

TERMS AND CONDITIONS OF THE CERTIFICATES

§ 1 Form

1. Commerzbank Aktiengesellschaft, Frankfurt am Main (the "**Issuer**") grants the holder of each index certificate (the "**Certificates**") (the "**Certificateholder**") the right to receive the Redemption Amount in accordance with § 2
2. The Certificates will initially be represented by a temporary global bearer certificate (the "**Temporary Global Bearer Certificate**"), which will be exchanged not earlier than 40 days and not later than 180 days after their issue date against a permanent global bearer certificate (the "**Permanent Global Bearer Certificate**"; the Temporary Global Bearer Certificate and the Permanent Global Bearer Certificate hereinafter together the "**Global Certificate**"). The Temporary Global Certificate and the Permanent Global Certificate shall be deposited with Deutsche Bank, Frankfurt am Main, as *Common Depository* for Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream**") (together, the "**Clearing System**"). The exchange shall only be made upon certification to the effect that, subject to certain exceptions, the beneficial owner or owners of the Certificates represented by the Temporary Global Certificate are not U.S. persons.

There will be no definitive Certificates. The right of the Certificateholders to request the delivery of definitive Certificates shall be excluded. The Certificateholders receive co-ownership participation in the Global Certificate which can be transferred according to the rules and regulations of the Clearing System.

3. The Global Certificate shall bear the hand-written signatures of two authorised officers of the Issuer.

§ 2 Maturity

1. Each Certificate shall be redeemed on 22 August 2008 (the "**Redemption Date**").
2. Each Certificate shall be redeemed at an amount in United States Dollar ("**USD**") (the "**Redemption Amount**") calculated according to the following formula:

$$\text{USD } 100 \times \left(95\% + \text{MAX} \left(0\%; 80\% \times \frac{\text{BRIC}_{\text{final}} - \text{BRIC}_{\text{initial}}}{\text{BRIC}_{\text{initial}}} \right) \right)$$

Where:

$\text{BRIC}_{\text{final}}$ = the arithmetic mean of the NAV of the Shares on the Valuation Dates

$\text{BRIC}_{\text{initial}}$ = the NAV of the Shares on the Strike Date (i.e. USD 16.091)

3. For the purposes of these Terms and Conditions of the Certificates, the following definitions shall apply:

"**Compulsory Redemption**" of the Shares means the compulsory redemption or transfer of the Shares, as described in the Memorandum.

"**Fund**" means HSBC Global Investment Funds, an open-ended investment company established as *Société d'Investissement à Capital Variable* (SICAV) under the laws of the Grand Duchy of Luxembourg.

"**Fund Business Day**" means each day on which the NAV of the Shares is usually determined and published (or made available) according to the Memorandum.

"**Fund Management**" means the management of the Fund which includes (i) any entity specified in the Memorandum which is responsible for providing investment management advice to the Fund and/or to any relevant third party, and/or (ii) any entity or individual who is responsible to manage the business and the affairs of the Fund, and/or (iii) any individual or group of individuals specified in the Memorandum who is/are responsible for overseeing the activities of the Fund and/or (iv) any entity specified in the Memorandum that is responsible for the administration of the Fund and the determination and publication of the NAV of the Shares.

"**Memorandum**" means the Prospectus in relation to HSBC Global Investment Funds dated December 2004, as amended and supplemented from time to time.

"**NAV**" means the net asset value of a Share as determined and published (or made available) according to the Memorandum.

The basis of the calculation of the Redemption Amount is the NAV of the Shares after deduction or withholding of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the Grand Duchy of Luxembourg or by or on behalf of any political subdivision or authority therein having power to tax.

"**Share**" means one class "M2" share (ISIN LU0214875030) of BRIC Freestyle, a sub-fund of the Fund.

"**Strike Date**" means 15 February 2006.

"**Substitution Event**" means any of the following events which the Issuer in its sole discretion determines to be a Substitution Event with respect to the Fund and its Shares:

1. The implementation of any change to the terms and conditions of the Fund, as detailed in the Memorandum and as notified in advance by the Fund Management, which, in the sole opinion of the Issuer, is of a material nature including but not limited to such changes as (i) a change in the risk profile of the Fund; (ii) a change in the voting rights, if any, associated with the voting shares of the Fund; (iii) an alteration to the investment objectives of the Fund; or (iv) a change in the currency in which the Share are denominated so that the NAV is quoted in a different currency from that in which it was quoted on the Trade Date;

2. The breach of the investment objectives of the Fund (as defined in the Memorandum) if such breach, in the sole opinion of the Issuer, is of a material nature;

3. The imposition or increase of subscription and/or redemption fees, or taxes or other similar fees, payable in respect of a purchase or redemption of the Fund Shares after the Trade Date;
4. If the Fund Management fails for reasons other than of a technical or operational nature, to calculate the NAV for five consecutive Fund Business Days;
5. If the activities of the Fund, the Fund Management and/or the Custodian are placed under review by their regulators for reasons of wrongdoing, breach of any rule or regulation or other similar reason;
6. The Compulsory Redemption of the Shares by the Fund for any reason prior to the Maturity Date;
7. If the issue of additional shares of the Fund or the redemption of existing Fund Shares is suspended and if any such suspension continues for five consecutive Fund Business Days;
8. The winding-up or termination of the Fund for any reason prior to the Maturity Date;
9. If the Fund is superseded by a successor fund (the "Successor") following a merger or similar event unless, in the sole opinion of the Issuer, the Successor has similar investment objectives to those of the Fund, is incorporated in the same jurisdiction as the Fund (or another jurisdiction acceptable to the Issuer), is denominated in the same currency as the Fund and is managed and administered by one or more individuals who, or corporate entities which, are reputable and experienced in their field;
10. The cancellation of the registration, or of the approval, of the Fund, the Fund Management and/or the Custodian by any relevant authority or body;
11. The replacement of the Fund Management and/or Custodian by the Fund unless, in the sole opinion of the Issuer, the relevant replacement is an individual or group of individuals who, or a corporate entity which, is reputable and experienced in their field;
12. Any change in the accounting, regulatory or tax treatment applicable with respect to the Fund which could have an economic impact for the Issuer, its affiliates or any other designated hedging entity;
13. Any other event in respect of the Fund which, in the opinion of the Issuer, has an analogous effect to any of the events specified in this Pricing Supplement.

"Trade Date" means 18 January 2006.

"Valuation Date" means the 15th calendar day of each February, May, August and November during the period from and including the Strike Date until and including August 2008, unless such day is not a Fund Business Day in which case the respective Valuation Date shall be the next following day that is a Fund Business Day.

If for the final Valuation Date the NAV of the Shares is not determined for whatever reason (other than in the case of the Substitution of the Fund according to § 3) until the third Fund Business Day prior to the Redemption Date, then the Issuer will

determine, in its sole discretion, the NAV of the Shares which would represent its fair market value.

4. Any determination, calculation or other decision of the Issuer shall, in the absence of manifest errors, be binding for all parties involved.
5. All taxes, duties or other charges in connection with the redemption of the Certificates are to be borne and paid by the Certificateholders.

§ 3

Substitution of the Fund/Early Termination of the Certificates

1. Upon the occurrence of an event which the Issuer determines to be a Substitution Event in relation to the Fund (the "**Removal Date**"), the Issuer will use reasonable efforts to identify an alternative fund in substitution for the Fund (the "**Successor Fund**"). The Successor Fund will be a fund with similar characteristics, investment objectives and policies to those of the Fund, immediately prior to the occurrence of the Substitution Event.

Any reference made in this Pricing Supplement to the Fund shall, with effect from the Removal Date, be deemed as reference to the Successor Fund and all related definitions shall be amended accordingly. Furthermore, the Issuer will make all necessary adjustments to the terms and conditions of the Certificates resulting from a substitution of the Fund.

2. If the Issuer is unable to identify a Successor Fund, then the Certificates shall be early terminated. In the case of such early termination each Certificate shall be redeemed at the latest on the tenth Payment Business Day following the Removal Date at an amount (the "**Early Termination Amount**") to be determined by the Issuer in its reasonable discretion (§ 315 German Civil Code (*BGB*)) - after consultation with an independent expert, if the Issuer deems it necessary - in accordance with the provisions of § 2 on the basis of the last available NAV of the Shares and in consideration of the prevailing market conditions.

All claims and rights under the Certificates shall expire with the payment of such Early Termination Amount.

§ 4

Transfer

1. All amounts payable under the Certificates are to be paid to the Paying Agent (§ 5) to be transferred to the Clearing System for crediting the relevant accountholders' account for transfer to the Certificateholders.
2. If any payment under the Certificates is to be effected on a day other than a Payment Business Day, payment shall be effected on the next following Payment Business Day. In this case, the relevant Certificateholders shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

"**Payment Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) London and (ii) New York.

§ 5
Paying Agent

1. Commerzbank Aktiengesellschaft, Main Office, Frankfurt am Main, shall be principal paying agent (the "**Paying Agent**").
2. The Issuer shall be entitled at any time to appoint another bank of international standing as Paying Agent. The appointment of another Paying Agent shall be published without delay by the Issuer according to § 7.
3. The Paying Agent shall be held responsible for giving, failing to give, or accepting a declaration or acting or failing to act with the diligence of a conscientious businessman.

§ 6
Substitution of the Issuer

1. Any other company may at any time during the lifetime of the Certificates, subject to paragraph 2., assume upon notice by the Issuer to be given in accordance with § 7, all obligations of the Issuer under these Terms and Conditions of the Certificates. Upon any such substitution, such substitute company (hereinafter called "**New Issuer**") shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under these Terms and Conditions of the Certificates with the same effect as if the New Issuer had been named as the Issuer herein, and the Issuer and, in the case of a repeated application of this §5, each previous New Issuer shall be released from its obligations hereunder and from its liability as obligor under the Certificates.

In the event of such substitution, any reference in these Terms and Conditions of the Certificates (except for this § 6) to the Issuer shall from then on be deemed to refer to the New Issuer.

2. No such assumption shall be permitted unless
 - a) the New Issuer has agreed to indemnify and hold harmless each Certificateholder against any tax, duty, assessment or governmental charge imposed on the Certificateholder in respect of such substitution;
 - b) the Issuer (in this capacity hereinafter referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed fulfilment by the New Issuer of all payment obligations and obligations for the delivery of Shares, respectively, assumed by it for the benefit of the Certificateholders and the terms of the Guarantee has been published in accordance with § 7;
 - c) the New Issuer has obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions where the New Issuer is domiciled or the country under the laws of which it is organised.
3. Upon any substitution of the Issuer for a New Issuer, this § 6 shall apply again.

§ 7 **Notices**

Notices relating to the Certificates shall be made to the Clearing-System for communication by the Clearing-System to the Certificateholders or directly to the Certificateholders. Notices to the Clearing-System shall be deemed to be effected seven days after the notification to the Clearing-System, direct notices to the Certificateholders shall be deemed to be effected upon their receipt.

§ 8 **Final Clauses**

1. The form and contents of the Certificates and the rights and duties of the Certificateholders, the Issuer, the Paying Agents and a possible Guarantor shall in all respects be governed by the laws of the Federal Republic of Germany.
2. Should any provision of these Terms and Conditions of the Certificates be or become void in whole or in part, all other provisions shall remain in force. Void provisions shall be replaced in accordance with the meaning and purpose of these Terms and Conditions of the Certificates.
3. Place of performance shall be Frankfurt am Main.
4. Place of jurisdiction shall be Frankfurt am Main.
5. The Issuer shall be entitled to amend or supplement in these Terms and Conditions of the Certificates (a) obvious errors in writing or calculating or any other obvious errors and (b) contradictory or incomplete conditions without the approval of the Certificateholders, whereas the amendments or supplements in cases of (b) are admissible only, with regard to the concerns of the Issuer, if such amendments or supplements are reasonable for the Certificateholders, i.e. that do not worsen the financial situation of the Certificateholders materially. Amendments or supplements of these Terms and Conditions of the Certificates have to be notified without delay in accordance with § 7.