HSBC InvestDirect

Sharedealing and Investment Terms and Conditions

These terms are effective for all InvestDirect Account customers on and from 31 January 2019.

HSBC UK

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How to contact us

If you've 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 08 08 48** (please dial **+44 1226 261090** from abroad) or, by textphone **03456 08 88 77**

Our opening hours are:
Monday to Friday: 7.30am to 9.30pm
Saturday: CLOSED
Sunday/bank holidays: CLOSED

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

HSBC InvestDirect
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 Account through OB, using your Customer Identification Number, password and providing other Security Details. When you've 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've with you.

Contacting You Personally
In these Terms, when we say that we'll 'contact you personally', we may do this by post, telephone (including mobile phone), email, mobile messaging, (if you're registered for OB) Secure e-message, a message on your Statement, or in any other way that will be sent to you individually.

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

Execution-only service
We're not able to advise you on your Investment dealings. HSBC InvestDirect is an execution-only service. This means that we execute the Investment dealings you ask us to and we don't provide you with any advice or personal recommendations. You're solely responsible for your own Investment dealings when using HSBC InvestDirect. We're not required to assess the suitability of HSBC InvestDirect for you and the protection afforded by the FCA on assessing suitability does not apply to HSBC InvestDirect. 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 Sharedealing and Investment Terms and Conditions (InvestDirect 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 Terms and any Additional Conditions (the InvestDirect Terms and the Additional Conditions are together the 'Terms') that apply to the HSBC InvestDirect Account (IDA).

Additional Conditions comprise the Key Features Document and all charges that apply to the IDA which are covered in the Rates and Fees Page applicable to the IDA (you'll be given this as part of the Key Features Document when you take out the IDA with us and you can also find details of charges by telephoning us or by looking on our Website), our Online Banking ('OB') Terms and Conditions and the terms and conditions that apply to the banking and internet services we provide to you; if any Additional Conditions contradict the InvestDirect Terms, the Additional Conditions will apply.

Glossary

Account Fee means the account fee as set out in the Rates and Fees Page which applies to each Investment Account (other than an Investment Account designated by us as a dormant Investment Account in accordance with clause 18.2 of Section 2);

Additional Conditions comprise (i) the Key Features Document; (ii) all charges that apply to the IDA 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 you from time to time;

Agreement(s) means the Terms, any Supplemental Terms which we'll 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 IDA with us;

Associate(s) means any holding company of ours or a subsidiary of any such holding company;

Authority or **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'll deliver the Best Possible Result when executing Client Orders;

Best Possible Result means when executing Client Orders on a consistent basis, including where possible in situations of market stress, taking into account a range of factors which include: price; costs; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of Client Orders to achieve the Best Possible Result. Price and execution costs will be paramount although 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;

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

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've 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're to take security, provider or recipient of a payment or any other persons or entities with whom you've 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 IDA 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'll 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;

Crown Employee(s) means non-UK residents working overseas and paid by the UK Government categorised as Crown employees, including diplomats or members of the armed forces, and the non-UK resident spouse or civil partner of such Crown Employee;

Customer Identification Number means the 10-digit unique number to enable you to access 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 don't have sufficient cleared funds in your Nominated Account to meet the costs of any settled Trades (including any associated charges and/or any outstanding Account Fees), and you don't reimburse us in full by end of the Business Day following the day on which the Trade was made or the day the Account Fee was due;

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'll deliver the Best Possible Result when executing Client Orders;

Execution Venue means a venue for transactions in Financial Instruments that HSBC UK Bank plc believes 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're restricted to using our reasonable endeavours to obtain the Investment for you from other sources;

FCA means the Financial Conduct Authority (with its head office address at 12 Endeavour Square, London E20 1JN), an independent body that regulates the financial services industry in the United Kingdom, or any successor regulatory body;

FCA rules means the Handbook published by the FCA (or such other replacement rules as may be published from time to time by the FCA);

Financial Crime means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or break any Laws relating to these matters;

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're subject to a sanctions regime or confirming their identity or status);

Financial Instrument(s) means those financial instruments (e.g. equities, bonds, OEICs and unit trusts) that 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 all efforts to the contrary;

Foreign Currency Instrument means an option, forward, swap, forward sale agreement or any other derivative relating to currencies;

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, investment trusts and Real Estate Investment Trusts (or REITs) offered by us from time to time;

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 InvestDirect means the sharedealing and investment service offered by HSBC UK Bank plc to you in accordance with the Agreement;

IDA means the HSBC InvestDirect Account offered by us which must comprise a Settlement Account and an Investment Account and may also include such other accounts and/or products as we may offer you from time to time, such as capital-protected products and tax-efficient products, for example ISAs;

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 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, comprising all (i) freely transferable equity and debt securities listed on the UK exchange 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 and Foreign Currency Instruments;

ISA means an Individual Savings Account;

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 or better and for a specified size;

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., Deutsche Börse, NASDAQ Stock Market, Inc., Dow Jones & Company, Inc., London Stock Exchange, FTSETM 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 which is not a Regulated Market or OTF;

Nominated Account means a personal HSBC UK Bank plc current account in your name (including a joint account which you hold with someone else) as nominated by you in your Application or such other personal HSBC current 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 means the HSBC Online Banking service by which you may access information and give us Instructions in respect of your account(s) with us;

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

OEIC means an open ended investment company;

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** is a computer system through which multiple parties can buy and sell certain types of Financial Instrument and which is not a regulated market or MTF;

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 HSBC Group and to Linked Suppliers or which we obtain about you personally in connection with the Agreement and account(s) you've 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 the 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 as well as details of certain levy and tax rates set by external bodies (over which we've no control);

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've 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 (with its registered address at 20 Moorgate, London EC2R 6DA) that apply to us;

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

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 IDA and these Terms and includes (a) the provision of online research tools, (b) Market Data, (c) access to UK securities and gilt trading, (d) a secure online trading platform, linked to your Nominated Account, (e) safe custody of your portfolio and cash, (f) the administration of all corporate actions and dividend payments on your behalf, (g) a UK based call centre with knowledgeable and helpful staff and also includes (h) the opening, maintaining and closing of your accounts with us, including your mortgage account (i) providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment, and (j) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes;

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 (which in the case of equity Investments will be two Business Days after the date of Trade (T+2)) 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;

Sharegift means the share donation charity known as Sharegift located at 4th Floor, 67–68 Jermyn Street, London SW1Y 6NY;

Statements means the pages on our Website and any Communications listing the cash and Investments in your IDA 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 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 IDA 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 account number for your IDA;

We, **Us**, and **Our** means HSBC UK Bank plc;

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

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

You and **Your** means the person who signed the Application or, if more than one person signed, one or both of them, including any joint IDA holder.

Use of the IDA and client categorisation
The IDA is provided to you for your personal use only and is not intended to be used for professional or business purposes. You'll be categorised as a Retail Client in relation to your IDA and your use of the IDA. Retail Clients have the highest level of protection under the FCA rules. If you're acting as agent for someone else, we'll treat you alone as our customer for the purposes of the FCA rules and you'll be liable, in addition to that person, in respect of any transactions entered into. No third party will have any rights under these Terms except for Market Data Providers as set out in clause 9 of Section 3. Sharedealing Terms.

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

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

Channel Islands and Isle of Man customers only
References to the Channel Islands mean Jersey and Guernsey (including Alderney and Sark).

TBS is currently only available to some Channel Islands and Isle of Man customers. We would also draw your attention to the following sections for specific information relating to customers of the Channel Islands and Isle of Man: Section 2, clause 15 (Bankruptcy); and Section 1, clause 13.11 (Probate).

Please note: that with effect from 6 October 2014 we no longer accept Applications from persons resident in the Channel Islands or the Isle of Man.

Section 1 – InvestDirect Terms – Operation of the IDA

This Section 1 contains terms describing how you open an IDA, 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 joint accounts, Statements, fraud prevention and responsibilities, terms relating to changing the Terms and ending the Terms and closing your IDA.

1. Opening and maintaining an IDA

1.1. You may apply to open an IDA by completing an Application on our Website or by telephoning our Customer Service Centre. An IDA may be opened in your sole name or be opened in joint names (please see clause 7 for more details).

1.2. To open and maintain an IDA you (and, in the case of a joint IDA, both joint IDA holders) must:

- be resident in the UK, or a UK Crown Employee or, if you opened an IDA prior to 6 October 2014, resident in the Channel Islands or Isle of Man;
- hold an active and personal HSBC current account*;
- be at least 18 years of age; and
- provide us with any information including but not limited to Personal Information that we may reasonably require in order to provide the Service.

*Excludes the HSBC Basic Bank Account

However, even if you satisfy these criteria, we don't have to accept your application.

If you cease to satisfy these criteria and, in particular, if you move and become resident outside the UK, we may end the Service or place restrictions on your use of the Service.

1.3. We'll 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'll confirm to you in writing when our processes are complete and whether your Application has been accepted or not. We'll notify you of your Trading Limit upon account opening as described in clause 2 of Section 3 – Sharedealing Terms.

1.4. On opening your IDA, 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 IDA.

2. Telephone service

2.1. Making enquiries and placing Client Orders

When you want to telephone us to raise an enquiry or place a Client Order please ring 03456 08 08 48 (Textphone 03456 08 88 77). Lines are open 7.30am to 9.30pm on Monday to Friday. Please dial +44 1226 261 090 from abroad.

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'll 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 10-digits long.

2.3. Your Instructions

2.3.1. You can instruct us to place orders through our telephone service (once you've 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'll assume any Instructions given were given by you or with your authority and we'll act on them.

2.4. Our telephone service and/or OB may be temporarily unavailable if we've to carry out routine or emergency maintenance. We'll 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. OB is also subject to its own terms and conditions provided to you when registering for HSBC InvestDirect.

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 IDA 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 don't disclose in full);
- keeping information about your IDA 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've 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 you must not change it or allow anyone else to use or copy it. You must carry out your own virus checks;
- telling us as soon as possible if you find any fault, failure, delay or error in your IDA, especially in the sending or receiving of Instructions. Our records of your Instructions will be conclusive unless there is a clear and obvious error; and
- 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'll confirm your identity using our current security procedures. We'll never ask you for more than two digits of your Security Number. We may not be able to assist you if we're unable to identify you as our customer using our security procedures;
- when we call you, we'll never ask for details of your Security Number or password to identify you as our customer. We'll ask you questions based on information known to us about you and the transactions on your account; and
- when you contact us by telephone, please ensure that you take necessary security precautions as we recommend that you use either a landline or a digital mobile telephone. We're not

responsible for the security of your IDA 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; and
- 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'll 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 (e.g. 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 (e.g. any computer screen prompts or 'save password' feature or your internet browser's address bar);
- once you've logged on to OB, don't leave the device from which you've accessed it or let anyone else use that device until you've logged off; and
- follow all security measures recommended by the manufacturer of the device you use to access OB, e.g. 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 below. When lines are closed, please call without delay the number detailed below for Cards and PINs issues and we'll block access to OB, TBS and telephone service (to re-set your relevant Security Details, you'll 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 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 the record within this 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'll 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 IDA. You must report any unauthorised transactions to the police within seven days of our request. We may also disclose information about you or your IDA to the police or other third parties if we think it will help prevent or recover losses.

	From the UK	From abroad
Cards and PINs issues	**03456 007 010** (24 hours)	**+44 1442 422 929** (24 hours)
OB security issues	**03456 002 290** (8am to 10pm)	**+44 1226 261 226** (8am to 10pm)
TBS security issues		
UK	**03457 404 404** (8am to 10pm)	**+44 1226 261 010** (8am to 10pm)
Channel Islands/Isle of Man	**03456 006 161** (8am to 10pm)	**+44 1226 261 010** (8am to 10pm)
Any issue – Textphone users only	**03457 125 563** (24 hours)	For this number, please look on our website or visit any of our branches or call us on one of the other applicable numbers.

4. When Trades will and won't be placed by us

4.1. If we refuse to place a Trade you'll normally be told when you give your Instructions, unless we suspect fraud – please see Section 1, 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'll 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 unless it is unlawful for us to do so.

4.2. We may refuse to accept a Trade, if we don't have information that we reasonably require in order to carry it out or, when your Trading Limit has been reached or has been or will be exceeded, as further described in Section 3, clause

2. We'll not be liable for any loss to you if we refuse to accept a Trade as a result of you not providing us with any information we reasonably request including but not limited to Personal Information, or if we don't accept a Trade when your Trading Limit has been reached or has been or will be exceeded by us carrying out your Trade. We may terminate this Agreement in accordance with clause 13, if you persistently fail to provide us with any information including but not limited to Personal Information we reasonably require to carry out Trades.

5. Charges for Services and for enquiries about an Instruction

5.1. We may charge you to place Trades and/or for the Services. 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. We'll send to you as appropriate illustrations showing the cumulative effect of costs on return of your Investments. We'll 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.

5.1.2. By opening and maintaining an IDA, you authorise us to deduct any applicable Account Fees from your Nominated Account at the frequency set out in our Rates and Fees Page.

5.1.3. 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 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'll not charge you if we've made an error. We'll 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.

5.4. We may share fees with our Associates and other third parties where they're fees which enable or are necessary for the provision of carrying out transactions on your behalf and where they're permitted by the FCA rules. Details of any such remuneration or charging

arrangements won't 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.

5.5. Certain additional fees will apply as set out in our Rates and Fees Page from time to time in the event that you don't comply with your obligations under these Terms.

5.6. 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.

5.7. 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.

6. Transferring Investments into or out of your IDA

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

7. Joint IDAs

7.1. You can apply to us for an IDA jointly with another person but we reserve the right to reject Applications. A joint IDA is limited to two joint IDA holders.

7.2. Unless this conflicts with another authority given in writing on the joint IDA, and until any one of you cancels this authority, you authorise us to:

- accept Instructions signed or given to us by any one of you to act on behalf of you both to buy or sell Investments;
- accept Instructions from either of the joint IDA holders to vary the terms on which your joint IDA is operated;
- make information about the joint IDA available to the other joint IDA holder; and
- accept Instructions signed or given to us by any one of you to act on behalf of you both in all other transactions with us, including providing any other facilities on your joint IDA in accordance with these InvestDirect Terms, opening further accounts in your joint names and closing such accounts in your joint names. For such purposes, Instructions may be in writing or any other form we accept and may be given by any means or through any media we accept and on such terms as we may tell you.

7.3. If you're a joint IDA holder and you also hold an individual Invest Direct Stocks and Shares ISA the authority in 7.2 includes information about your individual ISA. If you don't want us to include your individual ISA information with the joint IDA information then you must let us know.

7.4. We'll accept such authority until it is cancelled by either of you (unless otherwise agreed in writing) or treated by us as cancelled under clause 7.5.

7.5. If either of you tells us of a dispute between either of you, we may treat this as notice of cancellation of the authority set out at clause 7.2. If we do, any further transactions will need the authority of you both and the use of additional services such as OB may be suspended.

7.6. We'll cancel or close a joint IDA other than as specified in clauses 7.3 and 7.4, only on the written Instructions of both joint IDA holders.

7.7. We may disclose to either of you any information we hold about the account(s) including historical Statement information.

7.8. Unless clause 7.4 above applies, in the event of the death of either of you, the survivor has authority to instruct us to pay them any credit balance and deliver to them any Investments held in the IDA. This is subject to any rights which we or a third party may have.

7.8.1. If we receive notice that at least one of you has become mentally incapable we'll treat this as notice of cancellation of the authority set out in clause 7.2. This means that we'll only act on Investment dealing Instructions and/or make payments out of the Settlement Account that are authorised before we received notice until either an Attorney or Receiver is appointed to act for the person who is mentally incapable.

7.9. You agree that if either of you registers for OB or any other banking service provided over an electronic channel which we may make available to you:

7.9.1. We may provide OB or such other service in respect of your joint account even if each of you hasn't registered for OB or such other service;

7.9.2. in such circumstances you'll be bound by the OB terms and/or the terms of such other service (terms are available on request or at hsbc.co.uk); and

7.9.3. We may follow any Instructions given to us in relation to your joint account by either of you, even if any joint account mandate requires the authority of both of you. This clause overrides the mandates.

7.10. In respect of Web-Based Accounts we'll usually send any material relating to the joint IDA that is sent by Secure e-message only to the joint IDA holder who sent us the service request, or gave us the Instruction.

7.11. In respect of IDA holders who don't have a Web-Based Account, or if we send any Communications, Statements, Costs and Charges Disclosure Document or other material relating to the joint holders of a Web-Based Account by post, we'll usually send one copy addressed to both IDA holders to the address of the first joint IDA holder on our records.

7.12. Unless we agree otherwise, we'll not send copies of Communications or other material to both joint IDA holders. The receipt of any Communication by one IDA holder will be deemed to have been received by both.

7.13. If you open a joint IDA you accept that you're both individually and together bound by these Terms and responsible for any money which may be due to us.

7.14. Please also see the joint account provisions in Section 1, clause 7, clause 2 for using our telephone service, clause 8 for third party authority and clause 9 for Statements.

8. Third party authority

You can authorise another person to operate your IDA. You'll need to sign a document called an HSBC InvestDirect third party mandate in respect of the IDA which you may request from us. On joint IDAs, both of you must sign the third party mandate. You may also do this by signing a power of attorney but you should take legal advice before doing so. If you authorise another person to operate your IDA then you'll be responsible for their actions or omissions as if they were your own.

9. Statements

9.1. If you've a Web-Based Account, we'll provide you with paper Statements for transactions on your IDA by post every three months. Statements will be dated in March, June, September and December. You'll also be able to view your holdings and transactions for the previous 12 months online.

9.2. If you don't have a Web-Based Account we'll send to you a paper Statement for transactions on your IDA by post every three months. Statements will be dated in March, June, September and December.

9.3. 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.

9.4. If you've a joint account we'll send a Statement as set out in clauses 7.9 and 7.10.

9.5. If you ask, we'll send you additional Statements. We may charge for additional Statements. Details of the charges for providing additional Statements are set out in the Rates and Fees Page.

9.6. If you've investments in Funds then each year, around the anniversary of your IDA we'll send you a Costs and Charges Statement. This statement shows the total actual costs that we've charged you for your investment in the Funds and the services we've 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.

9.7. Balance information

9.7.1. We may provide you with details of the balance on your IDA. This may include transactions that are 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 IDA.

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

10. Fraud prevention

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

10.2. 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 IDA (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'll advise you of the reasons for and likely length of any delay. If we're not satisfied that a payment in or out of your IDA is lawful, we may refuse to deal with it.

10.3. 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 a Force Majeure.

11. Responsibilities

11.1. Unauthorised transactions

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

11.2. Liability for unauthorised transactions

11.2.1. Subject to clauses 11.2.2 to 11.2.5 below, we'll be responsible for any unauthorised transactions that you tell us about in accordance with clause 11.1 above (if we suspect that you've been fraudulent or grossly negligent, we'll investigate the transaction and will only be responsible if/when we've concluded that you've not been fraudulent or grossly negligent). Where we're responsible we'll immediately refund the amount of the unauthorised transaction and any resulting interest and charges. We'll have no further liability to you.

11.2.2. You'll 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 IDA.

11.2.3. You'll be responsible for all losses arising from unauthorised transactions on your IDA as a 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 Section 1, clause 3.4 of the loss or theft of any Security Details.

11.2.4. Unless you've acted fraudulently, you'll not be responsible for any losses in respect of an unauthorised transaction:

- after you've notified us of the loss or theft of your Security Details in accordance with Section 1, clause 3.4; or
- if we've failed to provide the facilities we describe in Section 1, clause 3.4 for you to tell us if any Security Details have been lost or stolen.

11.2.5. We'll not be responsible to you if we fail to comply with any of the Terms:

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

11.2.6. Nothing in the Terms excludes or restricts any liability that cannot be excluded or restricted by Law.

11.3. 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.

11.4. Suspension of our telephone service or OB

11.4.1. We may, at any time, and without incurring any liability for any loss you may incur as a result, suspend your use of our telephone service, OB and/or our Website or otherwise limit or restrict your ability to give instructions or use of the Service if we've 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'll be unable to repay any overdraft on your Nominated Account.

We'll normally give you advance notice by contacting you personally if we're going to suspend your use of our telephone service or OB.

11.4.2. If we're going to suspend your use of our telephone service or OB we'll tell you why we're taking this action but we'll 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've 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.

11.4.3. We may deduct from your Nominated Account the settlement amount of any Trade (and any charges relating to any such Trade) or any Account Fee that is due despite the fact that your use of OB or our telephone service may have been suspended at the time we make the deduction.

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

12. Changes to the Terms

12.1. We may amend the Terms (including by the introduction of new charges or fees or making changes to the amount, rate or basis on which we calculate and/or charge, or by changing the nature of the Services we provide to you or the features of the IDA including by removing any part of or restricting the scope of the Services) in the following ways:

- if we reasonably consider that the change is favourable to you, by telling you about it within 30 days of the change;
- if the change is not favourable to you, by giving you reasonable written notice of at least 30 days before we make the change.

12.2. We may make any change to the Terms for all or any of the reasons set out in this clause 12.2 that apply, namely:

- if the change is favourable to you; or
- 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
- to reflect any change or anticipated change 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're not acting dishonestly, for an improper purpose, in a manner which inappropriately discriminates against a particular customer or as an unreasonable financial institution would.

12.3. 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, or by changing the nature of the Services we provide to you or the features of the IDA including by removing any part of or restricting the scope of the Services) for any other valid reason that applies and is not described in this clause 12. We'll always give you at least 30 days' prior written notice of such a change. Please note however that we'll 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.

12.4. Where we make a change under this clause 12, the change will be proportionate to the underlying reasons for the change and in accordance with the Laws.

12.5. You may without charge close your IDA in accordance with clause 13 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 don't tell us that you want to close your IDA by this time, then you'll be deemed to have accepted such a change and the change will take effect automatically.

13. Ending this contract and closing your IDA

13.1. You can close your IDA and thereby end this Agreement with us at any time, by writing to us or telephoning us. However, please note you'll not be able to cancel any transactions undertaken by HSBC InvestDirect 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'll not be entitled to a refund for any associated fees. Whenever you close your IDA there may be charges for the transactions required to transfer your Assets out of your IDA, except where you close your IDA and terminate this Agreement in accordance with clause 12.5. Please see our Rates and Fees Page for details.

13.2. If you close your IDA in accordance with this clause 13, other than clause 14 and where Terms/products/services are expressly stated to continue, your Agreement with us including these Terms, will also end.

13.3. You may ask us to transfer equity securities you hold in your Investment Account to a charity using Sharegift. We'll act on your Instructions without charging you any fee.

13.4. If your IDA is closed or the Agreement ends for any reason:

13.4.1. You must repay any money owed to us before we close your IDA 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 IDA, any Account Fee(s) are owed and/or we pay for any outstanding Investment transactions you've made or incur any charges relating to these, you agree to repay us these amounts in full. We'll waive these charges where you close your IDA in accordance with clause 12.5.

13.4.2. We'll usually end the Services and any benefit or services provided to you by us immediately unless events beyond our control prevent us from doing so or the terms relating to the particular benefit or service state otherwise;

13.4.3. subject to clause 13.11 below, and provided we've sufficient information from you, we'll 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. In the case of a joint IDA, we'll only transfer the Investments held in the Investment Account on the written Instructions of both joint IDA holders; and

13.4.4. We'll credit or (subject to clause 16.4) debit your Nominated Account with the necessary funds required to bring your Settlement Account balance to nil.

13.5. If your IDA is closed for any reason and you don't tell us what you want to do with your Investments, we'll contact you to obtain your instructions. If you don't 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 deposit the proceeds of sale in your Nominated Account or other HSBC personal bank account in your name (or if you're a joint IDA holder, in the names of all the joint IDA holders for your IDA) or send the proceeds of sale to you. This may mean that we'll send a cheque to the last address we hold on record for you where it is reasonable for us to do so.

We'll give you advance notice if we intend to sell your Investments in this way.

13.6. Cancellation or closure won't affect any outstanding transactions or any rights 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 10, 11 and 13 of Section 1 of these Terms and the relevant parts of the glossary will continue to apply to us notwithstanding cancellation/closure.

13.7. If you don't hold any Investments, and there has been no activity on your IDA for a period of 12 months, or if we become aware that the contact information we hold is incorrect and we're unable to trace you, we may add a marker to your account which could mean you're unable to access your account online. We'll 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).

13.8. We can end this contract with you and close your IDA immediately and without incurring any liability for any loss you may suffer as a result, in any of the following situations:

13.8.1. if you've seriously and persistently breached any of your obligations under the Terms;

13.8.2. if there has been, or we've reasonable grounds to suspect there has been, Financial Crime involving your IDA or any transactions on your IDA;

13.8.3. if there has been, or we've reasonable grounds to suspect there has been, suspicious activity on your IDA;

13.8.4. if we've reasonable grounds for believing you've committed or are about to commit a crime in connection with HSBC InvestDirect;

13.8.5. if you've not satisfied any anti-money laundering requirements;

13.8.6. if you fail to meet the settlement costs of any Trades or any Account Fees;

13.8.7. if there is a change in Laws or regulations that requires us to do so;

13.8.8. if you no longer meet the eligibility requirements as referenced in clause 1;

13.8.9. if you've given us false information in connection with your IDA (for example, in your Application);

13.8.10. if you or any joint IDA holder is not, or is no longer, resident in the UK, Channel Islands or Isle of Man;

13.8.11. if you were a Crown Employee at the time of your Application, and you cease to be a Crown Employee;

13.8.12. if you close your Nominated Account or you choose to switch to another bank using the current account switch service and to not retain another Nominated Account with us; or

13.8.13. if your IDA 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).

13.9. We'll give you notice in writing immediately after your IDA has been closed under clause 13.8.

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

13.11. If you've not repaid any money owing to us at the time the IDA is closed, we may exercise our right of set-off described in clause 16 and sell any Investments.

13.12. 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 IDA is based (including in the Channel Islands or the Isle of Man) before releasing any monies in your IDA to your personal representatives.

13.13. Suspending your Services

13.13.1. We can suspend your Services or any part of your Services temporarily for any of the reasons set out in clause 13.8 above.

13.13.2. We may also suspend your Services or any part of your Services where we've another good reason to do so, and where suspending the Services is proportionate to the underlying reason for the suspension. Where we do so, we'll give you at least 30 days' prior written notice of our intention to do so. Where we do so, you may close your IDA in accordance with clause 13 and/or transfer your IDA to a different provider at any time up to the point at which the suspended service is reinstated.

13.13.3. Where we take steps to suspend your Services or any part of the Services under this clause 13.13, we generally won't apply any fees for the Services during the period of suspension (or any suspended part of the Services, where only part of the Services is suspended) nor will we charge you to end your Services and/or transfer your Investments to a different provider during the period of suspension, unless the reason we've suspended your Services is because:

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

13.13.4. We'll notify you as soon as practicable of the suspension being lifted.

Section 2 – InvestDirect Terms – Miscellaneous

14. Your Information

14.1. Privacy
Your privacy is important to HSBC.

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'll 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.

14.2. Your responsibilities
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:

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

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.

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've 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.

14.3. Actions we may take in order to prevent Financial Crime
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:

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

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

- delaying or refusing to either process a payment or your instructions;
- being unable to provide all or part of the Services to you and ending our entire relationship with you;
- taking necessary steps for any member of the HSBC Group to meet the Compliance Obligations; and/or
- blocking or closing your account(s) (although not any of your mortgage account(s)).

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.

14.4. Tax compliance

You acknowledge that you're 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're 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.

14.4.1. Following the end of each UK tax year, you'll 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. There will be no CTCs issued for customers who only have holdings in a Stocks and Shares ISA. Note that information regarding excess reportable income (to the extent relevant) won't be included in the CTC.

14.4.2. All credit interest on your IDA 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 dividends 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 exceed 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 tax advice on the treatment of such Investments.

Some Funds may be offshore funds which are granted the status of "reporting fund" by HMRC and as such, you may need to declare the amount of distributions received during the year on your tax return. You'll 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'll 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're unsure about your own situation, you should seek appropriate professional advice.

14.4.3. We'll use reasonable endeavours to forward to you any tax documents which we may receive relating to you or any money or Investments in your IDA.

15. 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 IDA unless you've previously obtained an appropriate order from the Court; or

- set up a separate IDA 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.

16. Our right of 'set-off'

16.1. In addition to any other rights, we'll have a right to sell and we'll have a right to use the proceeds of sale of your Investments to reduce or repay any amounts you owe in relation to your IDA (including any Account Fees or other Default amount) or on any other accounts you hold with us anywhere in the same name (including any joint IDA) whether or not those accounts are in the same currency.

16.2. If you hold both a sole IDA and joint IDA with us, we may use any money or Investments held in your sole IDA to reduce any monies owed to us on your joint IDA or use any money or Investments held in a joint IDA to reduce any monies owed on your sole IDA.

16.3. If your Nominated Account is in credit, we may use cash in any currency, converted at our prevailing rates of exchange, to repay or reduce any other amounts you owe us including but not limited to any negative balance on your Settlement Account, any Default amount or other sums due on any sole or joint IDA you hold with us and sums payable in connection with a trade in Investments which we've executed for you but not yet settled.

16.4. If your Nominated Account is not in credit, or it is in credit but you don't have sufficient cleared funds to repay the amounts you owe us, we may still deduct any or all of the amount from your Nominated Account. In these circumstances your Nominated Account may go into overdraft. It is your responsibility to meet any associated obligations (including any overdraft fees) you may have under the terms and conditions applicable to your Nominated Account.

16.5. In addition to our rights under clauses 16.1 and 16.2 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 Section 3, clause 10.

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

- we'll 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'll 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.

17. Cancellation of your IDA

For a period of 14 calendar days after the date we open your IDA, you've the right to cancel your Agreement with us and close your IDA. You can do this by writing to us at our Administration Office or by sending us a Secure e-message from your IDA which is accessed through OB. Each joint IDA holder must write to us or send a Secure e-message separately for this purpose. However, please note you'll not be able to cancel any transactions undertaken during the 14 calendar day period via HSBC InvestDirect 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'll not be entitled to a refund of any charges applicable to the transactions. Subject to this, we'll 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'll not be charged for cancelling the Agreement or closing your IDA. For Applications completed by telephone, the cancellation period will start from the date you receive the Terms in the post.

18. Contacting you

18.1. You agree that we may use any contact details you've 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 IDA, products and services. If you're 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 don't contact you for service or operational reasons by email, mobile message or Secure e-message please let us know. Whilst we'll try to use your preferred channels wherever possible, you may continue to receive important service messages via any of these channels, for example, if there is a legal or regulatory requirement to contact you in a particular way, or when we need to contact you urgently. Where we hold alternative postal address(es) for you, we may send mail to your home address if it is returned from, or you don't respond to, mail sent to your correspondence address.

18.2. 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've no other sharedealing accounts in the same name we'll mark your account as dormant. If there is no activity for a further 12 months we may close your account. We'll take this action to protect both you and us. If you ask us we'll tell you how you can access your accounts either directly or via the UK Finance, the Building Societies Association or National Savings and Investments dormant account scheme. If you've money in a dormant account, it will remain your property (or if you die it will form part of your estate). Dormant accounts won't be charged an Account Fee. If you've an Investment Account which ceases to be dormant we'll write to you to confirm that your account is no longer dormant and give you one month's advance notice that you'll be charged an Account Fee.

18.3. We may provide you with information including documentation via our Website **www.hsbc.co.uk** as permitted by the FCA rules and where you've agreed to this. By signing up for HSBC InvestDirect you agree to receive information via the website. We'll 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 a 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).

18.4. KIDs (where available) and KIIDs will be provided where required and may be accessed and viewed, downloaded, saved and printed from our website or from another website that we'll provide to you. We'll 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've chosen to receive KIDS or KIIDs via the website, you confirm that you've regular access to the internet and you've provided us with your email address. Where we've provided you with a KID or KIID via a website you've the right to request a paper copy of the KID or KIID free of charge. We'll direct you to the website or websites on which any KIDs or KIIDs are available.

19. Transferring rights and obligations

We may transfer all or any of our rights in relation to your IDA. We may also transfer any of our obligations but only to someone we reasonably consider capable of performing them and providing the same level of service 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 (i.e., to act on our behalf) for debt recovery purposes. You may not transfer any of your rights or obligations in relation to your IDA.

20. 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.

21. Your statutory rights

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

22. Governing law and language

The Terms are governed by the laws of England and Wales as are our dealings with you until the time your IDA is opened. You and we submit to the non-exclusive jurisdiction of the courts of England and Wales.

The Terms are in English and we'll always communicate with you in English.

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'll 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'll 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 make a Trade your available Trading Limit will be adjusted to reflect the amount of the purchase or sale 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 don't at any time exceed your Trading Limit, unless we've 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've exceeded your Trading Limit, this does not mean that we've 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). In the case of joint IDA holders, the Nominated Account will be the account nominated by the first named joint IDA holder, or such other account as may be nominated by you from time to time.

2.7. If you don't have sufficient cleared funds in your Nominated Account to pay for any Trades you've made or any outstanding Account Fee charges, you must reimburse us in full by the end of the Business Day following the day on which the Trade was made or the day the Account Fee was due. Failure to do so will put you in Default. We may at our discretion serve you with a default notice requiring you to remedy the Default within the period specified in the 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 don't 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're not required to assess the suitability of our service or any Investments for 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 HSBC InvestDirect if there is extreme market volatility or for any other valid reason we may tell you of. However, if you've already asked us to buy an Investment before we decide to remove or suspend that Investment from HSBC InvestDirect, we'll still try to execute that order for you. If you've an Investment in your Investment Account which has been suspended or removed from HSBC InvestDirect, we may still allow you to hold or sell that Investment. If we're no longer able to support holding an Investment for you we'll 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 HSBC InvestDirect to you, this does not mean we're 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'll 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'll generally charge you a higher trading fee than for dealing

via Online Banking (as stated on our Rates and Fees Page). 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, and without incurring any liability for any loss you may suffer as a result, decline to accept it or subject it to conditions. We'll 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. We'll send your contract note (trade confirmation) 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. All telephone calls that lead or may lead to a Trade will be recorded and kept for seven years. We'll also keep records of all electronic communications relating to Trades for seven years. You may ask us for a copy of any such record during the applicable seven year period.

3.3. When we accept an order, we'll take all sufficient steps to achieve the Best Possible Result, but we'll not be liable for any loss or expense you incur if we're 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 Client Order to buy or sell Investments and we cannot execute your order in its totality, if your order can be partially executed, we'll 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'll 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'll 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'll 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' won't stand. Additionally, orders above the Quoted Market Size may 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'll 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'll only be able to cancel a Client Order if you've entered it outside Normal Market Hours and it hasn't already been placed with the market in accordance with clause 3.4 of this Section 3 or if you've placed a Limit Order and the limit hasn't been met. We'll 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 may want to consider whether placing a Limit Order is appropriate.

3.8. With the exception of Fund Shares and Limit Orders which are not expiring that night, if you place a Client Order shortly before the end of Normal Market Hours, whilst we'll 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'll 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. We'll not be liable for any losses we could not reasonably have expected to occur. To the extent permissible under applicable Laws, we'll not be liable for any loss arising from such a cancellation.

3.9. 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 disadvantage for you for example as regards price or allocation.

3.10. 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 Organised Trading Facility 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. You may not require us to use a particular Execution Venue nor a particular broker.

3.11. You're not permitted to short sell, (in other words, to sell any Investments that you don't already hold within your IDA).

3.12. You may not sell Investments that you don't 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.

3.13. You may ask us to transfer equity securities you hold in your Investment Account to a charity using Sharegift. We'll act on your Instructions without charging you any fee.

3.14. You may enter market orders and Limit Orders, although you aren't 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 days using our telephone service. You can place a Limit Order valid for one day on our Website. While we'll 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.

3.15. The following terms in this clause 3.15 apply to dealing in Fund Shares (in addition to the terms of clauses 3.1 to 3.14 of this Section 3, except where stated otherwise). In the event of a conflict between the terms of this clause 3.15 and the terms of clauses 3.1 to 3.14 of this Section 3, the terms of this clause 3.15 of this Section 3 will prevail.

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

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

3.15.3. Orders given during Fund Dealing Hours are irrevocable. You'll only be able to cancel an order if you've entered into it outside Fund Dealing Hours and it hasn't already been placed with the Operator.

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

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

3.15.6. 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 or key information documents as appropriate are available on our Website and hard copies are available upon request.

3.15.7. Subject to clause 3.15.6 of this Section 3, the minimum initial investment for each Fund is £1,000. 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.

3.15.8. 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.

3.15.9. The prices of the Funds appearing on our Website will be based on the latest prices published by the Operator but these won't 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).

3.15.10. 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'll have no liability for failure of Fund Shares being issued or redeemed in such a case.

4. Stabilisation

4.1. 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.

4.2. 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.

4.3. 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're prepared to buy securities.

4.4. 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 Client Orders are those set out in the conduct of business sourcebook located in the FCA rules. You may ask us at any time to confirm how we've achieved the Best Possible Result for Client Orders.

5.2. Your Client Orders will be executed in accordance with our Execution Policy in order to achieve the Best Possible Result. A summary of the steps we'll take is set out in 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;

5.3.2. Us executing deals for you either by entering into the deal on your behalf (acting as your agent) or (where permitted by applicable laws and regulatory requirements) by entering into the deal on our own account (acting as principal) and entering into another deal with you; and

5.3.3. You're entitled to ask us to demonstrate that we've executed any particular Client Order in accordance with our Execution Policy.

5.4. The execution of your Client Orders outside a Regulated Market, Organised Trading Facility or Multilateral Trading Facility.

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

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

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

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

6. Client money

Where we hold money for you we hold it as banker and not as trustee (nor your agent, if you're in Scotland). As a result, money won't 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

deposit 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.

7. Settlement and custody

7.1. Your Investments will be registered in the name of a nominee company (except where otherwise specified below) 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've 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're responsible for any such shortfall, we shall purchase or borrow assets immediately at our cost to correct your position. We've 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 and where we're permitted to do so under applicable Laws, 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 don't 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'll 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

7.2. 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've 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 and rights may occur in two situations:

- 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.
- 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'll 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've 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 9 will contain additional information regarding Investments held in non-EEA jurisdictions.

7.2.1. 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:

- your ownership of a proportion of the assets in the pooled account won't 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;
- 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.

7.2.2. 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.

7.3. If you transfer Investments into your Investment Account, you'll not be able to sell them until they have been transferred into our nominee name. We'll not be liable for any loss you may suffer if you're unable to sell any Investments that you don't have in your Investment Account or that have not yet been settled.

7.4. When you transfer Investments in your sole name to a joint IDA it will be deemed to be a transfer of ownership from your sole name to your joint names, which may result in a tax charge and in the loss of certain loyalty or other benefits offered by the company in which you've invested.

7.4.1. In the event of a Failed Trade, we'll:

- move the money we took from your Settlement Account to effect settlement into an appropriate bank account until we're able to source the Investment in the market;
- send you a letter telling you about the Failed Trade within two Business Days of the Settlement Date; and
- inform you once the trade has settled in the market.

You'll 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'll not be able to transfer an Investment that is the subject of a Failed Trade, you'll be able to sell the Investment. The delay in obtaining the stock won't 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.

7.5. We'll settle your Trades contractually. This means that on the expected Settlement Date our records will be updated to reflect the Trade as settled even where there is a Failed Trade.

7.6. 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. In the case of joint IDA holders, the Nominated Account will be the account nominated by the first named joint IDA holder, or such other account as may be nominated by you from time to time.

7.7. The Settlement Date for sales of equity Investments will normally be two Business Days after the date of Trade (T+2) or three Trading Days (T+3). Gilts normally settle one Trading Day after the date of the Trade (T+1) and sales of Fund Shares normally settle three Trading Days after the date of the Trade (T+3). For other types of investments the Settlement Date will be indicated on your contract note. If you buy Investments you must on 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 Settlement Date, you must have sufficient settled Investments to settle your sales.

7.8. You'll be and will remain, the beneficial owner of your Investment Account (and any other Account in your IDA 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 clause 7.2.1 and the second bullet of this clause). In addition:

- 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 IDA, such deliverable documents or sale proceeds (as the case may be) as we actually receive.
- we're 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. Where we do so, your Investments may be held in the name of that sub-custodian or a nominee of that sub-custodian. 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.

7.9. Unless you give us instructions in relation to voting in accordance with clause 7.14 of this Section 3, you'll not be sent shareholder communications. You'll not receive other shareholder benefits and you'll not otherwise 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'll not exercise any voting rights attached to any Investments.

7.10. 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.

7.11. Where such entitlement is greater, we'll credit your IDA with an amount at least equal to the amount you would have received if your entitlement had been held separately. If you're entitled to a fraction of one share, this will be aggregated with the fractional entitlements of other customers and sold. You'll receive the net proceeds from the sale on a pro-rata basis. We'll be entitled to any remaining balance (which will be a fraction of one pence) for our own account.

7.12. Where such entitlement is smaller, we'll credit your IDA 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.

7.13. 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're 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.

7.14. We'll be responsible for claiming and receiving dividends and interest payments accruing to your Investments. We'll convert all money received from dividends, interest payments etc. into sterling and credit it to your Settlement Account. We'll not notify you of the dividend payments attaching to your Investments, which will be credited to your IDA in either cash or Investments depending on the standing Instruction that you give us or gave to us on opening your IDA. You can check or amend the status of your standing Instruction by contacting our Customer Service Centre.

7.15. We'll 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'll act on your behalf and in the best interests as we see fit. Any notification will be posted as soon as possible after we've been advised by our relevant sub-custodian or Market Data Provider. We'll have no liability for any losses suffered and/or expenses incurred, if after using all reasonable endeavours to contact you by post, we're not able to tell you about a corporate action.

7.16. If you notify us within such period as we may specify, that you wish to exercise rights in respect of your Investments, we'll use reasonable endeavours to give effect to your Instructions but only on such terms as we may agree from time to time. Otherwise, we'll 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).

7.17. 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're not permitted to make Instructions for multiple lines of stock at the same time). Instructions won't be accepted for other shareholder benefits. We'll not accept standing Instructions.

7.18. Where a corporate action results in you receiving, in settlement, an Investment that cannot be held in your Investment Account we'll 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'll sell your entitlement and credit the net sale proceeds to your Settlement Account. Where the investment can be held in your IDA and is received into an ISA, if the resultant stock is not ISA eligible, we'll move it to your nominee account.

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

8. Conflicts of interest

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 don't impact on our ability to always act in your best interests.

8.2. We'll always try to act in your best interests in carrying out any transaction for your IDA.

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 IDA 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 and research

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;

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'll not hold the Market Data Providers or us liable for any resulting liability, loss or damage.

9.2. The provisions in sub-clauses 9.1–9.6 are 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've the ability to receive Market Data and will survive termination of your IDA.

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 don't 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'll remedy the situation as soon as possible.

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

9.7. Research may be provided by us or by a third party. You owe similar responsibilities regarding research as you do for using Market Data. We charge you for research and this charge forms part of your Account Fee.

10. Charges over Investments

10.1. All of your Investments and money in your IDA (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're 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 IDA 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 and any joint accounts) whether or not those accounts are in the same currency. If we choose to exercise this right:

- we'll 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;
  - 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'll 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 right to combine accounts you've with us 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 and any joint 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'll 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;
  - 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'll 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 won't be affected in any way by any settlement of account or other matter or thing whatsoever (for example, if you repay amounts you owe to us, this won't affect the validity of any security rights we have) and will be in addition to any other security, guarantee or other requirements to pay any amounts now or hereafter held by us or any other person in respect of your liabilities (the amounts you owe us).

10.5. You hereby authorise us to execute and sign all such transfers, assignments, 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 at our request 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'll 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 (this is a right which allows us to retain possession of your Investments as security for non-payment of amounts that you owe to us). See clause 7.1.3 for more information.

10.10. Sections 93 (restriction of right of consolidation) and 103 (restriction of right of sale) of the Law of Property Act 1925 won't apply to these Terms. This means that we can require you to pay off all amounts you owe us before we release any of our security interest. This also means that we may be able to exercise our rights under our security interest and to sell your assets as soon as we're permitted to do so under these Terms without being required to provide notice to you or wait for any legally prescribed period before we enforce the rights under our security interests.

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'll check your identity using your Security Details.

11.2. 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'll not be held liable for, and you'll be responsible to us in respect of, the consequences of our acting in good faith in accordance with any Instructions contained in such fax.

11.3. 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'll not be held liable for, and you'll 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.

11.4. 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.

11.5. When we contact you
When we say we'll contact you personally we may, subject to any requirement to contact you in a particular manner, do so by post, telephone (including mobile phone), email, mobile messaging, (if you're registered for OB) Secure e-message, a message on your Statement, or in any other way that will be sent to you individually.

11.6. If you're a Web-Based Account holder you agree that for the purposes of sending you any documentation relating to your IDA we may, subject to any regulatory requirement to use a particular manner, send such documentation in electronic form only. We'll send you paper Statements as set out in clause 9.1 of Section 1. We'll send you contract notes (trade confirmations) by Secure e-message as set out in clause 3.2 of Section 3.

11.7. We'll 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'll 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 11.7.

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

11.9. 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 don't constitute personal investment recommendations or advice.

11.10. We cannot provide taxation advice.

11.11. We don't 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.

11.12. 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 our HSBC InvestDirect, that:

12.1.1. You're 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're acting);

12.1.3. as far as you're aware, 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're acting);

12.1.4. in accepting this Agreement, we've not made, and you're not relying upon, any statements, presentations, promises or undertakings that are not contained in the Agreement.

12.1.5. You and any other joint IDA holders remain resident in the UK, or if applicable, the Channel Islands or Isle of Man, or Crown Employee(s) or a spouse or civil partner of a Crown Employee.

12.2. You accept responsibility for monitoring your IDA. 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 IDA, payments, balances, records or assets or money held or transaction history.

12.3. You should not access HSBC InvestDirect 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'll 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 11 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're caused by our (or their) breach of the Terms or our (or their) negligence, fraud or wilful default in relation to your IDA; and

13.1.2. subject to Annex 5, clause 13.6 of this Section and clause 21 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'll not be liable to you if we don't 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'll 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, including any Account Fees or charges, 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 any applicable laws 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 won't 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'll 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'll 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'll 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're not able to accept responsibility for the acts and omissions of other HSBC entities that may provide you with execution and dealing services as contemplated by Annex 3. But if you've any concerns or complaints on this front at any time, please let us know straight away and we'll explain how these can be dealt with.

Please also see Annex 5 which provides further information on this front.

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'll not be liable except to the extent of our own negligence, fraud or default.

13.13. In the event at any time that we reasonably consider you've broken the Terms, we may without notice and without incurring any liability for any loss you may suffer as a result:

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 – Annex 1

Please read carefully.

Important Information

The Website is intended for residents of the UK, certain residents of the Channel Islands and Isle of Man and Crown Employees working overseas only. It should not be accessed by persons in the US and Canada. We're regulated by the Financial Conduct Authority.

A share is an instrument representing a shareholder's rights in a company. When purchasing a share, you're, 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 5 years). Past performance is not an indication of future performance. There is an extra risk of losing money when shares are bought in some 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.

You should also specifically bear in mind the following risk factors which are relevant to investing in fixed interest securities such as gilts. Like all investments available including those available through our Website, the value of your gilts and the income from them can go down as well as up and you may not get back the amount you originally invested. If you purchase gilts above par value and hold them to redemption, you'll receive less than you paid for them.

You should also specifically bear in mind the following risk factors which are relevant to investing via Funds. By holding Fund Shares, you're indirectly investing in a wide range of different companies. Although this should spread risk, any investment in the stock market involves risk and you should view your investment as medium to long term. Typically this means 5–10 years for medium term and over 10 years for long term Investments.

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're 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'll 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'll 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're 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'll change it as soon as we're 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 don't warrant that the use of our Website or any material downloaded from it won't 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 advisors 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 don't waive any of our proprietary rights in our Website. You're entitled to view, copy and print documents from our Website solely for your own non-commercial use, provided that you don't 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'll 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'll be subject to the terms of use and privacy policies of the new website which you're 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.

Access

The Website is intended only for customers who reside and are present at the point of access, in the UK. This is to ensure that usage is in accordance with local Laws and Regulations.

Annex 2

Security information

We're 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 don't 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 of encryption, you'll 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'll 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 within OB.

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'll 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'll take all sufficient steps to achieve the Best Possible Result on a consistent basis, including, where possible, in situations of market stress, 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'll 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 Order other than on a Regulated Market, Multilateral Trading Facility or Organised Trading Facility, there may be an increase in counterparty risk. If you've 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).

Bonds
HSBC Bank plc will execute usually via Tradeweb or Bloomberg using a panel of approved market makers, typically sourcing the best price from Barclays Bank, Deutsche Bank, HSBC Bank plc (Global Banking and Markets division), Lloyds Bank and Winterflood Securities and in some cases may use Citigroup Global Markets, Daiwa Capital Markets Europe Limited, JP Morgan Securities, Mizuho International PLC and Namura 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 Open Ended Investment Companies
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 **www.investments.hsbc.co.uk/best-execution**

For unit trusts and OEICs the fund manager is the relevant Execution Venue.

4. Limit Orders
Where you've placed a Limit Order in shares admitted to trading on a Regulated Market, Multilateral Trading Facility or Organised Trading Facility and the Limit Order is not immediately executed under prevailing market conditions; we'll 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 shares which are not admitted to trading on a Regulated Market, Multilateral Trading Facility or Organised Trading Facility or if it is significantly large in scale compared with the normal market size.

5. Specific instruction warning
We'll only execute your instruction as set out within these terms and we'll process your Client Order in accordance with our Execution Policy. We're not able to accept any additional specific instructions you give us as to how to execute a Client Order, e.g. to use a specific broker or Execution Venue.

Where you're permitted to give a specific instruction this may prevent us from achieving the Best Possible Result in accordance with our Execution Policy in respect of the aspects covered by the specific instruction.

6. Effective date, review, amendments and monitoring

Our Best Execution Disclosure Statement is reviewed at least annually. Where necessary we may amend it, in the event a material change has occurred, which includes changes to the list of Execution Venues on which we place significant reliance. We'll inform you of any changes either in writing or by publishing the amended Best Execution Disclosure Statement on our website. We'll also monitor our effectiveness in achieving best execution of 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 on 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. Conflicts may also arise from the receipt of payments or benefits from third parties or from remuneration and other incentive structures.

HSBC has established procedures which are designed to take all appropriate steps to identify, and prevent or manage such conflicts which may adversely affect the interests of clients. 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 will consider whether it is 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've 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're entering into the contract as your agent and acting on your behalf, you'll still be a party to the contract as a matter of law.
- As a result, you'll be bound by the terms of the contract, and you'll also be entitled to enforce the contract if it is breached by HSBC Bank plc. In other words, you'll 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'll 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're 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've any concerns or complaints on this front at any time, please let us know straight away and we'll explain how these can be dealt with.
- You should also be aware that, if you're 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're not satisfied with the way in which HSBC UK Bank plc deals with a complaint you've 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 Exchange Tower, Harbour Exchange, 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've 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'll 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're 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'll categorise you as a retail client for the purposes of the FCA rules. This means we'll have a regulatory duty to provide you with "retail quality" best execution – i.e. in general terms, when executing orders for you, we've 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've any questions about the information set out in this Annex, please don't hesitate to let us know and we'll do our best to help.

Annex 6

Additional matters

Complaints

If you're unhappy in any way with our products and services then please let us know. On receipt of your complaint, we'll send you a copy of our leaflet 'Listening to your comments', which explains how we'll 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
London E14 9SR

Telephone: **0800 023 4567** 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've 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 won't affect your legal rights. We offer many services for our disabled customers. For more information call us on **03457 404 404** (textphone **03457 125 563**). Lines are open 8am to 10pm every day (excluding Christmas Day, Boxing Day and New Year's Day) in the UK or **03456 006 161** (textphone **03457 125 563**) 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've 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 depositors' 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**.

Accessibility

To find out more about our accessible services please visit **www.hsbc.co.uk/accessibility** or ask at any of our branches.

If you'd like this document in another format such as large print, Braille or audio, please contact us on **03457 404 404**.

A textphone service is available for customers with hearing and/or speech impairment(s) on **03457 125 563** (**+44 2070882077** from overseas). BSL Video Relay Service is also available (Monday-Friday, 8am-6pm, excluding Bank and Public Holidays) at **www.hsbc.co.uk/accessibility**

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