher” means the voucher issued in respect of each Eligible Child by HM Revenue & Customs to the person entitled to child benefit in respect of the Child, which is to be invested in a Child Trust Fund.

2. Appointment

2.1 You appoint us as the CTF Provider to manage your HSBC Child Trust Fund in accordance with these Terms, your Application Form, the Regulations and the Rules.

2.2 You authorise us to undertake any functions required of a Child Trust Fund provider under the Regulations on your behalf and to comply with any other legislation or regulation or Government publication that may affect or be in any way connected with the HSBC Child Trust Fund now or in the future.

2.3 We may appoint another member of the HSBC Group as Child Trust Fund provider in our place. If this happens,

that other HSBC Group company will manage the HSBC Child Trust Fund in accordance with these Terms.

3. Opening the HSBC Child Trust Fund

3.1 A Child Trust Fund can only be held in the sole name of an Eligible Child. Each Eligible Child can only have one Child Trust Fund.

3.2 An application can be made by a Responsible Person to open a Child Trust Fund for an Eligible Child if the Eligible Child is under sixteen. Where the Eligible Child is sixteen or over, only the Eligible Child can apply to open a Child Trust Fund. In either case, the application must be made and received by us not later than the expiry date shown on the Voucher.

3.3 We will open the HSBC Child Trust Fund on the date of the last of the following conditions:

i) we receive the following details which are included on the Voucher from you:

- a) its expiry date; and
- b) the amount of the initial contribution; and
- c) where the date of birth on the Voucher is different from the actual date of birth of the Eligible Child, the date of birth shown on the Voucher.

ii) you provide us with an Application Form which includes a declaration as required by the Regulations, or, where the application is not made in writing, you have agreed or are treated as having agreed the content of a copy of the declaration (please see Clause 3.4);

iii) the cancellation period has expired (please see Clause 4).

3.4 Where you apply over the Internet, we will display a copy of the Application Form and declaration to you at the end of the application process, which you should print out for your records. By submitting the Application Form to us over the Internet you are confirming you agree with the contents of the Application Form and declaration.

3.5 We will send the details you have provided to us from the Voucher to HM Revenue & Customs so that they may send us the Credit specified on the Voucher for payment into the HSBC Child Trust Fund.

3.6 If you have indicated on the Application Form that the date of birth of the Eligible Child is different on the Voucher to their actual date of birth, we will open the HSBC Child Trust Fund with the date of birth shown on the Voucher but you must contact the Child Trust Fund Office on 0845 3021470, or by post to HMRC CTF Office, Waterview Park, Mandarin Way, Washington, NE38 8QG.

3.7 The HSBC Child Trust Fund will be opened in the name of the Child.

3.8 The HSBC Child Trust Fund is a stakeholder account in accordance with the Regulations.

4. Cancellation

4.1 You have 14 days from the date we accept your application to tell us if you want to cancel. If you do wish to cancel then you should do this by writing to us at our Administrative Office.

4.2 We will not open the HSBC Child Trust Fund during the 14-day cancellation period. We will open the HSBC Child Trust Fund account at the end of the 14-day period, or the next available Business Day, provided we have all other information/ documentation we need to open it.

4.3 If you choose not to cancel, we will open the HSBC Child Trust Fund for you and you will be subject to all investment risks and charges as detailed in this document.

5. Subscriptions

5.1 We cannot accept any Subscriptions to the HSBC Child Trust Fund until it has been opened. If we do receive Subscriptions before the HSBC Child Trust Fund is open, we will hold these as Client Money until it is opened. If, for any reason, the HSBC Child Trust Fund is not opened we will send a cheque for the amount of any Subscriptions we have received to the Registered Contact payable to the Child.

5.2 Any person may make Subscriptions to the HSBC Child Trust Fund (excluding the Overflow Account regarding which, please see Clause 5.5) up to the Maximum Subscription Limit. If the Maximum Subscription Limit for a Birthday Year does change then we will notify you in the annual statement following the announcement from HM Revenue & Customs.

5.3 The Maximum Subscription Limit will apply to each Birthday Year and any unused amount cannot be carried forward to any future Birthday Years (please also see Clause 5.5).

5.4 Subscriptions to the HSBC Child Trust Fund can only be made in sterling by cheque, direct debit, standing order or direct credit. The minimum amount that can be subscribed on a single occasion is £10. Regular Subscriptions of £10 per month or more can also be made into the HSBC Child Trust Fund. Before these subscriptions can be invested, there will have to be cleared funds in the Cash Account. Subscriptions that have cleared into the Cash Account will normally be used to purchase Shares in the Fund within two Business Days.

5.5 If we receive Subscriptions in excess of the Maximum Subscription Limit then we will place these Subscriptions into the Overflow Account. Money in the Overflow Account will be automatically transferred to the Cash Account at the start of the next Birthday Year. If the money in the Overflow Account is in excess of the Maximum Subscription Limit for that next Birthday Year, it will remain in the Overflow Account and will be applied to the Cash Account in subsequent Birthday Year(s).

5.6 You must tell all persons who want to subscribe to the HSBC Child Trust Fund that:

- i) the money they subscribe will be a gift to the Child and cannot be repaid to them; and
- ii) if the Maximum Subscription Limit has been reached for that Birthday Year, then their money will still be a gift to the Child and this cannot be repaid to them.

Instead it will be placed in the Overflow Account to be invested into the HSBC Child Trust Fund at the start of the next Birthday Year or, alternatively, paid to the Child on their eighteenth birthday as appropriate (please see Clause 18.4).

5.7 We will only make the first purchase of Shares in the Fund once we have received the initial Credit from HM Revenue & Customs. Once this credit has cleared into the Cash Account, we will normally purchase Shares in the Fund within two Business Days.

5.8 Purchases and sales of Shares will be executed in accordance with our Best Execution Disclosure Statement which is set out in Annexe 1 at the end of these Terms.

5.9 You agree and confirm that for such time as we are appointed as the Account Manager to manage your Account, you will be deemed to have consented to:

- i) our Execution Policy (as such term is defined in our Best Execution Disclosure Statement);
- ii) the execution of your instructions for the purchase or sale of Shares outside a regulated market or multilateral trading facility (as such terms are defined in the Rules).

6. Custody (safeguarding and administering assets)

6.1 Your HSBC Child Trust Fund investments will be “pooled”. This means that they will be registered collectively together with investments made by other investors in the same nominee name.

6.2 Your individual entitlements may, therefore, generally not be identifiable by separate certificates, other physical documents of title or equivalent electronic record. In the event of an unreconcilable shortfall after default by us, or a nominee, investors may share in that shortfall in proportion to their original share of assets in the pool.

6.3 We are authorised to hold your investments with such sub-custodians as we may think fit, including sub-custodians who may be members of the HSBC Group.

7. Management and Operation of the HSBC Child Trust Fund

7.1 We will manage the HSBC Child Trust Fund at all times in accordance with the Rules, the Regulations and the Terms. We can only accept instructions in respect of the management of the HSBC Child Trust Fund from the Registered Contact.

7.2 Where the Child is under sixteen the Registered Contact will be the single Responsible Person. Where the Child is over sixteen, only the Child can be the Registered Contact.

If the Child does not become the Registered Contact when they reach sixteen then the HSBC Child Trust Fund will not have a Registered Contact and we will continue to act on instructions given by the previous Registered Contact.

7.3 Subscriptions received into the HSBC Child Trust Fund or Credits received from HM Revenue & Customs will be invested by us into the Fund until the Child’s thirteenth birthday. Lifestyling will then take place unless we receive written notice from the Registered Contact to the contrary.

7.4 We will write to you shortly before the Child’s twelfth birthday to give you details of the Lifestyling that we propose to carry out to the HSBC Child Trust Fund.

If you do not want us to start carrying out Lifestyling then you must tell us in writing at least one month before the Child’s thirteenth birthday.

If we have started Lifestyling, you can ask us at any time to stop doing so. If you have told us not to start Lifestyling or have asked us to stop doing so, you can tell us at any time to start Lifestyling.

7.5 All HSBC Child Trust Fund investments will be in the beneficial ownership of the Child.

7.6 The title to all HSBC Child Trust Fund investments will be registered in our name or that of our nominee.

7.7 Where a share certificate or other document evidencing title to an HSBC Child Trust Fund investment is issued, it will be held by us or as we may direct.

7.8 We will, if you so elect, arrange for you to receive a copy of the annual report and accounts issued to investors by the Open-Ended Investment Company. We reserve the right to make a charge for this service. We will tell you what this is at the time you request the copy of the annual report and accounts.

7.9 We may delegate any of our functions or responsibilities under the Terms to another person or entity. We will satisfy ourselves that any person or entity to whom we delegate any of our functions or responsibilities under the Terms is competent to carry out those functions or responsibilities.

7.10 We will notify you if, by reason of any failure to satisfy the provisions of the Regulations, the HSBC Child Trust Fund (excluding the Overflow Account) is or will become void.

i) All income and gains arising on investments made in the HSBC Child Trust Fund will remain within the HSBC Child Trust Fund and will be reinvested. Income and gains from investments in the HSBC Child Trust Fund (excluding the Overflow Account) are exempt from Income Tax and Capital Gains Tax. You authorise us to make tax claims, conduct appeals and agree on behalf of the Child (or Registered Contact in respect of the Child) liabilities for a release from tax in respect of the HSBC Child Trust Fund.

ii) Any assignment of, or agreement to assign, investments in the HSBC Child Trust Fund and any charge on, or agreement to charge, investments in the HSBC Child Trust Fund will be void.

7.11 Where the Child has never been an Eligible Child or there is a breach of the Regulations, the HSBC Child Trust Fund will be void and we may be requested by HM Revenue & Customs to pay to them:

i) any Credits they have made to the HSBC Child Trust Fund;

ii) any income and gains which have arisen from the crediting of any HM Revenue & Customs Credits to the HSBC Child Trust Fund; and

iii) any tax on interest paid gross on income arising on invalid Subscriptions.

By agreeing to these Terms you authorise us to comply with such an HM Revenue & Customs request.

7.12 We will write directly to the Child when they reach sixteen years of age to tell them that they can apply to become the Registered Contact in respect of the HSBC Child Trust Fund.

8. Material Interests

8.1 A summary of the HSBC Group policy on conflicts of interest is set out in Annexe 2 at the end of these Terms.

8.2 We will always try and act in your best interests in carrying out any transaction for your HSBC Child Trust Fund.

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 HSBC Child Trust Fund even though:

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

ii) we act on our own behalf or as agent of an Associated Company; or

iii) we act as agent for you and for another party to the transaction (including an Associated Company); or

iv) it relates to a security, the issue, offer or sale of which has been underwritten, managed or arranged by an Associated Company within the previous twelve months; or

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

9. Communications

9.1 If you need to write to us then please do so at our Administrative Office.

9.2 You will be deemed to have received any communications from us on the third Business Day after posting.

9.3 Please let us know if you change your address or other contact details as soon as possible. Unless we hear from you to the contrary, we will continue to send correspondence to the last address that you notified us of.

9.4 You must promptly advise us of any change in any of the information we hold in respect of your HSBC Child Trust Fund.

10. Interest

10.1 Gross interest will be paid at the rate of 1% below the Bank of England base rate (details of which can be found on the HSBC Bank website; www.hsbc.co.uk and in HSBC Bank branches) once a year on the Child's birthday in respect of monies held in the Cash Account. We will adjust the interest rate payable upon the Cash Account within 30 days of a change to the Bank of England base rate.

10.2 Interest will be paid at the rate of 1% below the Bank of England base rate once a year on the Child's birthday on monies held in the Overflow Account. We will adjust the interest rate payable on the Overflow Account within 30 days of a change to the Bank of England base rate. We will pay interest after deduction of tax at the applicable rate and this will be paid directly into the Overflow Account. Interest can be paid gross to the Overflow Account if the Child is under sixteen and is resident and ordinarily resident in the UK, provided the Child has a total income below the annual tax free personal allowances limit and a form R85 is signed by the Child's parent or legal guardian. The Child will have to sign a new form R85 when they reach sixteen years of age to allow us to continue to pay gross interest.

10.3 We calculate interest on the daily cleared balance of the Cash Account and the Overflow Account and will pay it into the Cash Account or the Overflow Account, as appropriate, once a year on the Child's birthday. The interest will be reinvested in the HSBC Child Trust Fund. Interest will not be paid during the cancellation period.

10.4 In the following circumstances monies will be held as Client Money:

- i) Credit received from HM Revenue & Customs awaiting allocation to the HSBC Child Trust Fund;
- ii) money awaiting payment out of the HSBC Child Trust Fund on terminal illness or death of the Child;
- iii) a Child Trust Fund account transferred in to us from another provider;
- iv) HSBC Child Trust Fund account being transferred out to another provider;
- v) returning Subscriptions to applicants when an account has not been opened before expiry of the Voucher;
- vi) returning Subscriptions where the account has become void;
- vii) money awaiting payment to the Child on maturity of the HSBC Child Trust Fund.
- viii) holding Subscriptions received before the HSBC Child Trust Fund has been opened.

No interest will be paid on Client Money.

11. Charges

11.1 An annual management charge of 1.5% of the value of the Fund will be applied by HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Open-Ended Investment Company, and taken directly from the Fund.

- i) The charge is taken monthly from the Fund and is based on daily valuations of the Fund.
- ii) The price of new Shares purchased in the Fund and the value of existing Shares in the HSBC Child Trust Fund will reflect the fact that this charge has been taken.
- iii) This charge may change from time to time. If it increases then we will give you 30 days prior notice in writing.

The charge will only increase to match the maximum charge allowed by the Regulations from time to time.

12. Statements

12.1 We will send an annual statement to either:

- i) the Child, where the Child is the Registered Contact, or where there is no Registered Contact; or
- ii) to the Child, care of the Registered Contact, where the Child is under sixteen.

12.2 We will normally send the statement approximately one month before the Child's birthday. Please tell us as soon as you can if any of the statements have any entry that seems to be wrong.

13. Voting and Fund Information

13.1 If you ask us in writing, we will arrange for you to:

- i) attend meetings which holders of the Shares are entitled to attend;
- ii) exercise the voting rights in respect of Shares held; and
- iii) receive any other information issued in respect of a Fund to investors in addition to the documents in this Clause.

13.2 If you ask for copies of the reports and accounts, short form versions will be issued as standard. A specific request must be made to our Administrative Office for long form versions.

14. Change of Registered Contact

14.1 If there is to be a change of the Registered Contact we will normally require written agreement and confirmation from the present Registered Contact that his/her declaration and authorisation in the Application Form are cancelled in accordance with the Regulations. The new Registered Contact will need to make a fresh application and provide a new declaration.

15. Closing the HSBC Child Trust Fund

15.1 The HSBC Child Trust Fund can only be closed:

- i) on the death of the Child; or
- ii) on the Child reaching their eighteenth birthday; or
- iii) on direct instruction from HM Revenue & Customs (where the HSBC Child Trust Fund is void).

15.2 If the Child has died, we will need to see such proof as we may require of the death. On the death of the Child, tax will be payable on all interest, dividends or gains on investments in the HSBC Child Trust Fund which arise after the date of death.

We will continue to deal with the HSBC Child Trust Fund in accordance with these Terms and the instructions received from the Child's personal representatives (subject to receiving such proof as we may require of their appointment) who will become subject to these Terms. We will only pay cash to the personal representatives in accordance with their instructions, we will not transfer HSBC Child Trust Fund investments to them.

16. Transfers

Transferring out

16.1 You can transfer the whole of the HSBC Child Trust Fund to another Child Trust Fund provider free of charge (except for incidental charges). However, you can only transfer any money in the Overflow Account if the new provider specifically agrees to this (please see Clause 16.4). When the HSBC Child Trust Fund is transferred all of your and our rights and obligations in respect of the HSBC Child Trust Fund will also be transferred.

16.2 You must contact the new Child Trust Fund provider and complete an application form. If they are happy with this, they will contact us and request that the HSBC Child Trust Fund is transferred. When we receive their written request, we will carry out the transfer of your HSBC Child Trust Fund as requested by you to your new Child Trust Fund provider.

We will do this within 30 days of receiving the transfer request from your new Child Trust Fund provider. We will send you a statement covering the time period up to the transfer date.

16.3 We will only carry out a transfer of the HSBC Child Trust Fund in cash, so we will have to sell any Shares held in the Investment Account of the HSBC Child Trust Fund before we can carry out the transfer to the new Child Trust Fund provider. We will normally do this within four Business Days.

16.4 The new provider may not agree to accept the transfer of money in the Overflow Account. We will contact them to ask if they agree to accept: the money in the Overflow Account; that the money in the Overflow Account is the Child's money and is for investment in the Child Trust Fund that is being transferred to them in the next Birthday Year; and that they will deal with the money accordingly.

If we do not receive this confirmation and you go ahead and transfer the HSBC Child Trust Fund (excluding the Overflow Account) to the new provider we will send you a cheque, made payable to the Child, for the amount of money in the Overflow Account.

Transferring in

16.5 The Registered Contact can transfer an existing Child Trust Fund to us. We will only accept transfers into our HSBC Child Trust Fund in cash. Such transfers can only take place after the end of the 14 day cancellation period (please see Clause 4).

16.6 Although we do not do so at present, if we should offer a non-stakeholder HSBC Child Trust Fund in the future, you will be able to switch your investment (free of charge except for any incidental charges). On your instructions, and within 30 days of receiving the transfer request the whole HSBC Child Trust Fund shall become a non-stakeholder HSBC Child Trust Fund. Any necessary change in the investments will be made accordingly.

17. Withdrawals from the HSBC Child Trust Fund

17.1 We will not allow any withdrawals from the HSBC Child Trust Fund before the Child reaches the age of eighteen, other than in the following limited circumstances:

- i)** where the Child has died under the age of eighteen (please see Clause 15.2); or
- ii)** to cover any stamp duty, stamp duty reserve tax or dealing charges associated with the sale and purchase of investments in the HSBC Child Trust Fund; or
- iii)** to cover any charges payable under Clauses 7.8 and 13.1; or
- iv)** to cover any expenses we incur complying with a court order or other legal requirement including, but not limited to, HM Revenue & Customs refunds, criminal or fraudulent action, suspension and forfeiture costs, divorce costs, recovery of excessive costs of bankruptcy or recovery of the proceeds of crime; or
- v)** if HM Revenue & Customs notifies us that the Child is terminally ill as defined by them. In this situation, we will meet the withdrawal firstly from money in the Overflow Account, then from money in the Cash Account and

finally from selling Shares in the Investment Account. A minimum balance of £10 needs to remain in the HSBC Child Trust Fund; or

vi) on closure of the HSBC Child Trust Fund (please see Clause 15).

Authorisation for any withdrawal must be made by the Registered Contact.

17.2 Although we do not do so at present, we reserve the right to make withdrawals from the HSBC Child Trust Fund to cover our management charges in accordance with the Regulations.

18. Maturity of the HSBC Child Trust Fund

18.1 The HSBC Child Trust Fund will cease from the Child's eighteenth birthday. Shortly before the Child's eighteenth birthday, we will write to them asking for their withdrawal instructions and listing their other options. The Government has announced that when a Child Trust Fund matures the Child can request the proceeds be rolled over into an ISA.

18.2 If we have not received any instructions from the Child by their eighteenth birthday, we will transfer any cash held in the HSBC Child Trust Fund (excluding the Overflow Account) to an HSBC Instant Access Savings account, or any similar account that we may offer to new customers at that time, that we will open in the Child's name.

18.3 If, when the Child reaches eighteen, Shares are still held in the Investment Account then such Shares will be transferred into the Child's name unless the Child tells us otherwise. If no instructions have been received in respect of the Shares within 12 months of the Child's eighteenth birthday, these will be converted into cash and paid directly into an HSBC Instant Access Savings account, or any similar account that we may offer to new customers at that time, in the Child's name.

18.4 If there is any cash in the Overflow Account on the Child's eighteenth birthday, it will be paid out directly to the Child on their eighteenth birthday or as they may otherwise instruct us.

18.5 If we receive an HM Revenue & Customs Credit in respect of an HSBC Child Trust Fund that has been closed following the Child's eighteenth birthday we will forward the Credit on to the Child.

19. Your Information

In this section "we", "us" and "our" refer to HSBC Trust Company (UK) Limited and/or HSBC Bank plc and "HSBC Group" means HSBC Holdings plc, its subsidiaries, associated and affiliated companies.

19.1 Information we hold about you and the Child will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- i)** we are legally required to disclose, or
- ii)** we have a public duty to disclose, or
- iii)** our interests require disclosure, or
- iv)** the disclosure is made with your consent, or
- v)** as set out in the terms below.

19.2 To prevent crime, verify your identity, recover debt and to meet our legal obligations, we may exchange information (both within the UK and, where appropriate, overseas) with other members of the HSBC Group and where appropriate with fraud prevention, law enforcement, debt recovery agencies and other organisations including other lenders.

19.3 If you give us false or inaccurate information and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering. Please refer to clause 19.8 for more information regarding the use of data by fraud prevention agencies.

19.4 The HSBC Group may use and share relevant information about you and the Child, your transactions and your relationships with the HSBC Group for credit assessment, customer service, market research, insurance, audit and administrative purposes. This may include information provided by you or someone acting on your behalf. Where appropriate (for example if you have relationships with other HSBC Group Companies in other countries), this information may be shared with HSBC Group Companies outside the UK.

19.5 We may use other HSBC Group companies and/or third parties to provide services on our behalf which may include the processing of information about you.

Whether it is processed in the UK or overseas, in accordance with data protection legislation, your information will be protected, by a strict code of secrecy and security which all members of the HSBC Group, their staff and any third parties are subject to.

19.6 Information may also be processed for the purposes of complying with applicable laws, including anti-money laundering and anti-terrorism laws and regulations and fighting crime and terrorism. This may require the disclosure of information to a UK or overseas governmental or regulatory authorities or to any other person we reasonably think necessary for these purposes.

19.7 Under data protection legislation, you can make a written request for a copy of certain personal records we hold about you. The current fee is £10.00 per request from each individual.

19.8 Further details explaining how information held by fraud prevention agencies may be used is set out in a leaflet entitled 'Credit Scoring, Credit Reference and Fraud Prevention Agencies' available on our website www.hsbc.co.uk or can be requested from branches or by phoning 0800 5877008*. Please call this number if you require details of the fraud prevention agencies we use. Lines are open 9am to 5pm Monday to Friday (excluding public holidays).

19.9 To ensure that we carry out your instructions accurately, to help us to improve our service and in the interests of security, we may monitor and/or record your communications with us. Any recordings remain our sole property.

19.10 We will obtain your written consent before providing a banker's reference about you. However, if we receive a request from another financial services institution we will provide information required to verify your identity for money laundering prevention purposes.

20. Amendment

20.1 We may change these Terms. We will always give you at least 30 days' written notice. We may amend these Terms at any time without notice if we are required to do so by the Board of HM Revenue & Customs, or its successor, or by reason of any amendment to the Regulations or the Rules. In such an event we shall inform you as soon as practicably possible.

We will only change these Terms for the following valid reasons:

- following, or in anticipation of, a change in relevant law, regulation, code of practice or guidance or general banking practice;
- to reflect the making of a recommendation, requirement or decision of any court, ombudsman, regulator or similar body;
- to reflect a change in our procedures;
- to reflect any reorganisation of our business by it being acquired by or by our acquiring another bank or organisation (so that customers with similar products can be treated in the same way);
- to reflect any event beyond our control.

21. General

21.1 We will not be liable to you for any loss you may suffer if we are prevented from or delayed in, providing you with any service due to strikes, industrial action, interruption of power supplies, failure of power supplies, machinery or computer (hardware or software) failure, or other causes beyond our control.

21.2 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 Account(s) (particularly in the case of international 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 Account is lawful, we may refuse to deal with it.

22. Governing Law

22.1 The laws of England and Wales apply to these Terms. The English and Welsh courts have non-exclusive jurisdiction.

22.2 Nothing in these Terms will reduce your statutory rights, including your rights relating to the fairness of the terms on which products, services and facilities are provided to you and any rights you may have to cancel, close or terminate your Account and/or claim compensation. For further information about your statutory rights contact your local authority Trading Standards Department or the Office of Fair Trading.

23. Complaints and Compensation Rights

23.1 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.

23.2 If we cannot resolve your complaint in the first instance, you can refer it to:

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

Telephone 0845 080 1800.

Email: complaint.info@financial-ombudsman.org.uk.

23.3 Details of your rights to compensation if we are unable to meet any of our liabilities to you are available from the Financial Services Compensation Scheme 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN. Telephone 0207 892 7300. Website www.fscs.org.uk.

Annexe 1

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 purchases or sales of Shares under our Execution Policy on a consistent basis.

2. Execution of Transactions

Your instructions for the purchase or sale of Shares will be executed within the time periods specified in the Terms or, where applicable, at such time as you instruct. The share price for all purchases and sales of Shares will be determined at the next valuation point following the receipt of our instructions by the relevant Authorised Corporate Director.

3. Execution Venue

All instructions for the purchase or sale of Shares will be executed with the relevant Manager/ACD, which will be the execution venue for the purposes of the Rules.

4. Effective date, review, amendments and monitoring

This Best Execution Disclosure Statement was last reviewed in November 2009 and will continue to be reviewed annually. We may amend this Best Execution Disclosure Statement as necessary and where a material change has occurred, we will inform you in writing. We will also regularly monitor our effectiveness in achieving the Best Possible Result for purchases or sales of Shares.

Annexe 2

HSBC Policy on 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 may be 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 us.

hsbc.co.uk

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