

Selected Investment Funds

Terms and Conditions

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Important Information

These are the Terms for your investment in the Selected Investment Funds Plan (SIF Plan) and/or Selected Investment Funds Individual Savings Account (SIF ISA) and you are advised to read them carefully. These Terms will come into force on the Effective Date.

These Terms amend the terms of any agreement we may previously have entered into with you in respect of your SIF Plan and/or SIF Individual Savings Account.

1. Definitions

In these Terms:

'Account' means a SIF Plan or a SIF ISA opened in accordance with these Terms or any previous terms and conditions, your Application Form, the Regulations and the Rules;

'Account Investments' means the Shares and cash held in the Account;

'Account Manager', 'we', 'us', 'our' or 'ourselves' means, unless otherwise advised in these Terms, HSBC Trust Company (UK) Limited which is authorised and regulated by the FSA;

'Administrative Office' means Frobisher House, Nelson Gate, Commercial Road, Southampton SO15 9DF or such other address notified to you from time to time;

'Application Form' means the completed application form(s) or transfer-in application form used to open the Account or such other document or method of application as is acceptable to us;

'Associate' means any company in the same group as us 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;

'Automatic ISA Subscription' means selling Shares in your SIF Plan and using the proceeds to buy Shares to be held within your SIF ISA on the date(s) specified by us each Tax Year;

'Bank' means HSBC Bank plc, which is an Associate;

'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;

'Business Day' means any day on which we are open for business;

'CAT Standards' means the voluntary standards for Charges, Access and Terms published by HM Treasury;

'Client Money Rules' means the rules contained within Chapter 7 of the FSA's Client Assets Sourcebook as amended or replaced from time to time;

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

'Effective Date' means the Business Day upon which we accept both your Application Form and initial Payment;

'Feeder Option' means the option for you to make an Automatic ISA Subscription;

'FSA' means the Financial Services Authority;

'Fund' or 'Funds' means the investment fund(s) from the range we offer from time to time;

'Income' means any income including dividends and tax reclaims but excluding Interest held in your Account;

'Interest' means any money earned on cash awaiting investment or payment to you which is held in the client money account;

'ISA' means an Individual Savings Account in accordance with the Regulations;

'Key Features Document' means the Key Features Document, Product Information, Fund Insert and Effect of Charges Insert you were given when you applied for this Account and any changes we subsequently tell you about;

'Manager' means the manager or the Authorised Corporate Director (ACD) of a Fund;

'Payment' or 'Payments' means any amount received from you, or from another ISA manager on your behalf, for investment in your Account;

'Product Information' means the Product Information Document you were given when you applied for the Account together with any changes we subsequently tell you about;

'Regulations' means the Individual Savings Account Regulations 1998 as amended or replaced from time to time, and any other applicable statutes and regulations;

'Rules' means the rules of the FSA that apply to your Account;

'Shares' means units or shares in a Fund;

'SIF ISA' means a Selected Investment Funds stocks and shares Individual Savings Account opened with us in accordance with these Terms;

'SIF Plan' means an Account which is not a SIF ISA;

'Subscription' or 'Subscriptions' means any contribution made by you to a SIF ISA during a Tax Year that counts towards the annual subscription limits under the Regulations;

'Tax Year' means a year beginning on 6 April and ending on the following 5 April;

'Terms' means these terms and conditions which include the terms of the Application Form, Key Features Document and accompanying brochure, if any;

'you' or 'your' means the person(s) whose name(s), address(es) and other particulars appear in the relevant Application Form.

2. Appointment

2.1 You appoint us as the Account Manager to manage your Account in accordance with these Terms, the Regulations and the Rules.

2.2 You authorise us to claim and receive distributions from Funds, interest payments and other entitlements accruing in respect of your Account.

3. Cancellation

3.1 We will send you a reminder of your right to cancel. Once you have received this, you will have 30 days to notify us if you wish to cancel your Account. Please note that we will not allow you to partially cancel your Account.

3.2 Where we have received a Payment directly from you and you wish to cancel your Account, we will sell all the Shares relating to that Payment in your Account and return the Payment to you.

3.3 In the case of a Payment made by transferring an existing ISA from another ISA manager, if you exercise your right to cancel:

- (i) we will sell the Shares in your SIF ISA and hold your Payment as cash in your SIF ISA, until we receive your further instructions;
- (ii) if your further instructions are not received within 30 Business Days, we reserve the right to return your Payment to you;
- (iii) if we return your Payment to you, this will result in a loss of the tax benefits relating to holding your Payment within an ISA.

3.4 If you cancel an Account and a Payment is returned to you:

- (i) If the value of your Account Investments has fallen as a result of market movement, the amount returned to you will be reduced.
- (ii) If the value of your Account Investments has increased as a result of market movement, the amount returned to you will be your initial Payment.
- (iii) All Payments will be returned WITHOUT INTEREST.

3.5 If you choose not to exercise your right to cancel you will be subject to all investment risks and charges as detailed in the Terms.

4. Management

4.1 Each Fund is subject to a minimum investment limit. The minimum limits are as stated in the Key Features Document and are available on request. On giving you 30 days' notice in writing, we may change the minimum investment limits.

4.2 Where you have opened a SIF ISA on the basis that it complies with the CAT Standards, your SIF ISA will be managed in accordance with those standards. If we decide that it is no longer possible for your SIF ISA to be managed in accordance with the CAT Standards we will give you at least 90 days' notice.

4.3 Income or other monies pending investment or payment to you will be deposited as client money in a client money account with the Bank in accordance with the Client Money Rules.

4.4 Any Interest earned on the money held in the client money account will be credited to your Account quarterly in March, June, September and December. Interest is variable and is paid at 2.5% below the Bank of England Base Rate. Where the Bank of England Base Rate is 2.5% or lower, no interest will be earned on uninvested cash held in this Account.

(i) In the case of the SIF Plan, Interest will normally be credited after the deduction of the basic rate of income tax, currently 20%, unless you are eligible to receive gross interest and, where necessary, have provided us with a valid declaration.

Please note that we do not accept R105 declarations.

(ii) In the case of the SIF ISA Interest will be credited net of a flat rate charge of 20% of the gross interest, which is paid to HM Revenue & Customs.

(iii) Depending on the instructions you have given us for the treatment of Income and Interest, such Interest will either be paid out to you or invested. Where the Interest is invested, it will be used to purchase Shares proportional to the value of each Fund in your Account held at the time the investment is undertaken. Interest will be invested back into the Account in which it was earned.

(iv) Where you have chosen to have Income paid out, any Interest earned will be paid out to you within four Business Days of it being received into your Account providing the amount of Income and Interest due is greater than £1.50. Interest less than £1.50 will be retained in the relevant Account until further Income or Interest is added and the amount exceeds £1.50.

(v) (a) Once any type of payment is issued by us to you from your Account, we will not pay any further Interest to you on the amount of the payment.

(b) If you are closing your Account or transferring your Account to another ISA manager we will not pay you Interest on any further Income (for example residual distributions) that may be received into your Account.

4.5 We shall be entitled to deduct an amount from the Account, which is necessary to discharge any obligations or liabilities, which may be due from you at any time. This could involve selling any Account Investments that we may choose, or deducting money from any future Income or Interest. These may include any outstanding tax liabilities or charges.

4.6 We or any Associate may aggregate any transaction for you with those of other investors although this may result in a less favourable transaction price than might have been achieved had the transaction been effected separately. This may result in a dilution levy or dilution adjustment being applied by the Manager on the purchase or sale of Shares in order to protect the interests of the remaining investors in the relevant Fund.

4.7 If we receive more than one instruction from you at the same time, for example, a Payment and a request to switch between Funds in your Account, your instructions will be carried out separately. This means that such instructions will potentially be subject to different Share prices. Any Payments will normally be processed first and if necessary we will seek clarification of your instructions.

4.8 Where a SIF Plan is held in joint names, we will only accept instructions to cancel, make a withdrawal, switch funds or terminate the Account if the instruction is given by all holders.

5. Delegation

5.1 We may delegate any of our functions or responsibilities under these Terms to any person however, before doing so and from time to time thereafter, we will satisfy ourselves that such person is competent to carry out those functions or responsibilities.

6. Appointment of Replacement Manager

6.1 By giving you at least 30 days' written notice, we may appoint a duly authorised Associate in our place to manage the Account in accordance with these Terms.

7. Material Interests

7.1 A summary of the HSBC policy on conflicts of interests is set out in Annexe 2 at the end of these Terms.

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

7.3 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 Account 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 Associate; or
- (iii) we act as agent for you and for another party to the transaction (including an Associate); or
- (iv) it relates to Shares, the issue, offer or sale of which has been underwritten, managed or arranged by an Associate within the previous twelve months; or
- (v) we act for more than one investor (including you) collectively.

8. Communications

8.1 All communications relating to your Account must be sent to us in writing at our Administrative Office, unless we advise otherwise within these Terms.

8.2 We will write to you at the last address notified by you to us. You will be deemed to have received any communications from us on the third Business Day after posting.

8.3 You must promptly advise us of any change in any of the information we hold in respect of your Account.

8.4 We will notify you in writing, if by reason of any failure to satisfy the provisions of the Regulations:

- (i) your Account (or any part of it) has or will become void; or
- (ii) you will otherwise lose any tax relief as a result of an invalid Payment having been made.

As soon as is practicable afterwards we shall write to you with details of any corrective action taken or details of any options available to you.

Any action taken whether by us or you, will be subject to such deductions (if any) as we may require to meet tax or other liabilities.

9. Buying and Selling Shares

9.1 We will normally carry out instructions for the purchase or sale of Shares within three Business Days of receipt of your instructions.

9.2 We will act as an intermediary in making arrangements for the purchase or sale of Shares for your Account.

9.3 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.

9.4 You agree and confirm that for such time as we are appointed as the Account Manager you will be deemed to have consented to our Execution Policy.

10. Regular Savings

10.1 Where available, you can save regularly by making monthly Payments into your Account by direct debit.

10.2 Shares will normally be purchased within four Business Days of each regular Payment.

10.3 Subject to the minimum investment limits stated in the Key Features Document you may increase, decrease or stop your regular Payments at any time. Your written notice must reach our Administrative Office at least seven Business Days before the payment date from which the change or stop is to be effective.

10.4 If you stop your regular Payments and the value of any Fund within your Account is less than the minimum investment limit required for that Fund, we may sell the Shares in the relevant

Fund and forward the proceeds to you. This may result in the closure of your Account.

10.5 If we are unable to collect any regular Payment because it is refused, we reserve the right to stop collecting future regular Payments.

11. Feeder Option

11.1 For certain Funds we will allow you to have a Feeder Option. The Funds available for a Feeder Option are shown in the Product Information and may vary from time to time. On giving you 30 days written notice we may change the Funds available for a Feeder Option.

11.2 You may only select one Fund from your SIF Plan for your Feeder Option.

11.3 Each year we will write to you to tell you the date(s) on which we will make an Automatic ISA Subscription from your selected Fund into the same Fund within your SIF ISA.

11.4 The amount of the Automatic ISA Subscription will be the value of your selected Fund, provided this is at least £1, subject to the maximum subscription amounts specified for a stocks and shares ISA under the Regulations.

11.5 If the maximum subscription amount increases during a Tax Year, we may make more than one Automatic ISA Subscription for that Tax Year.

11.6 You may tell us in writing not to make an Automatic ISA Subscription for a Tax Year. We must receive your instructions at least five Business Days before the date of the Automatic ISA Subscription specified in our letter.

11.7 If you tell us not to make an Automatic ISA Subscription, you may need to complete a new Application Form before a further Automatic ISA Subscription can be made.

11.8 In accordance with Clauses 11.6 and 11.7, we will supply you with an Application Form to complete before the Automatic ISA Subscription for the next Tax Year. However, if the Automatic ISA Subscription is not made for two consecutive Tax Years we will not send you a further Application Form.

11.9 If the value of the Fund you have chosen for a Feeder Option is nil for one complete Tax Year, a further Automatic ISA Subscription cannot be made until you complete a new Application Form. You should contact us to obtain an Application Form in this case.

12. Additional ISA Investment

12.1 If you do not make a Subscription to your SIF ISA during one complete Tax Year, you will need to complete a new Application Form before you can make any Subscriptions to your SIF ISA in subsequent Tax Years.

13. Custody (Safeguarding and Administering Assets)

13.1 You will be, and will remain, the beneficial owner of your Account Investments. However, the title to any Shares and cash in your Account will be registered in our name or in the name of an Associate as our nominee.

13.2 Your Account Investments will be registered with investments made by other investors in our name or in the name of our nominee. This means that your individual Shares may not be identifiable by physical or electronic documentation.

13.3 If we or a nominee default then any irreconcilable shortfall in the Account Investments registered in the same name may be shared pro rata among all investors whose investments are so registered.

13.4 Documents of title (if any) for the Account Investments, will be held by us or as we may direct. We have appointed the Bank as custodian.

13.5 You may not use your Account Investments as security for a loan.

14. Investment Objectives and Restrictions

14.1 Your objective is to invest in Shares in the Fund(s) selected on your Application Form and/or in any instructions subsequently advised to us.

14.2 You may switch between Funds within your SIF ISA or SIF Plan at any time, by telling us in writing or by telephone. Upon receipt of your instructions we will sell the Shares held in the existing Fund and buy Shares in the newly selected Fund normally within three Business Days.

14.3 You cannot elect to hold the proceeds from the sale of Shares as cash in the Account.

15. Adding or Closing Funds

15.1 We may add or withdraw Funds from the range we offer. This will depend on market conditions and what Funds are available. Our range is shown in the Key Features Document. We will notify you of Funds added or removed in your half-yearly statement.

15.2 If we are notified by a Manager that a Fund is to be wound up, where you hold Shares in such a Fund they will need to be sold and we will give you as much written notice as practicably possible in accordance with the Rules, with details of the options available to you.

15.3 If we are notified by a Manager that a Fund is to be closed to new business, while you can continue to hold your Shares in that Fund, you will not be able to make any further investment into that Fund.

16. Charges

16.1 The charges associated with your Account are explained in the Key Features Document and/or these Terms. We may increase the amount, rate of, or basis of any charge we apply at any time for a valid reason. We will give you at least 30 days prior written notice. If you do not like the changes, within 30 days of receiving our notification you will be able to close your Account without any additional charges applying.

16.2 The Managers may increase their charges at any time. We will usually be notified of any increases by the Managers. As soon as reasonably practicable after we receive this notification, we will inform holders of Shares in the affected Funds of the increases.

16.3 We may charge you or deduct from your Account:

- (i) £15 for providing a duplicate of information that has previously been supplied to you;
- (ii) £10 on each occasion you wish to exercise your right to vote;
- (iii) £10 for each report and accounts requested (no charge will be made for electronic copies of reports and accounts); and
- (iv) any charges, fees or expenses payable to us under the Account.

16.4 On termination or transfer of the Account any fees due to the date of termination or transfer will be payable by you. We will deduct any such fees from your Account.

17. Statements

17.1 We will send you a half-yearly statement and a valuation of your Account as at or near to 5 April and 5 October. This will be sent to you within five weeks of the relevant date.

17.2 The statement will show Payment(s), sales, purchases, fees, Income, Interest and withdrawals made since the commencement of your Account or the date of the previous statement, as appropriate.

17.3 The valuation will be based on the selling price of Shares but it will not include any measure of performance.

17.4 We will also send you an investment report that will provide a market summary and information on our other investment products.

17.5 If you have a SIF Plan, each year you will be sent a summary of all distributions received in respect of the SIF Plan. This will include details of any dividend tax credits relating to and/or any income tax deducted from such distributions. Any interest credited in the previous Tax Year and income tax deducted from such Interest will also be included. This will be sent within ten weeks after the end of the Tax Year.

18. Voting and Fund Information

18.1 If you ask us, we will arrange for you to:

- (i) receive copies of the annual and interim reports and accounts last issued in respect of a Fund; and

- (ii) receive a copy of the relevant prospectus or equivalent document; and
- (iii) attend meetings which holders of the Shares are entitled to attend; and
- (iv) exercise the voting rights in respect of Shares held; and
- (v) receive any other information issued in respect of a Fund to investors in addition to the documents in this Clause.

18.2 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.

18.3 We may exercise the voting rights applicable to your Account Investments unless you have exercised them yourself.

19. Income

19.1 Where available, you can choose to have Income paid out or invested, either on your Application Form at the time of opening your Account, or by notifying us in writing at any time afterwards.

19.2 If you choose to have Income paid out, you must give us details of your bank or building society account on your Application Form or by writing to us.

If we cannot pay out Income, for example, if you have provided us with incorrect bank details or any cheques issued are returned, any Income will be added to the cash balance of your Account and may be used to purchase further Shares.

Such Shares will be purchased proportional to the value of each Fund in your Account held at the time the purchase is undertaken.

19.3 Where you have chosen to have Income invested, we will use the Income in your Account to purchase further Shares in the Fund(s). The Income will be used to purchase Shares in the Fund from which it was generated.

If you no longer hold Shares in the Fund from which the Income was generated, then the Income will be used to purchase further Shares proportional to the value of each Fund in your Account at the time the Income is invested.

19.4 If you have chosen to have Income paid out we will not make a payment to you unless the amount of Income and Interest is greater than £1.50. Income and Interest less than £1.50 will be retained in the relevant Account until further Income and Interest are added and the amount exceeds £1.50.

19.5 Such Income will normally be paid to you within four Business Days of being received into your Account. Where you have chosen to receive any Income quarterly, half-yearly or annually, such Income will be paid to you on the dates advised in the Product Information.

20. Termination

20.1 On termination, there may be some outstanding transactions. We will continue to operate your Account until they have been completed. Your Account will then be closed.

20.2 Termination by you

You may terminate your Account at any time by writing to our Administrative Office. Usually within seven Business Days, we will:

- (i) pay you the value of your Account; or
- (ii) transfer the Account Investments to you without first selling the Shares.

You can stipulate an alternative time period in which we will carry out your instructions provided such period is not less than seven Business Days.

20.3 Termination by us

We reserve the right to terminate your Account by giving you 30 days' notice in writing in the following instances:

- (i) if you significantly breach these Terms, or
- (ii) in the case of fraud or suspected fraud, or
- (iii) if we no longer offer Selected Investment Funds for sale, or
- (iv) if it is no longer viable for us to manage Selected Investment Funds, or
- (v) if our authorisation as Account Manager is revoked, or
- (vi) our business is sold or acquired by another business, or

(vii) in the case of non-personal investors, if the corporate entity is declared insolvent. In practice we will follow the instructions of any administrator appointed in such a scenario.

As soon as reasonably practicable thereafter we will close your Account. If we terminate your Account, you will not be disadvantaged and no additional charges will apply. Our letter of termination will tell you the options available to you which will include transferring your ISA to another ISA manager. However, if you close your ISA without transferring to another ISA manager the Account Investments will no longer be contained within an ISA and any associated tax benefits will be lost.

20.4 Termination on Death

(i) Sole investors The Account will terminate on your death, however your personal representatives should provide proof of the date of your death and of their appointment. Once we receive such proof as is acceptable to us, we will deal with the Account Investments in accordance with the instructions of your personal representatives who will become subject to these Terms.

Any tax refunds claimed on your behalf after you die will be repaid to HM Revenue & Customs.

(ii) Joint investors If you have a joint SIF Plan, in the event of the death of one of the parties, and upon production of such proof of death as we may reasonably request, we will transfer the SIF Plan into the survivor's sole name subject to any rights which we or a third party may have. The Account will continue to be subject to these Terms.

21. Transfer

21.1 You may transfer ISAs held with us or another ISA manager to your Account. We will contact the manager(s) concerned on your behalf and effect the necessary transfers.

21.2 Unless otherwise agreed with us, all transfers to the Account must be made in cash. Once we have received the initial Payment, any subsequent monies received from the previous ISA manager(s) will be invested across the Fund(s) held in the relevant Account proportional to the value of each Fund in your Account at the time the monies are invested.

21.3 At your written request, and within the time you stipulate (subject to a minimum period of seven Business Days), we will transfer all or part of your SIF ISA with, where appropriate, all rights and obligations to another ISA manager provided they agree to such a transfer.

21.4 When we receive your request to transfer, we will sell any Shares in your SIF ISA and transfer the cash value of your SIF ISA to the ISA manager you have chosen.

21.5 Alternatively, if requested by you and agreed with the new account manager, we will transfer the Account Investments (without first selling the Shares) to the ISA manager of your choice.

21.6 This will normally be done within the time you stipulate. There may be occasions when the transfer will take longer to complete due to circumstances beyond our control.

If you do not stipulate a time, our Administrative Office will normally carry out your instructions within seven Business Days of receipt.

22. Withdrawal

22.1 You may withdraw all or part of your Account at any time. Normally within seven Business Days following receipt of your instructions we will:

- (i) pay you the amount of the withdrawal, or
- (ii) transfer to you or new plan manager(s) Account Investments to the value of the amount requested for withdrawal.

You can stipulate an alternative time period, provided such period is not less than seven Business Days.

Where you request us to transfer Account Investments to you we will normally carry this out within the time stated above. There may be occasions where this may take longer to complete due to circumstances beyond our control.

22.2 When making a withdrawal, you must specify the Account

and which Fund(s) you wish the money to be withdrawn from otherwise we will not be able to carry out the transaction.

22.3 We have a minimum withdrawal amount and minimum balance requirement for each Fund. These are shown in the Key Features Document. If the minimum balance is not maintained we may terminate the Account. The minimum balance is based on the selling price of the Shares at the time any withdrawal is made.

22.4 We can amend the minimum withdrawal amount and/or minimum balance requirement at any time. We will give you at least 30 days' prior written notice of any amendment.

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, Portoken Street, London E1 8BN. Telephone 0207 892 7300. Website www.fscs.org.uk.

24. Your Information

24.1 In this Clause 'we', 'us' and 'our' mean HSBC Trust Company (UK) Limited and/or HSBC Bank plc. 'HSBC Group' means HSBC Holdings plc, its subsidiaries, associated and affiliated companies.

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

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

24.3 To prevent crime, verify your identity 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 and other organisations.

24.4 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.

24.5 Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:

- (i) checking details on applications for credit and credit related or other facilities;
- (ii) managing credit and credit related accounts or facilities;
- (iii) recovering debt;
- (iv) checking details on proposals and claims for all types of insurance;
- (v) checking details of job applicants and employees.

We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

Please contact the fraud prevention agencies directly if you require a copy of any information they may hold about you.

24.6 The HSBC Group may use and share relevant information about you, your transactions and your relationships with the HSBC Group for 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.

24.7 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.

24.8 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 UK or overseas governmental or regulatory authorities or to any other person we reasonably think necessary for these purposes.

24.9 If you agree the HSBC Group may use and share relevant information about you, your transactions and your relationships with the HSBC Group, to give you information about products, services (including mortgages) and promotions, available from HSBC Group companies and those of selected third parties which may interest you by post, telephone, electronic and other means.

24.10 The HSBC Group may also exchange, analyse and use relevant information about you in the way described above to ensure that promotional content displayed to you on screen when you log on to HSBC Group websites is more likely to be relevant and of interest.

If you do not want us to contact you about such products and services or use what we know about you to help decide what we display to you on our websites, please let us know.

24.11 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 per request from each individual. This right is not available to non-personal investors.

24.12 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.

25. Amendment

25.1 We may amend these Terms. Subject to Clause 16.2, if the change is to your disadvantage we will give you 30 days prior written notice before we make the change. We may make any other change immediately and tell you about it within 30 days. We will only change these Terms for the following valid reasons:

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

26. General

26.1 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.

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

26.3 Nothing in these Terms will reduce your statutory rights relating to misdescribed products or services and the fairness of terms on which they are offered. For further information about your statutory rights contact your local authority Trading Standards Department or Citizens Advice Bureau. The services of the Citizens Advice Bureau may not be available to non-personal investors.

26.4 If you apply to open a SIF Plan under trust we will use the trust deed for verification of the nature and purpose of the trust and the names of the trustees only. We will not adhere to the content of the trust deed.

27. Governing Law

27.1 These Terms are governed by the laws of England and Wales. You and we submit to the non-exclusive jurisdiction of the courts of England and Wales.

Annexe 1

Best Execution Disclosure Statement

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.

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 Manager.

Execution Venue

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

Shares in Funds cannot be traded on a regulated market e.g. The London Stock Exchange.

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

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

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.

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