

HSBC Child Trust Fund

Terms and Conditions

Effective Date 3 January 2018

Contents

Important Information

1. Definitions	2
2. Appointment	2
3. Opening the HSBC Child Trust Fund	3
4. Cancellation	3
5. Subscriptions	4
6. Custody and Client Money	4
7. Management and Operation of the HSBC Child Trust Fund	4
8. Delegation and Assignment	5
9. Conflicts of Interest	5
10. Communications	6
11. Interest	6
12. Charges	6
13. Statements	6
14. Voting and Fund Information	6
15. Change of Registered Contact	6
16. Closing the HSBC Child Trust Fund	6
17. Transfers	7
18. Withdrawals from the HSBC Child Trust Fund	7
19. Maturity of the HSBC Child Trust Fund	7
20. Your Information	7
21. Changing the Terms	10
22. General	10
23. Governing Law and Language	11
24. Complaints and Compensation Rights	11
Annex 1 – Best Execution Disclosure Statement	12
Annex 2 – HSBC Policy on Conflicts of Interest	12

Important Information

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

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

1. Definitions

In these Terms:

“Administrative Office” means HSBC Trust Company (UK) Limited, PO Box 6189, Coventry CV3 9HS, or such other address notified to you from time to time.

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

“Associated Company” means any company in the same group as the CTF Provider or a subsidiary of any such “holding company” as such terms are defined in Sections 1159 and 1260 of the Companies Act 2006 as amended or replaced from time to time.

“Authorised Corporate Director” means HSBC Global Asset Management (UK) Limited.

“Bank” means HSBC Bank plc.

“Best Execution Disclosure Statement” means the statement set out in Annex 1.

“Best Possible Result” means the best possible result for a purchase or sale of Shares in order to comply with the Bank’s best execution obligations under the Rules as explained in Annex 1.

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

“Business Day” means Monday to Friday except UK public holidays.

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

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

“Child Trust Fund” means a long-term tax-free savings and/ or investment account open to an Eligible Child.

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

“Corporate Action” means any mandatory or voluntary corporate action event including, without limitation, any events concerning takeovers, mergers, other offers or reorganisations and the exercise of conversion and subscription rights relating to the Fund.

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

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

“Effective Date” means the Business Day upon which we accept your Application Form.

“Eligible Child” means a child born between 1 September 2002 and 2 January 2011 and in respect of whom a Responsible Person is entitled (at the time of making an application to open the HSBC Child Trust Fund) to child benefit or any other benefit that may replace it.

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

“FSCS” means the Financial Services Compensation Scheme, which is the UK’s statutory compensation scheme for customers of authorised financial services firms.

“Fund” means the fund applicable to your HSBC Child Trust Fund, as explained in the HSBC Child Trust Fund Key Features Document.

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

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

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

“Investment Account” means the account with the CTF Provider in which Shares purchased in the Fund are held.

“Junior Individual Savings Account” means a long-term, tax-free savings and/or investment account for children that were born on or after 3 January 2011, amongst other conditions.

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

“Nominee” means the non-trading company within the HSBC Group appointed by us to hold investments on behalf of our customers.

“Open-Ended Investment Company” means the open-ended investment company in which the Fund is a sub-fund.

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

“Registered Contact”, “you” or “your” means the person who applied to open a Child Trust Fund, either the Child or a Responsible Person as appropriate, or any other person who subsequently becomes the Registered Contact of the Child Trust Fund. Where the Child is the Registered Contact, the terms “Registered Contact”, “you” or “your” will refer to the Child only in the Child’s capacity as the Registered Contact.

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

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

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

“Shares” means shares in the Fund.

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

“Terms” means these terms and conditions.

“Transaction” means the purchase or sale of Shares following an instruction from you.

2. Appointment

2.1 You appoint us as the CTF Provider to manage your HSBC Child Trust Fund in accordance with these Terms, your Application Form, the Regulations and the Rules. These Terms set out the detail of the agreement between you and us and, where applicable, the Bank acting as your deposit taker under these Terms.

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

3. Opening the HSBC Child Trust Fund

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

3.2 An application can be made by a Registered Contact to transfer an existing Child Trust Fund to us for an Eligible Child if the Eligible Child is under sixteen. Where the Eligible Child is sixteen or over, and the Eligible Child has elected to leave the existing Registered Contact in charge of a Child Trust Fund, in accordance with the Regulations, the existing Registered Contact can apply to transfer an existing Child Trust Fund to us.

3.3 Where the Eligible Child is sixteen or over and has elected to take on the role of Registered Contact for the Child Trust Fund themselves in accordance with the Regulations, the Eligible Child can apply to make the transfer of an existing Child Trust Fund to us.

3.4 Once you provide us with an Application Form which includes a declaration as required by the Regulations we will set up the HSBC Child Trust Fund. We will not activate the HSBC Child Trust Fund until the cancellation period has expired (please see Clause 4).

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

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

4. Cancellation

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

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

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

5. Subscriptions

5.1 We cannot accept any Subscriptions to the HSBC Child Trust Fund until it has been opened. If we do receive Subscriptions before the HSBC Child Trust Fund is open, the Bank will hold these in accordance with Clause 6.9 until it is opened. If, for any reason, the HSBC Child Trust Fund is not opened we will send a cheque for the amount of any Subscriptions we have received to the Registered Contact payable to the Child.

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

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

5.4 Subscriptions to the HSBC Child Trust Fund can only be made in sterling by cheque, Direct Debit, standing order or direct credit. There is no minimum amount for subscriptions to the HSBC Child Trust Fund. Monthly Subscriptions can also be made into the HSBC Child Trust Fund. Before these subscriptions can be invested, there will have to be cleared funds in the Cash Account. Money received by cheque will not be available for use immediately as it can take at least two working days from the date we receive it for us to process cheques and clear them. In some cases it might take longer than two working days. Subscriptions that have cleared into the Cash Account will normally be used to purchase Shares in the Fund within two Business Days.

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

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

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

Instead it will be placed in the Overflow Account to be invested into the HSBC Child Trust Fund at the start of the next Birthday Year or, alternatively, paid to the Child on their eighteenth birthday as appropriate (please see Clause 19.2).

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

5.8 You agree and confirm that for such time as we are appointed as the CTF Provider to manage your HSBC Child Trust Fund, you will be deemed to have consented to our Execution Policy (as such term is defined in our Best Execution Disclosure Statement).

6. Custody and Client Money

6.1 We will be responsible for the custody of Shares in accordance with the Rules. We will safeguard your Shares in accordance with the Rules. The protection accorded to the Shares under the Rules is in addition to any rights you may have, subject to eligibility, to claim compensation under the FSCS, as set out in Clause 24 of these Terms.

6.2 We will arrange for the Shares to be registered in the name of our Nominee. The Shares will be segregated from our property in order to protect your interests in the event that we or our Nominee were to fail.

6.3 We will accept responsibility to the full extent required by the Rules for the acts and omissions of Associated Companies, including the Nominee for the Shares under these Terms.

6.4 We will not deposit, pledge or charge any Shares as security for any loan. In the event of us becoming insolvent, you will remain the beneficial owner of Shares held in the name of our Nominee.

6.5 Although your Shares will not be pooled with our own assets they will be pooled with investments held for other clients. This may be a single account or multiple accounts held by us. Where the Shares are held in this manner:

- i. your ownership of a proportion of the Shares in the pooled account will not necessarily be immediately identifiable by way of separate certificates, other physical documents or equivalent electronic records. There will be a record kept by us, where your ownership will be identifiable; and
- ii. in the event of our failure, if there is an uncorrected shortfall on the pooled account, all clients with investments in the pooled account may share in that shortfall. The amount of shortfall will be calculated in proportion to their original share of the assets in the pooled account.

6.6 Where the Rules require us to fund any shortfall in Shares, we may make good that shortfall using assets or monies and any such monies shall also be treated by us as Client Money and held in accordance with Clause 6.8. No interest is payable on money held as Client Money under these Terms.

6.7 We will hold Client Money in accordance with Clause 6.8 where:

- i. we receive Credit from HM Revenue & Customs awaiting allocation to the HSBC Child Trust Fund;
- ii. there is money awaiting payment out of the HSBC Child Trust Fund on terminal illness or death of the Child;
- iii. a Child Trust Fund account is transferred in to us from another provider;
- iv. we are transferring out an HSBC Child Trust Fund account to another provider;
- v. we are returning Subscriptions to you where the account has become void;
- vi. there is money awaiting to be paid to the Child on maturity of the HSBC Child Trust Fund; or
- vii. we receive Subscriptions from you before the HSBC Child Trust Fund can be opened.

6.8 Client Money will be deposited with a number of financial institutions which may include the Bank and/or other financial institutions as we may nominate from time to time. We remain responsible to you for your Client Money to the full extent required by the Rules. In the event that we (or a third party bank with which your Client Money is deposited) were to fail, the FCA's client money distribution and transfer rules contained in the Rules apply to your Client Money. The protection accorded to the HSBC Child Trust Fund's Client Money under the Rules is in addition to any rights that you may have, subject to eligibility, to claim compensation under the Financial Services Compensation Scheme, as set out in Clause 24 of these Terms.

6.9 Where:

- i. money is credited in the Cash Account; or
- ii. money is credited in the Overflow Account,

such monies will be held by the Bank (separately of any Client Money held by us) as banker and not trustee. This means that such monies will not be held in accordance with the Rules applicable to Client Money. If the Bank were to fail, the client money distribution and transfer rules would not apply to this money and you would not be entitled to share in any distribution made under those rules.

7. Management and Operation of the HSBC Child Trust Fund

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

7.2 Where the Child is under sixteen the Registered Contact will be the single Responsible Person. Where the Child is over sixteen, the Child can choose to be the Registered Contact without requiring the consent of the existing Registered Contact to do so. Upon reaching the age of eighteen, the HSBC Child Trust Fund will cease in accordance with the terms in Clause 19.

If the Child does not choose to become the Registered Contact when they reach sixteen then the existing Registered Contact will remain as Registered Contact for the HSBC Child Trust Fund and we will continue to act on instructions given by that Registered Contact.

7.3 Subscriptions received into the HSBC Child Trust Fund or Credits received from HM Revenue & Customs will be invested by us into the Fund until maturity (please see Clause 19).

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

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

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

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

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

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

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

- i. any Credits they have made to the HSBC Child Trust Fund;
- ii. any income and gains which have arisen from the crediting of any HM Revenue & Customs Credits to the HSBC Child Trust Fund; and
- iii. any tax on interest paid gross on income arising in relation to credit interest payments on invalid Subscriptions made to you on or prior to 5th April 2016. Where you have incurred a tax liability in respect of credit interest payments made to you on or after 6th April 2016 we will not deduct any amount in respect of these liabilities and it shall be your responsibility to account to HMRC for the full amount of such liabilities.

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

7.9 In the year of the Child's sixteenth birthday, we will include a notice in the annual statement we send out to the Registered Contact one month before the date of the Child's birthday (see Clause 13) to tell them that once the Child reaches the age of sixteen they can apply to become the Registered Contact in respect of the HSBC Child Trust Fund themselves, or opt to retain the existing Registered Contact until the Child reaches eighteen years of age. The Registered Contact should inform the Child of their right to become the Registered Contact at sixteen years of age.

Corporate Actions – Entitlement to shares and other benefits

7.10 For any Corporate Action, entitlements to shares and any other benefits, including cash proceeds, will be distributed amongst all investors who hold investments as described in Clause 6.5. The distribution will be in the same proportion as the respective holdings of clients who have given identical instructions in connection with the relevant Corporate Action. In the case of mandatory Corporate Actions, investor instructions will be deemed to have been given. In the case of voluntary Corporate Actions, the entitlement will be paid on the default option for any events not instructed on.

7.11 We will apply any share entitlements to the fullest extent possible however, where any Corporate Action results in you being entitled to the cash value of a fraction of a share, we will credit your Account with that cash amount in full.

8. Delegation and Assignment

8.1 We may appoint another member of the HSBC Group as Child Trust Fund provider in our place. If this happens, that other HSBC Group company will manage the HSBC Child Trust Fund in accordance with these Terms.

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

8.3 We may not assign your agreement with us under these Terms to a third party without your consent, except that we may transfer it to an Associated Company (which is suitably authorised and capable of providing the services to you at a similar level of service) as part of an internal re-organisation of our business. In the event that we do undertake such a transfer, we will give you at least 30 days' advance personal written notice of the change. The new contracting entity will assume our obligations to provide the services under these Terms to you in our place. If you do not agree to the transfer, you have the right to end this agreement at any time in accordance with Clause 17.

9. Conflicts of Interest

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

9.2 We owe a duty to act in your best interests in carrying out any transaction for your HSBC Child Trust Fund.

9.3 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 are summarised in Annex 2.

9.4 For some of our services we may receive other minor benefits (but not payments) that we believe improve the quality of the service provided to you. Such benefits will be minor in nature so that they do not impact on our ability to always act in your best interests.

10. Communications

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

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

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

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

11. Interest

11.1 Gross interest will be paid at the rate of 1% below the Bank of England base rate once a year on the Child's birthday in respect of monies held in the Cash Account. We will adjust the interest rate payable upon the Cash Account within 30 days of a change to the Bank of England base rate. Where the Bank of England base rate is 1% or lower, no interest will be earned on monies held as cash in the Cash Account.

11.2 Interest will be paid at the rate of 1% below the Bank of England base rate once a year on the Child's birthday on monies held in the Overflow Account. We will adjust the interest rate payable on the Overflow Account within 30 days of a change to the Bank of England base rate. We will pay interest gross and this will be paid directly into the Overflow Account. Where the Bank of England base rate is 1% or lower, no interest will be earned on monies held as cash in the Overflow Account.

11.3 We only calculate interest on the daily cleared balance of the Cash Account and the Overflow Account and will pay it into the Cash Account or the Overflow Account, as appropriate, once a year on the Child's birthday. The interest will only be reinvested in the HSBC Child Trust Fund where it is over £1. Interest will not be paid during the cancellation period.

12. Charges

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

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

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

13. Statements

13.1 We will send an annual statement to either:

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

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

14. Voting and Fund Information

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

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

14.2 We will, if you so elect, arrange for you to receive a copy of the annual report and accounts issued to investors by the Open-Ended Investment Company. If you ask for copies of the reports and accounts, short form versions will be issued as standard. A specific request must be made to our Administrative Office for long form versions.

15. Change of Registered Contact

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

15.2 Where the Child has reached sixteen years of age, the Child does not require the consent of the present Registered Contact to become the new Registered Contact (in accordance with the procedure in Clause 7.2).

16. Closing the HSBC Child Trust Fund

16.1 The HSBC Child Trust Fund can only be closed:

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

16.2 If the Child has died, we will need to see such proof as we may require of the death. On the death of the Child, all tax benefits associated with the HSBC Child Trust Fund in relation to interest, dividends or gains on investments will be lost immediately. We reserve the right under these Terms to deduct a sufficient amount of funds from the HSBC Child Trust Fund to pay any tax liabilities that may have been incurred in relation to credit interest payments made on or prior to 5th April 2016. Where tax liabilities are incurred in respect of credit interest payments made on or after 6th April 2016 we will not deduct any amount in respect of these liabilities and it shall be the Child's personal representatives (subject to receiving such proof as we may require of their appointment) responsibility to account to HMRC for the full amount of such liabilities.

Subject to this we will continue to deal with the HSBC Child Trust Fund in accordance with these Terms and the instructions received from the Child's personal representatives who will become subject to these Terms. We will only pay cash to the personal representatives in accordance with their instructions, we will not transfer HSBC Child Trust Fund investments to them.

17. Transfers

Transferring out

17.1 You can transfer the whole of the HSBC Child Trust Fund to another Child Trust Fund or (from April 2015) Junior Individual Savings Account provider free of charge (except for incidental charges). However, you can only transfer any money in the Overflow Account if the provider specifically agrees to this (please see Clause 17.4). When the HSBC Child Trust Fund is transferred all of your and our rights and obligations in respect of the HSBC Child Trust Fund will also be transferred.

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

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

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

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

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

Transferring in

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

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

17.7 We can only accept instructions to transfer an existing Child Trust Fund from another provider to us. We will not accept instructions to transfer a Junior Individual Savings Account into an HSBC Child Trust Fund, in accordance with the Regulations and the Rules.

18. Withdrawals from the HSBC Child Trust Fund

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

- i. where the Child has died under the age of eighteen (please see Clause 16.2); or
- ii. to cover any stamp duty, stamp duty reserve tax or dealing charges associated with the sale and purchase of investments in the HSBC Child Trust Fund; or
- iii. to cover any charges payable under Clause 14; or
- iv. to cover any expenses we incur complying with a court order or other legal requirement including, but not limited to, HM Revenue & Customs refunds, criminal or fraudulent action, suspension and forfeiture costs, divorce costs, recovery of excessive costs of bankruptcy or recovery of the proceeds of crime; or
- v. if HM Revenue & Customs notifies us that the Child is terminally ill as defined by them. In this situation, we will meet the withdrawal firstly from money in the Overflow Account, then from money in the Cash Account and finally from selling Shares in the Investment Account. A minimum balance of £10 needs to remain in the HSBC Child Trust Fund; or
- vi. on closure of the HSBC Child Trust Fund (please see Clause 16).

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

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

19. Maturity of the HSBC Child Trust Fund

19.1 The HSBC Child Trust Fund will cease from the Child's eighteenth birthday. Shortly before the Child's eighteenth birthday, we will write to them asking for their withdrawal instructions and listing their other options which includes transferring the value of the HSBC Child Trust Fund to any available ISA.

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

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

20. Your Information

Definitions

Capitalised terms used in this Clause 20 shall have the following meanings;

Authorities includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

Compliance Obligations means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand or request or enquiry (whether written or verbal) from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers, including in relation to Financial Crime.

Connected Person means a person or entity (other than you and the Child) 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, but is not limited to, anyone making a payment into the HSBC Child Trust Fund and anyone who replaces you as the Registered Contact.

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

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 violate any Laws relating to these matters.

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.

Personal Data means any information relating to a living individual, from which they can be identified, either from that information by itself, or by combining it with other available information.

Services includes (a) the opening, maintaining and closing of the HSBC Child Trust Fund and any bank, investment or other accounts held by you or the Child, (b) providing you or the Child with credit facilities and other banking products and services (including, for example, investment dealing, discretionary investment management, broker, agency and custodian services), processing applications, credit and eligibility assessment, and (c) maintaining our overall relationship with you or the Child, including marketing services or products to you or the Child, market research, insurance, audit and administrative purposes.

Services include all services provided to you or the Child in connection with the HSBC Child Trust Fund and these Terms.

Tax Authorities means UK or foreign tax, revenue or monetary authorities (for example, HM Revenue & Customs).

Tax Information means documentation or information about your tax status and that of the Child.

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

20.1 Collection, processing and sharing of customer information

This Clause explains how we will use Customer Information. By using the Services, you agree that we and members of the HSBC Group may use Customer Information in accordance with such clauses.

Customer Information will not be disclosed to anyone other than where:

- ◆ we are required to disclose by Law;
- ◆ we have a public duty or it is otherwise in the public interest to disclose;
- ◆ our, or a third party's, legitimate business purposes require disclosure;
- ◆ the disclosure is made with your consent; or
- ◆ it is disclosed as set out in this 'Your Information' section including, in particular, Clause 20.1.3.

Collection

20.1.1 We and other members of the HSBC Group may collect, use and share Customer Information (including information about you and the Child, and associated transactions, use of our products and services, and relationships with the HSBC Group). Customer Information may be requested by us, by any member of the HSBC Group or by a third party on behalf of us or any member of the HSBC Group, and may be collected from you directly, from a person acting on your behalf or that of the Child, or from other sources (including from publically available information), and it may be generated or combined with other information available to us or any member of the HSBC Group.

Processing

20.1.2 We will process, transfer and disclose Customer Information in connection with any of the following purposes (the "Purposes"):

- a. the provision of Services and to approve, manage, administer or effect any transactions that you request or authorise;
- b. meeting Compliance Obligations;
- c. conducting Financial Crime Risk Management Activity set out in Clause 20.3 below;
- d. collecting any amounts due and outstanding from you or the Child;
- e. conducting credit checks and obtaining or providing credit references;
- f. enforcing or defending our rights, or those of a member of the HSBC Group;
- g. our internal operational requirements or those of any member of the HSBC Group (including credit and risk management, system or product development and planning, insurance, audit and administrative purposes);
- h. maintaining our overall relationship with you and the Child (including non-targetted marketing, promoting financial services or related products, and market research); and/or
- i. verifying your identity.

Sharing

20.1.3 By using the Services, you agree that we may, as necessary and appropriate for the Purposes, transfer and disclose any Customer Information to the following recipients globally (who may also process, transfer and disclose such Customer Information for the Purposes):

- a. the Child (the Child may automatically gain access to information about the HSBC Child Trust Fund if they open an account with us);
- b. any member of the HSBC Group;
- c. any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);
- d. any Authorities, in response to their requests, or where you have provided us with false or inaccurate information and Financial Crime is detected;
- e. persons acting on your behalf, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by us for you);
- f. any party to a transaction acquiring interest in, or assuming risk in, or in connection with, the Services;
- g. other financial institutions, fraud prevention organisations, trade associations, credit reference agencies or credit bureaus, and debt recovery agents;
- h. any third party fund manager who provides asset management services to you;
- i. any introducing broker to whom we provide introductions or referrals;
- j. any third party in connection with a transfer, disposal, merger or

- acquisition of business by us or any HSBC Group member; and
- k. selected third parties for marketing purposes where you have consented to marketing.

The above Recipients may also process, transfer and disclose Customer Information for the purposes set out above and they may be in countries outside of the EEA where data protection laws don't provide the same level of protection as in the UK.

For example, regulations implementing international agreements on tax compliance may require us to report certain information about you or the Child (and/or about Connected Persons) to the Tax Authority in the country in which the HSBC Child Trust Fund is maintained (e.g. HM Revenue & Customs in the UK), which may transfer that information to any Tax Authority in countries where you, the Child or a Connected Person may be tax resident.

However, whether it is processed in the UK or overseas, Customer Information will be protected by a strict code of secrecy and security applying to all members of the HSBC Group, their staff and third parties holding information on their behalf.

What we ask from you

20.1.4 You agree to inform us promptly, and in any event, within 30 days, in writing if there are any changes to Customer Information supplied to us or a member of the HSBC Group from time to time, and to respond promptly to any request from us or a member of the HSBC Group.

20.1.5 You must ensure that every Connected Person whose information (including Personal Data or Tax Information) you (or anyone else on your behalf) provided or will from time to time provide to us or a member of the HSBC Group has been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Terms before their information is provided. You must at the same time advise them that they have rights of access to, and correction of, their Personal Data.

20.1.6 Where:

- ◆ you fail to provide promptly Customer Information or any other information that we reasonably request, or
- ◆ you withhold or withdraw any consents that we may need to process, transfer or disclose Customer Information for the Purposes (except for purposes connected with marketing or promoting products and services to you), or
- ◆ we have, or a member of the HSBC Group has, suspicions regarding Financial Crime or an associated risk

then we or any other member of the HSBC Group with which you have a relationship, may, where permitted by Laws:

- a. be unable to action your instruction, provide new, or continue to provide all or part of any Services and may end the relationship with you and the Child;
- b. take actions necessary for us or a member of the HSBC Group to meet the Compliance Obligations; and/or
- c. block, transfer or close the HSBC Child Trust Fund and your account(s) you have with us or another member of the HSBC Group. In addition, if you fail to supply promptly your, the Child's, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, then we may make our own judgment with respect to your status or that of the Child, including whether you or the Child are reportable to a Tax Authority, and we or other persons may withhold amounts where legally required by any Tax Authority and pay such amounts to the appropriate Tax Authority.

We shall not be liable for any loss that you may incur as a result of us taking action under this clause 20.1.6.

20.2 Data Security and Access

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

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

20.3 Financial Crime Risk Management Activity

20.3.1 We, and members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("Financial Crime Risk Management Activity"). Such action may include, but is not limited to: (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by you, or on your behalf, (b) investigating the source of or intended recipient of funds, (c) combining Customer Information with other related information in the possession of any member of the HSBC Group, and/or (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming their identity and status.

20.3.2 Exceptionally, our Financial Crime Risk Management Activity may lead to us delaying, blocking or refusing the making or clearing of any payment, the processing of your instructions or application for Services or the provision of all or part of the Services. To the extent permissible by law, neither we nor any other member of HSBC Group shall be responsible to you, the Child or any third party in respect of any loss (however it arose) that was suffered or incurred by you, the Child or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

20.4 Tax compliance

You acknowledge that you are solely responsible for understanding and complying with your tax obligations and those of the Child (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, and Connected Persons are similarly responsible for complying with theirs.

Certain countries may have tax legislation with extra-territorial effect regardless of your, the Child's or any Connected Person's place of domicile, residence, citizenship or incorporation. Neither we nor any member of the HSBC Group provide tax advice. You are advised to seek independent legal and/or tax advice. Neither we nor any member of the HSBC Group have responsibility in respect of your tax obligations or those of the Child in any jurisdiction in which they may arise including any that may relate specifically to the opening and use of the HSBC Child Trust Fund, account(s) and/or Services provided by us and/or members of the HSBC Group.

20.5 Website and email personalisation

When you use a computer or other device to access websites operated by or on behalf of the HSBC Group and associated third parties, information may be stored and accessed on that device:

- ◆ to improve your experience;
- ◆ to improve the functionality, security and performance of those websites;
- ◆ to provide you with promotional content; and/or
- ◆ to provide us with information about how those websites are used and how users arrive at those websites.

In the event that you receive emails sent by or on behalf of the HSBC Group, such emails may contain technologies to track for market research purposes whether you opened those emails and whether you accessed internet links contained within those emails. You agree to information being stored, accessed and used in this way.

Members of the HSBC Group may also exchange, analyse and use relevant information about you in the ways described above to ensure that promotional content displayed to you on screen when you use HSBC Group websites is more likely to be relevant and of interest. Further information is available on our cookie policy, and site terms and privacy statement at our website hsbc.co.uk.

20.6 Further information and marketing

20.6.1 To ensure that we carry out your instructions accurately, to help us to improve our service and in the interests of security, we may monitor and/or record your communications with us including telephone calls and conversations we have with you in our branches. We may ask you for your sort code and customer identification number as part of a customer verification process. In the interests of security and for preventing and investigating crime we may use closed-circuit television in and around our premises for the monitoring and collection of sound and/or visual images. Any recordings remain our sole property.

20.6.2 Any calls that lead to or may lead to a transaction will be recorded. We will keep these records for seven years during which time you may ask for a copy of the record at any time.

20.6.3 We may make and retain copies of passports, driving licences or other identification evidence that you provide.

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

20.6.5 If you change your mind at any time about receiving marketing information via post, telephone, email or any other method or about participating in market research, then please let us know either by contacting us by telephone on 0345 606 6241, writing to us at HSBC Trust Company (UK) Limited, PO Box 6189, Coventry CV3 9HS, or if you hold a bank account with us and have activated internet banking you can amend your general marketing preferences when you log in and these updated preferences will be applied across your profile.

20.7 Miscellaneous

20.7.1 Any consents, authorisations, waivers requested by us or any member of the HSBC Group and permissions that already exist from you in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local law.

20.7.2 If all or any part of the provisions of these Terms become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of these Terms in that jurisdiction.

20.8 Survival on termination

This Clause 20 shall continue to apply notwithstanding their termination, any termination by us or a member of the HSBC Group of the provision of any Services to you or the closure of the HSBC Child Trust Fund and any account, including the termination of this agreement.

21. Changing the Terms

21.1 We may amend these Terms (including introducing new charges or fees or making changes to the amount, rate of or basis on which we charge), in the following ways:

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

21.2 We may make any change to the Terms for all or any of the reasons set out in this Clause 21 that apply.

- ◆ If the change is favourable to you.
- ◆ Following, or in anticipation of and to respond to a change in relevant law, regulation or to reflect a change in industry guidance or code of practice or good banking practice.
- ◆ To respond to the making of a recommendation, requirement or decision of any court, ombudsman, regulator or similar body.
- ◆ To respond to the costs or consequences of any event beyond our control that may impact our provision of accounts, services or facilities to you.
- ◆ To make the Terms clearer.
- ◆ To respond to any change in our systems and procedure, including any change arising from the reorganisation of our business as a result of it being acquired by or our acquiring another bank or organisation.
- ◆ To respond to changes or anticipated changes in costs associated with relevant technology, the costs we pay to others in respect of your HSBC Child Trust Fund, inflation and/or in our costs of providing accounts, services or facilities.
- ◆ To improve the service we provide.
- ◆ To respond to our internal policies on competitiveness, market share and/or the profitability of our business as a whole, where we are not acting dishonestly, for an improper purpose, in a manner which unreasonably discriminates against a particular customer or as an unreasonable financial institution would. Where we make a change under this Clause, the change will be proportionate to the underlying reasons for the change.

Other reasons for making a change

21.3 We may also make changes to the Terms (including introducing new charges or fees or changing the amount, rate of, or basis on which we charge) for any other valid reason that applies and is not described in Clauses 21.1 and 21.2 above. We will always give you at least 30 days' prior written notice of any such change.

What you can do when we tell you about a change

21.4 You may transfer your HSBC Child Trust Fund to another Child Trust Fund provider in accordance with Clause 17 within 30 days of the date of any advance notice of a change we send you or, if longer, up to the date the change is due to take effect. If you do not tell us that you want to transfer your HSBC Child Trust Fund to another provider by this time, then you will be deemed to have accepted such a change and the change will take effect automatically. There will be no charge for transferring your HSBC Child Trust Fund to another provider.

22. General

22.1 We will not be responsible to you for any loss you may suffer if we or an Associated Company are prevented from or delayed in complying with the Terms, carrying out your instructions to the extent the loss is caused by:

- i. abnormal or unforeseen circumstances beyond our reasonable control, the consequences of which would have been unavoidable despite efforts to the contrary; and/or
- ii. any obligations we have under applicable law and regulations.

Nothing in these Terms is intended to exclude our liability for personal injury, fraud, fraudulent misrepresentation or any other matter that cannot be excluded or limited by law.

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.

23. Governing Law and Language

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

23.2 These Terms are in English and all communications we send to you will be in English.

23.3 Nothing in these Terms will reduce your statutory rights, including your rights relating to the fairness of the terms on which products, services and facilities are provided to you and any rights you may have to cancel, close or terminate your HSBC Child Trust Fund and/or claim compensation. For further information about your statutory rights contact your local authority Trading Standards Department or visit the Financial Conduct Authority's website at www.fca.org.uk.

24. Complaints and Compensation Rights

24.1 How to complain

If we do not deliver the standard of service you expect, or if you think we have made a mistake, please let us know. We will investigate the situation and, if necessary, set about putting matters right as quickly as possible. Where appropriate we will also take steps to prevent a recurrence. However, if the matter is not resolved to your satisfaction and you would like further information about our process for resolving complaints, please ask us for our explanatory leaflet 'Listening to Your Comments'.

You may be able to refer your complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Telephone: 0800 0234 567 or 0300 1239123

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

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

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

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and can be found on the Financial Services Register as number 119297. You can check this on the Financial Services Register www.fca.org.uk. Our main business is the provision of trustee services and administering investments.

The address of the head office of the Financial Conduct Authority is:
25 The North Colonnade
London E14 5HS.

The address of the Prudential Regulation Authority is:
20 Moorgate
London EC2R 6DA.

24.2 Compensation

Cash Account and Overflow Account

These accounts are held with HSBC Bank plc which is covered by the Financial Services Compensation Scheme (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. An eligible depositor is entitled to claim up to the current FSCS limit for deposits. The FSCS deposit limit relates to the combined amount in all the Child's accounts with HSBC and first direct including their share of any joint account, and not to each separate account.

Investment Account

The investment in the Investment Account is held within a fund. If HSBC became insolvent these fund investments would still be held by an independent depositary for the benefit of the Child. However, if at the time of the insolvency you had a claim against us in respect of the Child's Investment Account, you may be eligible to claim from the FSCS. For any such claim there is a limit of £50,000 per investor. The £50,000 limit relates to the combined amount in all the Child's accounts with the CTF Provider that hold investments, including any share of any joint account, and not to each separate account.

For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website FSCS.org.uk or call the FSCS on 0800 678 1100 or 0207 741 4100. Please note only compensation related queries should be directed to the FSCS.

Annex 1

Best Execution Disclosure Statement

1. Purpose and scope

This Best Execution Disclosure Statement provides a summary of the steps we will take to achieve the Best Possible Result for the sale and purchase of Shares under our best interest policy on a consistent basis including where possible in situations of market stress. Best execution is the requirement to take all sufficient steps to obtain the Best Possible Result when executing orders taking into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. We will not execute any orders for the sale or purchase of Shares ourselves. Orders received will be transmitted for execution to an Associate, HSBC Bank plc ("the Bank") who will execute them on our behalf.

2. Execution of Transactions

Your instructions for the purchase or sale of Shares will be executed within the time periods specified in the Terms or, where applicable, at such time as you instruct. Any specific instructions from you may prevent the Bank from taking the steps that the Bank has designed and implemented to obtain the Best Possible Result for the execution of those orders in respect of the elements covered by those instructions. The share price for all purchases and sales of Shares will be determined at the next valuation point following the receipt of our instructions by the Authorised Corporate Director ("ACD").

3. Specific instruction warning

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

Where you are 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.

4. Execution Venue

The Shares can only be traded with the ACD and therefore are never traded on a Regulated Market, Multilateral Trading Facility or Organised Trading Facility (as defined by the Financial Conduct Authority in its Rules).

All instructions for the purchase or sale of Shares will be executed with the ACD, which will be the Execution Venue for the purposes of the Rules.

5. Effective date, review, amendments and monitoring

This Best Execution Disclosure Statement will be reviewed at least annually. We will also review our Execution Policy annually or where a material change has occurred. We will inform you in writing of any material changes to the Execution Policy. You may ask us at any time in the seven years following a Transaction to demonstrate that we have executed your order in accordance with our Execution Policy.

Information regarding execution and the top five Execution Venues can be accessed via our website www.hsbc.co.uk. Please note for unit trusts and open-ended investment companies the fund manager is the relevant Execution Venue.

Annex 2

HSBC Policy on Conflicts of Interest

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

HSBC has established procedures which are designed to take all appropriate steps to identify, prevent and 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 us.

hsbc.co.uk

Issued by HSBC Trust Company (UK) Limited
PO Box 6189, Coventry CV3 9HS.

MCP50982 07/18 ©HSBC Group 2018. All Rights Reserved.



Protected