

to
HSBC UK Bank plc
 for use with Private Banking clients

Re:

SECURITY OVER CASH DEPOSITS

40-05-50
SJS

Depositor 's Initials	
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IMPORTANT - PLEASE READ THE FOLLOWING NOTE BEFORE SIGNING THIS DEED

This document is a Deed allowing HSBC UK Bank plc to set-off or transfer cash deposits made by you as described in this Deed. You should sign this Deed in front of a witness who should be your solicitor, other legal adviser or an HSBC UK Bank plc official.

- HSBC UK Bank plc will hold this Deed as security for all money and liabilities (referred to in this Deed as the "Debt") owed to HSBC UK Bank plc by the person(s) named in this Deed as the "Customer", and/or the other liabilities undertaken by you as set out in this Deed.
- This means that if any of the Debt is not paid when due, HSBC UK Bank plc can set-off or transfer the cash deposits and/or combine any account specified in this Deed with any other account in debit which the Customer has and/or you have with HSBC UK Bank plc.
- The Debt may include overdrafts, loans or money due under any other facilities that HSBC UK Bank plc has granted to the Customer or grants to the Customer in the future, whether or not you know about or agree to them. The Debt may also include any liabilities under any guarantee or indemnity that the Customer has given or may give in the future to HSBC UK Bank plc - for example, agreements by the Customer to be responsible for the liabilities of another customer or for liabilities incurred by HSBC UK Bank plc on the Customer's behalf.
- This Deed is separate from, and not limited by, any other deed, agreement or arrangement, mortgage or guarantee which may already have been given to HSBC UK Bank plc or which may be given in the future.
- This Deed contains other terms which affect you.

This Deed is an important legal document. HSBC UK Bank plc strongly recommends that you seek the advice of your solicitor or other legal adviser before signing this Deed.

Checker's Initials	
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THIS DEED made by deed the _____ day of 2

BETWEEN

("you")

and HSBC UK Bank plc registered in England number 09928412 ("the Bank")

REGARDING

(the "Customer")

1.
Meaning of certain words and phrases

- 1. (a) **"Account"** means the account(s) listed in the schedule, including any renewal, substitution or redesignation of the account(s);
- (b) **"Customer"** means the person(s) named above and, if appropriate, the person(s) described in clause 2 below;
- (c) **"Deposit"** means all your present and future rights, title and interest to, all of the amounts from time to time credited to the Account less that which is, with the Bank's agreement, debited to the Account. Subject to clause 18 below this includes all benefits arising in connection with those amounts unless the Bank otherwise agrees in writing;
- (d) **"Debt"** means:
 - (1) all money and liabilities whatever, whenever and however incurred, whether with or without your knowledge or consent and whether now or in the future due or becoming due from the Customer to the Bank. This includes, but is not limited to:
 - (a) overdrafts, personal and other loans or facilities and further advances of money;
 - (b) guarantees and indemnities to the Bank and any of the Customer's other Contingent liabilities;
 - (c) discount, commission and other lawful charges and expenses;
 - (d) interest in accordance with any agreement between the Customer and the Bank and if there is no agreement, interest on any money and liabilities due from the Customer at an annual rate of 3% above the Bank's base rate for Private Banking clients from time to time computed and compounded monthly and/or according to the Bank's then current practice. Interest as above applies before and after any demand or judgement;
 - (e) any claim for damages or restitution;

(2) (f) any claim as a result of any recovery by the Customer of a payment, prepayment, repayment, redemption or defeasance or discharge of those liabilities or obligations on the grounds of preference or otherwise; any amount due under the indemnity in clause 16 below; and

(3) the money agreed to be paid by you under clause 21 below,

and any amounts which would be included in any of the above but for the discharge, non-provability, unenforceability or non-allowance of those amounts in any bankruptcy, insolvency or other proceedings.

The Debt does not include any money and liabilities arising under a regulated consumer credit agreement falling within Part V of the Consumer Credit Act 1974, unless agreed between the Customer and the Bank.

(e) "**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

The Customer

2. (a) If there is more than one person named as the Customer, the Deposit will secure the Debt of them jointly and each of them individually and of all or any of them with any other person.

(b) If the Customer comprises a partnership or trustees of a trust (and if described as trustees of a trust), the Customer includes all persons who from time to time are partners in that partnership or from time to time trustees of that trust, even though there may be:

(1) any change in the constitution or name of that partnership or trust;

(2) any amalgamation with any other person; or

(3) any death, retirement or addition to any of the partners or trustees.

The main subject matter of this Deed

3. You agree, as a separate liability, to pay to the Bank in full and on demand any amount of the Debt which has not been paid. The Bank will not enforce this claim except as provided in clause 4 below.

4. The Bank may, without notice:

(a) set-off or transfer the Deposit (or any part of it) in payment of the Debt (or any part of it) which is due for payment and has not been paid;

(b) set-off or transfer (including a transfer to a specific account in the Bank's name) the Deposit (or any part of it) in payment of the Debt (or any part of it, including any part which is a contingent liability), regardless of whether it is due for payment;

(c) combine any Account with any other account in debit which the Customer has and / or you have with the Bank; and

(d) for the purposes of this Deed, value the Debt (or any part of it) which is a contingent liability as the Bank reasonably considers appropriate.

Maintenance of the Deposit

5. (a) You shall at all times maintain a Deposit of at least the amount specified in the Schedule to this Deed (if any such amount is so specified). Regardless of any other provision of this Deed, if the Deposit exceeds the amount specified in the Schedule the excess will be available to you.
- (b) The Bank has no duty to account to you in respect of the Deposit (or any part of it) and you cannot withdraw, transfer or permit to subsist any Security over the Deposit (or any part of it) until it becomes available in accordance with clause 6 below and except otherwise as permitted by this Deed.

Availability of the Deposit to you

6. (a) The Deposit will become available to you (but if deposited for a fixed period, only subject to the terms of that fixed deposit) on the first date on which the Bank is satisfied that there is no outstanding Debt and the Bank is not obliged (actually or contingently) to do anything which would cause any Debt to arise at a later date.
- (b) If the Deposit (or any part of it) becomes available to you under clause 6(a) above, the Bank may exercise any other rights which the Bank may have against the Deposit (or that part of it) which may include statutory and other legal rights of set-off, combination and transfer.

Deposit held for a fixed period

7. Any agreement that the Deposit (or any part of it) is to be held on deposit for a fixed period:
 - (a) will only be effective for the purposes of calculating and paying interest;
 - (b) will not affect any of the Bank's rights under this Deed; and
 - (c) will not stop the Bank from taking action under this Deed during the fixed period.
8. When exercising its rights under this Deed, the Bank can end any fixed deposit period and adjust any interest payable by the Bank accordingly.
9. When a fixed deposit period ends, the Bank will, until the Deposit becomes available in accordance with clause 6 above, continue to hold that amount on the agreed terms or, if there is no agreement, on the terms that the Bank reasonably considers appropriate.

Additional security and independence

10. The Bank may, at its discretion, whenever it wants, without your consent or notice to you, and without otherwise affecting its rights under this Deed:
 - (a) give any loan, credit, financial accommodation or other facility (the "Facilities") to the Customer (whether alone or with any other person) as may from time to time be agreed between the Bank and the Customer;
 - (b) extend, increase, review, determine or otherwise vary the Facilities;
 - (c) make any arrangement in respect of the Debt (or any part of it), or any security for it, with you (or if there is more than one of you, any of you), the Customer or any other person (whether by way of giving time or other indulgence, variation, exchange, release, discharge, modification, refraining from perfection or enforcement or otherwise);

1.2.2

- (d) do, or omit to do, anything which might otherwise discharge or affect the Bank's rights under this Deed; and
 - (e) secure the Debt (or any part of it) in ways other than those discussed in this Deed.
11. The Bank's rights under this Deed will not be discharged or otherwise affected by:
- (a) any invalidity or unenforceability of, or irregularity or defect in, any other security for the Debt (whether by way of mortgage, guarantee or otherwise) which the Bank may hold now, or at any time in the future; or
 - (b) any incapacity, loss of capacity, bankruptcy or liquidation of the Customer or you, or if there is more than one of you, any of you; or
 - (c) all or any of the Debt becoming irrecoverable from the Customer.
12. If the Bank reasonably requires, it may decline to release you from your obligations under this Deed unless it is satisfied that any payment of the Debt will not be avoided whether as a preference or otherwise. If any payment is so avoided, the Bank shall be entitled to recover under this Deed as if no such payment had been made.
13. The Bank's rights in relation to any other security for the Debt (or any part of it) are not affected by the Bank's rights under this Deed, nor vice versa. The Bank's rights under this Deed, and clause 4 above in particular, are in addition to, and independent of, any other security which the Bank may hold at any time for the Debt and any lien or other rights the Bank may have to set-off, combine or consolidate any of your accounts. The Bank may enforce its rights under this Deed without first having recourse to any other security or taking steps or proceedings against the Customer.
14. No prior security held by the Bank over the Deposit shall merge with the Bank's rights under this Deed.
15. Unless the Debt has been paid in full:
- (a) you will not benefit (by subrogation or otherwise) from any rights the Bank may have, or any security (whether by way of mortgage, guarantee or otherwise) the Bank may hold, for the Debt;
 - (b) without the Bank's written consent, you will not exercise or enforce (or seek to) any rights which you may have against the Customer, or any other person, which arise by reason of payment of the Debt;
 - (c) any money or asset which you receive by reason of the rights mentioned above will be held by you on trust to be applied as if the money or asset were received by the Bank under this Deed;
 - (d) you hold any security given to you (now or in the future) for entering into this Deed on trust for the Bank and will immediately deposit, transfer or assign it as the Bank reasonably requires; and
 - (e) you waive any right of set-off you may have now, or at any time in the future, in respect of the Debt.
16. You agree, as a separate obligation, to indemnify the Bank against all loss occasioned by, or arising from, any legal limitation, disability or want of capacity or authority of, or affecting, the Customer or any person acting or purporting to act on behalf of the Customer regarding the Debt. The Bank will not enforce this indemnity except as provided in clause 4 of this Deed.

Duration of this Deed

17. This Deed remains continuing security against you, and if there is more than one of you, each of you, and if you are an individual, your personal representative, until it is released by the Bank in writing.

Interest

18. Any interest accruing on the Deposit (or any part of it) will be credited to a separate account in your name with the Bank.

Currency conversion

19. The Bank may convert any money received under this Deed from the currency in which it is received into any other currency. Any conversion will be effected at the Bank's then prevailing spot selling rate of exchange.
20. The Bank is entitled to deduct the costs, charges and expenses that it would normally incur from any amount that it converts into another currency.

Costs and expenses

21. (a) You must pay all costs, charges and expenses (including any relevant taxes and legal fees) directly or indirectly incurred by the Bank in connection with or incidental to the execution, implementation or enforcement of this Deed, irrespective of whether the same may be recoverable from the Customer.

(b) Any money incurred under (a) above (whether demanded or not) will be debited to an account in your name with the Bank and, once debited, will carry interest at an annual rate of 3% above the Bank's base rate for Private Banking clients from time to time computed and compounded monthly and/or according to the Bank's then current practice and shall be payable on demand.

Non-Assignment

22. You may not assign, transfer or grant any rights in relation to, or purport to assign, transfer or grant any rights in relation to, any part of the Deposit, the Debt or any right or obligation under this Deed (other than to the Bank) unless the Bank otherwise agrees in writing.

Joint and individual responsibilities

23. If there is more than one of you, your responsibilities under this Deed apply to each of you individually as well as jointly. If this Deed is unenforceable or otherwise ineffective against any one or more of you, none of the rest of you will be released from your responsibilities under this Deed.

Severance and modification of clauses

24. If any of the clauses (or part of a clause) of this Deed becomes invalid or unenforceable in any way under any law, the validity of the remaining clauses (or part of a clause) will not in any way be affected or impaired.
25. If any invalid or unenforceable clause (or part of a clause) would not be invalid or unenforceable if its form or effect were modified in any way, it shall be deemed to have the modified form or effect so long as the Bank consents.

Counterparts

26. This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures of the counterparts were on a single copy of this Deed.

Interpretation

27. (a) In this Deed:
- (i) the headings are used for guidance only;
 - (ii) a reference to a person includes a body corporate;
 - (iii) a reference to you and/or the Customer includes a reference to your respective legal personal representatives, successors and transferees;
 - (iv) references to the singular include the plural and vice versa; and
 - (v) a reference to the Bank includes a reference to its successors and transferees.
- (b) Where the words "the Bank reasonably considers appropriate" or "the Bank reasonably requires" appear in any clause, you agree that it is reasonable for the Bank to consider something appropriate or require something if, in the Bank's reasonable opinion, it will or might assist in:
- (i) preservation of the Bank's rights under this Deed or the Deposit; or
 - (ii) the Bank's ability to recover the Debt or any sums owed to the Bank under this Deed.

Governing Law

27. (a) This Deed will be governed by and construed in accordance with English law and all claims and disputes (including non-contractual claims and disputes) arising out of or in connection with this Deed, its subject matter, negotiation or formation will be determined in accordance with English law.
- (b) Both you and the Bank submit to the non-exclusive jurisdiction of the courts of England and Wales in relation to all claims, disputes, differences or other matters (including non-contractual claims, disputes, differences or other matters) arising out of or in connection with this Deed.

SCHEDULE

➤ Your following account(s):

Account(s) numbered:

(together with any account(s) at any time recording any deposit(s) placed for a fixed period from such account(s)).

➤ **Minimum Deposit - £** (pounds sterling)

[You must at all times maintain a Deposit of at least £].

IMPORTANT - PLEASE READ THE NOTES ON THE COVER BEFORE SIGNING THIS DEED

Signed as a Deed by the said _____ in the presence of: Signature of witness: _____ Full name of witness _____ <i>(Block letters)</i> Address Occupation	Signed as a Deed by the said _____ in the presence of: Signature of witness: _____ Full name of witness _____ <i>(Block letters)</i> Address Occupation
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For and on behalf of HSBC UK Bank plc
