

# **Terms of business**

Professional clients and eligible  
counterparties

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HSBC UK BANK PLC

PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES

TERMS OF BUSINESS FOR GLOBAL MARKETS SERVICES

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**These Terms of Business for Global Markets Services are important and you should read them carefully to ensure you understand them fully (we recommend taking legal advice, if necessary) and retain a copy for your records as these Terms of Business for Global Markets Services will constitute a legally binding contract between HSBC UK Bank plc and you.**

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# Part 1 – Introduction and purpose

## 1. Introduction

- 1.1. These Terms of Business for Global Markets Services, together with any schedules, supplemental terms, accompanying documents and each confirmation recording the details of any transaction under it (together, as amended from time to time, the “**Terms**”), set out the terms and conditions of your relationship with the Global Markets business of HSBC UK Bank plc in relation to the Services (as further described in Clause 2 (*The Services that we will provide to you under these Terms*)).
- 1.2. Additional terms will apply under product-specific agreements negotiated between the parties. This will be the case when HSBC provides Designated Investment Services and may apply when HSBC provides services in relation to Other Financial Products.
- 1.3. We may provide our services in relation to products which are not regulated by the FCA and/or the PRA (“**Other Financial Products**”).
- 1.4. These Terms have been prepared on the basis that you are either a Professional Client or an Eligible Counterparty.
- 1.5. For the purposes of these Terms:
  - 1.5.1. “**we**”, “**us**” or “**HSBC**” means HSBC UK Bank plc, acting through its Global Markets business;
  - 1.5.2. “**you**” means the person or persons entering into these Terms in their capacity as clients of HSBC; and
  - 1.5.3. “**Party**” means a party to these Terms.

## 2. The Services that we will provide to you under these Terms

- 2.1. Our Services for Professional Clients and Eligible Counterparties:
  - 2.1.1. Subject to these Terms and the limitations set out under Clause 2.2, HSBC may provide the following services to you in accordance with Applicable Law:
    - (i) buying or selling or otherwise dealing with you or arranging for you, as applicable, in relation to:
      - (a) Designated Investments;
      - (b) Structured Deposits; and
      - (c) Other Financial Products;
    - (ii) research and sales services (and related services); and
    - (iii) such other services as may be agreed between you and HSBC from time to time, (together, the “**Services**”).
  - 2.1.2. We assess what products and services should be made available to our different client and target market types. We will provide you with services where our identified target market for such services includes Professional Clients.
  - 2.1.3. Our provision of research and sale services (and related services) under Clause 2.1.1(ii) may be subject to you entering into an agreement with us for the provision of such services, in particular,

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where there is a regulatory requirement for HSBC to price and supply research and execution services separately.

2.2. Limitations on the scope of our Services:

2.2.1. Our Services do not include investment advice or personal recommendations.

2.2.2. We do not provide any representations as to the suitability of any of our Services.

2.2.3. You are responsible for obtaining any legal, accounting, financial or tax advice you may need in determining whether any Designated Investment, Structured Deposit, Other Financial Product or Service is suitable for your needs or the needs of your business.

2.2.4. Any information provided to you in relation to these Terms (including, but not limited to, any market information or research forecasts shared with you in relation to any proposed Order or otherwise) will be for your information only and is not in any way to be relied upon as financial advice as to the suitability of placing an Order or entering into any Designated Investment, Structured Deposit, Other Financial Product or Service.

2.2.5. Insofar as is permissible under the FCA rules, HSBC does not owe you any Fiduciary Duty or any similar obligation under these Terms.

2.2.6. All transactions in Designated Investments, Structured Deposits and Other Financial Products and the Services to which these Terms relate shall be subject to Applicable Law, but so that:

(i) in the event of any conflict between these Terms and Applicable Law, without prejudice to Clause 2.1, Applicable Law shall prevail to the extent of the conflict;

(ii) HSBC shall be entitled to take such action or steps or omit to take any action or steps as it shall in its absolute discretion consider necessary to ensure compliance with Applicable Law, including, without limitation, the taking of any action to avoid or mitigate any loss arising as a result of a change in Applicable Law; and

(iii) all Applicable Law and any such action or step so taken by HSBC shall be binding upon you as if expressly set out herein or authorised hereby.

2.3. Risk warnings:

2.3.1. We will provide you with a notice of risks related to our Designated Investments, Structured Deposits and Other Financial Products.

2.3.2. This information will be made available at <http://www.gbm.hsbc.com/financial-regulation/market-structure/mifid/policies-disclosures> or such other website as notified to you by us. You should read the notice carefully.

### 3. These Terms

3.1. Where you begin or continue to instruct any Service from us, undertake business with us in relation to any transaction or Service, or use any Service on and from the effective date determined in Clause 4.2, this will be taken as an indication that you have agreed to these Terms. We shall not be bound by any terms of business or other contractual documentation sent by you or on your behalf from time to time unless we expressly agree in writing to be so bound.

3.2. If you have any questions about these Terms or about the Services we are offering under these Terms, please contact your usual HSBC representative.

3.3. You agree that you will promptly supply us with any information and/or documentation that we may request from time to time to enable us to comply with: (i) any legal and regulatory requirements which may apply to us, including, but not limited to, the requirements under the Money Laundering Regulations 2007 (as amended or supplemented from time to time); or (ii) in the case of industry/market voluntary codes, any such codes with which we choose to comply.

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## 4. Interpretation, effective date and interaction with other agreements

- 4.1. Words and phrases used within these Terms which hold particular meanings are defined within these Terms and are also listed in Schedule 1 of these Terms.
- 4.2. These Terms shall take effect from your receipt of these Terms, which shall, in the absence of evidence to the contrary, be deemed to have taken place in accordance with the provisions of Clause 38 (*Contacting us*) of these Terms.
- 4.3. If there is a conflict between these Terms and any product terms (for example, an International Swaps and Derivatives Association Master Agreement), the terms of the product terms will prevail to the extent that the conflicting term is specific to the relevant product. If there is a conflict between these Terms and any specifically negotiated agreements (for example, a mandate letter), the terms of the specifically negotiated agreement will prevail.
- 4.4. These Terms will govern the Designated Investments, Structured Deposits, Other Financial Products and Services provided by the Global Markets business of HSBC UK Bank plc regardless of any relationship or terms you have with other parts of the HSBC Group.

## 5. Information about us

- 5.1. HSBC UK Bank plc is a member of a group of companies, the ultimate holding company of which is HSBC Holdings plc (the "**HSBC Group**").
- 5.2. The registered address of HSBC UK Bank plc is 1 Centenary Square, Birmingham, B1 1HQ, United Kingdom. HSBC UK Bank plc is registered in England, with company registration number 09928412. HSBC UK Bank plc's email address for communications in relation to this Agreement is [regulatory.business.support.europe@HSBC.com](mailto:regulatory.business.support.europe@HSBC.com).
- 5.3. HSBC UK Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC UK Bank plc appears on the United Kingdom's financial services register with firm reference number 765112.
- 5.4. HSBC Bank plc's VAT identification number is GB 365684514.
- 5.5. The address of the Prudential Regulation Authority is Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA, United Kingdom. The address of the Financial Conduct Authority is Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, United Kingdom.

## 6. HSBC's capacity

- 6.1. In providing the Services referred to in Clause 2 (*The Services that we will provide to you under these Terms*) pursuant to these Terms, HSBC may be acting:
  - 6.1.1. as principal;
  - 6.1.2. as agent on your behalf;
  - 6.1.3. as a combination of Clauses 6.1.1 and 6.1.2; or
  - 6.1.4. as agent, arranger or introducer for Connected Companies in the provision of the Services concerned.
- 6.2. HSBC may use a Connected Company as an agent, arranger, introducer or otherwise in or for the purposes of carrying on its business under these Terms.

## 7. Your capacity

- 7.1. HSBC, in its dealings with you, will assume that the transactions which it enters into with you are for you and no one else and will treat you as its client/counterparty.

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- 7.2. Without prejudice to Clause 7.1, you undertake and warrant that if you are party to any transactions executed pursuant to these Terms as agent for, or on behalf of, another person, then:
- 7.2.1. in doing so, you are expressly authorised by, or otherwise acting within the scope of the authority you have received from, your principal; and
- 7.2.2. notwithstanding paragraph 7.2.1, you will procure the performance by your principal of all obligations and liabilities arising under or by virtue of these Terms or any transactions carried out hereunder, failing which you will be liable to HSBC as if you were a principal in respect of all such obligations and liabilities.

The provisions of this Clause shall continue to be the case notwithstanding that you have disclosed or may in the future disclose to HSBC that you are acting as agent for, or on behalf of, another person. HSBC shall not be bound to act in accordance with the instructions of any person other than you (but shall be entitled to act in accordance with all instructions given by you or purporting to be given by you) and HSBC's liabilities to you hereunder shall be fully discharged by HSBC performing such instructions for you, notwithstanding any instructions that HSBC may receive from your principal or any other notice that HSBC may receive that your authority to act on behalf of your principal has been revoked or varied.

- 7.3. In any dealing or other matter where you are an agent or otherwise acting on behalf of or for the benefit of any other person then, even if you disclose that fact and/or identify that person to HSBC, HSBC will (save as provided below) treat you alone as HSBC's client for all purposes relating to such dealing or matter, and (subject to Applicable Laws) HSBC shall not owe any contractual, regulatory or other obligations to that person. If you wish, HSBC will consider accepting such other person as a client of HSBC, but only if you first furnish HSBC with full details of that person and any other information HSBC may require. If HSBC is willing to do this, it will notify you in writing of the extent to which it is prepared to accept obligations towards that person but, pending your agreement to the terms so notified in writing, you alone shall remain HSBC's client and be liable in accordance with these Terms in relation to all such dealings with or for that person.
- 7.4. You represent, warrant and undertake to us on the date that you enter into these Terms and on each date you place an Order or enter into a transaction under these Terms:
- 7.4.1. you are empowered to enter (and are not prohibited from entering) into these Terms and all transactions in Designated Investments, Structured Deposits and/or Other Financial Products involving HSBC and to receive all Services from HSBC;
- 7.4.2. you have obtained, and will maintain in effect, in relation to all transactions in Designated Investments, Structured Deposits and/or Other Financial Products, all necessary consents of any governmental or other regulatory body or authority applicable to each transaction in Designated Investments, Structured Deposits and/or Other Financial Products and that you will comply with the terms of the same and all Applicable Laws (including any reporting requirements (including, but not limited to, any requirement to report complete and accurate details of executed transactions to the appropriate Competent Authority), requirements to make public the volume and price of transactions and the time at which they were concluded (to the extent required by Applicable Law), requirements designed to prevent market abuse, trading limits and position limits and/or Short Sale rules. Except to the extent required by Applicable Law, or otherwise agreed by us in writing with you, we shall have no responsibility to inform you of such requirements or otherwise assist you in complying with them). You will, on demand by HSBC, deliver to HSBC copies of (or evidence of) such consents and compliance with Applicable Laws as HSBC may reasonably require;
- 7.4.3. with respect to Designated Investments, Structured Deposits and/or Other Financial Products to which you purport to have title, you are, or are acting within the scope of your authority on behalf of, the absolute beneficial owner of such Designated Investments, Structured Deposits and/or Other Financial Products;
- 7.4.4. where you hold Designated Investments, Structured Deposits and/or Other Financial Products to which you purport to have title as a trustee, or are acting within the scope of your authority on behalf of a trustee, you are fully empowered and duly authorised to enter into these Terms and to

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apply such Designated Investment, Structured Deposit and/or Other Financial Product in accordance with its terms;

- 7.4.5. you will not assert and, so far as you are able, will procure that no person for whom you hold Designated Investments, Structured Deposits and/or Other Financial Products will assert any interest that you or that person may have in the Designated Investments, Structured Deposits and/or Other Financial Products in any way which will prevent a transfer of title of that Designated Investment, Structured Deposit and/or Other Financial Product. You further undertake that you will inform HSBC if you become aware of any event that has occurred or which you believe may occur or may have occurred which could affect the ability of HSBC to transfer any Designated Investments, Structured Deposits and/or Other Financial Products sold by you; and
- 7.4.6. you have the necessary experience and knowledge to understand the risks involved in relation to each Order or transaction.

## 8. Financial crime requirements

- 8.1. Each Party will comply with all Applicable Law and has established and maintains policies and procedures reasonably designed to promote and achieve compliance with Applicable Law relating to Financial Crime.
- 8.2. Our dealings with you will be covered by certain Applicable Laws relating to, among other Financial Crime matters, client identification and money laundering which may require us to seek further evidence and confirmation of your identity and the business that you propose to undertake with us.
- 8.3. If satisfactory evidence of your identity has not been obtained within a reasonable period, we reserve the right not to accept or process any Order or otherwise to cease to deal with you.
- 8.4. You will not directly or indirectly use the proceeds of any transaction concluded with or through us, or lend, contribute or otherwise make available such proceeds to any Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the target of country- or territory-wide Sanctions or (ii) in any other manner that would result in a violation of Sanctions by any Person.
- 8.5. You will not, in connection with any transaction concluded with or through us, violate any Applicable Law relating to bribery and corruption.
- 8.6. You shall: (i) to the extent permitted by Applicable Law, promptly report to HSBC any breach or suspected breach of any of your obligations or undertakings with respect to Financial Crime; (ii) make all reasonable efforts to rectify promptly such breach or suspected breach to the fullest extent practicable; and (iii) assist HSBC in investigating and remedying any such breach or suspected breach.
- 8.7. We shall have the right to suspend or terminate any transaction between us on immediate written notice should we become aware of a breach of your obligations under this Clause 8.

## 9. Authority

- 9.1. You hereby confer on HSBC all powers, authorities and discretions on your behalf which are necessary for, incidental to, or customary in the provision of, the Services to be provided hereunder including the power to appoint sub-agents, and you hereby agree to ratify and confirm everything which HSBC shall lawfully do in the exercise of such powers, authorities or discretions.
- 9.2. If required to do so by HSBC, you shall execute in favour of HSBC a power of attorney in such form and conferring such powers as HSBC may think fit to enable it to exercise its rights and powers hereunder.
- 9.3. HSBC shall be entitled to instruct any brokers and other agents (who may be Connected Companies) on your behalf as it may decide and confer on them all such authorities conferred on HSBC hereunder (including the authority to appoint other brokers and agents likewise).
- 9.4. HSBC may rely on any Order from you or any person who is, or is believed by us in good faith to be, a person designated or authorised by you to give instructions in relation to these Terms. HSBC may accept



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and act without further enquiry upon such instructions and/or Orders. You will be responsible for, and bound by, any Order and any resulting transaction resulting from those instructions and/or Orders.

## 10. Your classification as an Eligible Counterparty and/or as a Professional Client

- 10.1. You will be categorised as either an Eligible Counterparty and/or as a Professional Client for the purposes of the FCA rules. Your categorisation is set out in the consent letter you received at the same time as these Terms.
- 10.2. If you are categorised as an Eligible Counterparty, Clause 21 (*Execution*), Clause 15.1 and Clause 25 (*Fees, commissions or non-monetary benefits that we may receive or pay*) of these Terms will not apply to you.

## 11. Your right to request a different categorisation

- 11.1. If you are categorised as an Eligible Counterparty, you have a right to make a written request for a different categorisation under the FCA rules, indicating in such request whether additional protection is required for one or more Service or transaction. If you request to be classified as a Professional Client, we will treat you as a Professional Client.
- 11.2. If you are categorised as a Professional Client, you have the right to make a written request for a different categorisation under the FCA rules:
  - 11.2.1. if you are a per se Professional Client and request categorisation as an Eligible Counterparty and HSBC agrees to such categorisation, you may be treated as an Eligible Counterparty; however, you will lose the protection afforded by certain regulatory rules; and
  - 11.2.2. if you request categorisation as a Retail Client and HSBC agrees to such categorisation, you must enter into HSBC's Retail Client Terms of Business for Global Markets Services, in which case additional protections afforded by certain regulatory rules will apply to you.
- 11.3. You must keep HSBC informed about any changes that could affect your categorisation.

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## Part 2 – Transacting with us

### 12. Placing Orders with us

- 12.1. You may place Orders with us by any approved means notified to you by us from time to time for these purposes.
- 12.2. Where you place an Order with us, HSBC will act on instructions before receipt of any written confirmations and its records of communications shall be conclusive evidence of such instructions.
- 12.3. An Order will be legally binding on you and we shall have no responsibility for any error or inaccuracy in such Order. Therefore, before you place an Order with us, you must carefully review the details provided by you and (if applicable) the quote received from us.
- 12.4. Subject to these Terms, you may request that an Order be amended or cancelled and we may, in our absolute discretion, amend or cancel such Order if it has not yet been executed. We do not guarantee that the original Order will not have been executed prior to such request and any such request to amend or cancel an Order will have no effect on any Order which has already been executed.
- 12.5. Once you have placed an Order with us, that Order will become immediately binding on you. However, you should not assume that we have executed the Order until we have informed you that we have done so.
- 12.6. We shall be under no obligation to execute your Order. For instance, we may not execute your Order in, without limitation, the following instances:
  - 12.6.1. there is a lack of liquidity in the market;
  - 12.6.2. there is market disruption;
  - 12.6.3. Applicable Law, market practice or a rule or regulation would, in our reasonable opinion, prevent us from doing so;
  - 12.6.4. where you have insufficient credit; or
  - 12.6.5. where we are in doubt as to the authenticity of instructions.Consequently, we shall not be liable to you where we have declined an Order or have been unable to execute an Order.
- 12.7. Where permitted by Applicable Law, we will not be obliged to provide a quote for a transaction with you (including in relation to the termination of a transaction) and we may decline to provide a quote at any time in our absolute discretion. In particular, we may refuse to quote or enter into transactions on the basis of your credit status and other commercial considerations.
- 12.8. You will inform us in writing if any Order or transaction relates to or is a Short Sale in which you are the seller.

### 13. Acting in our capacity as Systematic Internaliser

- 13.1. Where, in our capacity as a Systematic Internaliser, we are required under Applicable Law to make public or provide quotes in respect of shares, depositary receipts, exchange traded funds, certificates and other similar Financial Instruments traded on a Trading Venue, you acknowledge and agree that, under and subject to Applicable Law, we may:

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- 13.1.1. decide the size or sizes of such quotes;
  - 13.1.2. update such quotes at any time;
  - 13.1.3. under exceptional market conditions, withdraw such quotes;
  - 13.1.4. in justified cases, execute Orders at a better price than set out in such quotes provided that the price falls within a public range close to market conditions for Professional Clients;
  - 13.1.5. execute Orders at a different price than such quotes without complying with the conditions described in Clause 13.1.4 in respect of transactions where execution in several securities is part of one transaction or in respect of Orders that are subject to conditions other than the market price;
  - 13.1.6. where we provide only one such quote or where our highest quote is lower than standard market size and we receive an Order of a size bigger than our quotation size but lower than the standard market size, decide to execute that part of the Order which exceeds our quotation size at the quoted price, or at a different price where permitted by the conditions described in Clauses 13.1.4 and 13.1.5;
  - 13.1.7. where we provide such quotes in different sizes and receive an Order between those sizes, decide to execute the Order at one of the quoted prices, or at a different price where permitted by the conditions described in Clauses 13.1.4 and 13.1.5; and
  - 13.1.8. limit both the number of transactions that we undertake with a client at the published quote and the total number of transactions that we undertake with different clients at the same time.

Further written details are available to you upon written request.

- 13.2. Where, in our capacity as a Systematic Internaliser, we are required under Applicable Law to make public or provide quotes in respect of bonds, structured finance products, emission allowances and derivatives traded on a Trading Venue, you acknowledge and agree that, under and subject to Applicable Law, we may:
  - 13.2.1. update such quotes at any time;
  - 13.2.2. under exceptional market conditions, withdraw such quotes;
  - 13.2.3. limit the number of transactions that we undertake to enter into with clients pursuant to any such quote; and
  - 13.2.4. in justified cases, execute Orders at a better price than set out in such quotes provided that the price falls within a public range close to market conditions.
- 13.3. You also acknowledge and agree that, under and subject to Applicable Law, such quotes may be subject to specific sizes. Further written details are available to you upon written request.
- 13.4. Where we do not act as a Systematic Internaliser we will not be subject to the above.

## 14. Publication

- 14.1. Where we, any Connected Company or our and their agents and delegates execute an Order with or for you, we may make the relevant transaction information public or report such transaction information to a relevant government or regulatory authority in accordance with Applicable Law. You acknowledge and agree to such disclosure of transaction information.
- 14.2. Where we execute a transaction outside of the rules of a Trading Venue, we shall arrange to make public the information regarding that transaction regardless of whether we act as buyer, seller or agent in accordance with Applicable Law, unless you inform us in writing that, in accordance with Applicable Law: (i) you wish to undertake this obligation yourself; (ii) you will make the relevant transaction information public; and (iii) either: (a) in the circumstances where HSBC is not a Systematic Internaliser, you are either a Systematic Internaliser and/or acting as seller; or (b) in the circumstances where HSBC is a Systematic Internaliser, you are a Systematic Internaliser acting as seller. You acknowledge and agree to such disclosure of transaction information.

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## 15. Aggregation of Orders; client limit orders

- 15.1. HSBC may aggregate your Orders with the orders of other clients, HSBC or any Connected Company. For professional clients, when doing so in relation to Orders in Designated Investments, HSBC must reasonably believe that it is unlikely that the aggregation will work to the overall disadvantage of the relevant clients. However, the effect of the aggregation may operate on some occasions to your disadvantage.
- 15.2. Where you place with us a limit order in shares which are admitted to trading on a Regulated Market or traded on a Trading Venue and that Order is not immediately executed under prevailing market conditions, we shall not be obliged to immediately publish such a limit order where we have received an express instruction from you not to do so or the order is large in scale compared to normal market size as such thresholds are specified under the FCA rules.

## 16. Programme trades

The term “programme trade” is used in this Clause to describe a single transaction or series of transactions executed for the purpose of acquiring or disposing, for a customer, of all or part of a portfolio or a large basket of securities. HSBC may execute programme trades on your behalf in any capacity set out in Clause 6.1 and you hereby acknowledge and notify HSBC that HSBC need not disclose to you in what capacity it is acting when executing a programme trade. Your information may be shared between HSBC and Connected Companies in order to facilitate the transaction. In the processing of the programme trade, it may be necessary for HSBC and/or a Connected Company to amend or cancel your original instruction where there is an error, in order that your trade may be executed and settled.

## 17. Appropriateness

- 17.1. When providing Designated Investment Services and/or Structured Deposit Services under these Terms, to the extent that HSBC is required by the FCA rules to assess whether a proposed transaction is appropriate for you, HSBC is entitled to assume that you have the necessary experience and knowledge in order to understand the risks involved in relation to those particular Designated Investment Services or Designated Investments and/or the particular Structured Deposit Service or Structured Deposits.
- 17.2. For the purposes of any such appropriateness assessment, HSBC is entitled to rely on the information that you or your agent have supplied to us and you represent and warrant that such information is true, accurate and complete.
- 17.3. You undertake to notify HSBC immediately if any of the information referred to in Clause 17.2 changes in any respect.
- 17.4. Where the FCA rules permit, we will not consider the appropriateness of a product or service in relation to Non-complex Investments.

## 18. Settlement

- 18.1. Accounts shall be due for settlement and/or delivery on the date shown on the confirmation. It is your responsibility to ensure that money due to HSBC is paid and/or that documents are delivered to HSBC in good order by the due date for settlement.
- 18.2. Subject to HSBC receiving payment and/or the documents set out above under Clause 18.1, payment for your sales shall be made by HSBC on the due date for settlement.
- 18.3. In addition, where any transaction is effected by HSBC as your agent, delivery or payment (as the case may be) by the other party to the transaction shall be at your entire risk and HSBC's obligations to deliver Designated Investments, Structured Deposits and/or Other Financial Products to you or to account to you or any other person on your behalf for the proceeds of sale of Designated Investments, Structured Deposits and/or Other Financial Products shall be conditional upon receipt by HSBC of deliverable documents or sale proceeds (as the case may be) from the other party or parties to the transaction. In the case of

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investments subject to an initial public offer, settlement may be delayed if delivery can only be completed with investments issued by the offeror.

- 18.4. HSBC may purchase or arrange for the purchase of Designated Investments and/or Other Financial Products to cover any liability of yours to deliver Designated Investments and/or Other Financial Products to HSBC (or any Connected Company) and, subject to Applicable Law, may debit any of your accounts with any loss HSBC or any Connected Company suffers thereby.
- 18.5. If you make any payment under these Terms which is subject to any deduction or withholding whatsoever, you shall pay to HSBC such additional amount as is necessary to ensure that the amount actually received by HSBC will equal the full amount HSBC would have received had no such deduction or withholding been made. Any payment made by HSBC under these Terms which is subject to any deduction or withholding whatsoever will be made by HSBC subject to such deduction or withholding.
- 18.6. In placing an Order and entering into a transaction, you will be deemed to have authorised us to credit or debit any amounts owed to you or owed by you (as applicable) on the agreed payment date (the "**Settlement Date**") to or from the bank account(s) provided by you in accordance with your standard settlement instructions or direct debit authority (as applicable and each as amended or supplemented from time to time), even if this results in such account being overdrawn or any credit limit applicable to you being exceeded.
- 18.7. We shall be entitled to charge interest in respect of such amounts due and owing by you from the Settlement Date until the date such funds are made available by you (at such rate of interest as we may notify you of from time to time acting in good faith and in a commercially reasonable manner).
- 18.8. In the event of any settlement delay (that is you do not pay amounts owing to us under Clauses 18 (*Settlement*) and/or 24 (*Costs and charges*)), HSBC retains the right, if it considers it reasonable to do so, to close out the whole or part of the outstanding position.
- 18.9. Settlement of transactions that participate in CREST will generally be effected through the CREST system.
- 18.10. Where you instruct HSBC to effect settlement by accepting the transfer of Designated Investments or Other Financial Product to HSBC's nominated CREST account, you accept that payment obligations upon settlement will be dealt with through a settlement bank and that the creation of a settlement bank payment obligation will to the extent of such obligation discharge payment due from HSBC, or any Connected Company.

## 19. Confirmations

- 19.1. Following execution of each transaction carried out pursuant to these Terms, we will provide the key details of the transaction. Unless provided to you by a third party, we may also subsequently provide you more detailed information regarding such transactions. The way in which we provide you information will depend on the type of transaction and the way in which it was transacted and we may agree or otherwise notify you in advance of how such information will be provided. On your request, we will supply information about the status of your transaction. If you are an Eligible Counterparty, we may separately agree the content and timing of the information we provide.
- 19.2. Any question, matter or dispute in relation to the terms of a transaction must be raised by you orally or in writing forthwith upon receipt by you of the information provided in respect of that transaction, failing which, in the absence of manifest error, such information shall be conclusive and binding on you.

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## Part 3 – Our policies, governance and commitments

### 20. Client money

- 20.1. Where funds are received by HSBC, they will be held in an account in HSBC's capacity as a CRD Credit Institution.
- 20.2. This means that your money will be held by HSBC as banker and not as trustee or (as applicable) agent. As a result, such money will not be held in accordance with the Client Money Rules.
- 20.3. If HSBC fails, the Client Money Distribution and Transfer Rules will not apply to these sums and so you will not be entitled to share in any distribution under the Client Money Distribution and Transfer Rules.

### 21. Execution

- 21.1. Where you are categorised as a Professional Client, this Clause contains (or refers to) disclosures on order execution, including certain consents from you. Please read the clause and the disclosures carefully.
- 21.2. In relation to the execution of certain types of Order, HSBC is under a regulatory duty to take all sufficient steps to obtain the best possible result for you, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant considerations. This is known as "**Best Execution**".
- 21.3. We are required to provide you with a statement providing summary information on our Best Execution Policy (the "**Statement**"). Such Statement, which includes asset class annexes, sets out when the Best Execution requirements will apply. We may update the Statement from time to time.
- 21.4. The Statement will be made available at <http://www.gbm.hsbc.com/financial-regulation/market-structure/mifid/policies-disclosures>, or such other website as notified to you by us. You should read the Statement carefully.
- 21.5. HSBC owes no duties to you in respect of Best Execution, other than as set out in the FCA rules, and any other duties are expressly excluded.
- 21.6. By accepting these terms or otherwise engaging in trading pursuant to these Terms, you are deemed to consent to any Services offered to you under these Terms in relation to such Designated Investments being subject to our Best Execution Policy.
- 21.7. Where we have received express consent from you or subsequently do so, HSBC may execute your Orders outside of a Trading Venue.
- 21.8. HSBC's Best Execution Policy does not apply if you have been classified as an Eligible Counterparty.

### 22. Conflicts of interest

- 22.1. Situations can arise where our interests, or those of our staff, conflict with your interests or where your interests compete with those of our other clients.
- 22.2. We will make available to you a description of our Conflicts of Interest Policy through our website <http://www.gbm.hsbc.com/financial-regulation/market-structure/mifid/policies-disclosures> or such other website as notified to you by us.
- 22.3. Our Conflicts of Interest Policy is a policy we maintain setting out the circumstances which may constitute or may give rise to a conflict of interest, the procedures we will follow and the measures we will adopt to prevent or manage such conflicts (our "**Conflicts of Interest Policy**"). Where you request, we will provide you with further information on our Conflicts of Interest Policy.

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- 22.4. Whilst we take all appropriate steps to identify and to prevent or manage conflicts of interest, where we are not reasonably confident that our arrangements are sufficient to ensure that risk of damage to your interests will be prevented, we will disclose to you the nature of the conflict and the steps that we have taken to mitigate the risk before undertaking business with you.

## 23. Recording and monitoring of communications

- 23.1. In certain circumstances, communications in relation to these Terms (including emails, voicemail, online chat conversations, telephone calls and website usage records) as well as paper correspondence such as envelopes or packages may be monitored, recorded or inspected (as appropriate) using monitoring devices or other technical or physical means. The monitoring of communications may take place where deemed necessary for purposes permitted by law from time to time, including, without limitation, to record evidence of business transactions and so as to ensure compliance with HSBC's regulatory obligations and its policies and procedures.
- 23.2. As required by Applicable Law, HSBC will record telephone conversations and electronic communications that result in transactions or that may result in transactions.
- 23.3. Where HSBC is required to record communications under the FCA rules, a copy of the recording of the communications referred to in Clause 23.2 will be made available to you on request for a period of five years from the date of the communication. The FCA may request that we retain certain or specific records for longer than five years and, if it does, the records retained as a result of such an FCA request will be available to you for a period of up to seven years.
- 23.4. Any telephone conversations and electronic communications that are recorded in accordance with this Clause may be recorded without use of a warning tone or other notification.
- 23.5. All recordings and other records shall be and remain our sole property. We may use such recordings and other records as evidence in court or other proceedings.

## 24. Costs and charges

- 24.1. We shall provide you in good time with appropriate information with regard to all costs and related charges in accordance with Applicable Law through our website <http://www.gbm.hsbc.com/financial-regulation/market-structure/mifid/policies-disclosures> or such other website as notified to you by us. Without prejudice to these obligations, you agree to the fullest extent permissible under Applicable Law to a limited application of the detailed information requirements on costs and associated charges.
- 24.2. Subject to Applicable Law, you shall pay to HSBC on demand all taxes which may be payable as a result of or in connection with a transaction under these Terms or action or steps taken by HSBC or any other person on your behalf under these Terms (other than taxes of HSBC in respect of its profits or gains).
- 24.3. Where required by Applicable Law, the information under Clause 24.1 will provide for separate evidence of Costs and Charges where a Service is packaged with another service or product or is provided as a condition for the same agreement or package.
- 24.4. Local charges levied on you in respect of a transaction represent HSBC's charge and may not necessarily equate to charges paid by HSBC to local brokers or other intermediaries.
- 24.5. You shall pay to HSBC, on demand, such Costs and Charges for its services as may from time to time be notified to you in writing.

## 25. Fees, commissions or non-monetary benefits that we may receive or pay

- 25.1. HSBC may pay or receive fees, commissions or non-monetary benefits to and from a Connected Company or other third party where permitted by the FCA rules. HSBC will provide you with separate disclosure of the essential arrangements relating to such fees, commissions or non-monetary benefits where it is required to do so under Applicable Law. You consent to us retaining such commissions, rebates or other benefits.



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- 25.2. Information on our general approach relating to these arrangements, can be accessed through our website <http://www.gbm.hsbc.com/financial-regulation/market-structure/mifid/policies-disclosures>, or such other website as notified to you by us. You should read the notice carefully. Where necessary under the FCA rules, we will also provide you with further details about such arrangements as they relate to particular services separately.

## 26. Confidentiality and data protection

- 26.1. This Clause 26 shall apply unless otherwise agreed.
- 26.2. Each of the Parties to these Terms will at all times keep confidential any Confidential Information it may acquire in connection with these Terms except as otherwise permitted by these Terms. “**Confidential Information**” means all information of a confidential nature (which is either marked “confidential” or is clearly by its nature confidential) disclosed by one Party to the other in connection with these Terms together with Personal Data or Special Category Data (as those terms are defined under EC Directive 95/46/EC or the General Data Protection Regulation (EU) 2016/679, both as implemented into UK law (as applicable), relating to individuals such as your employees, representatives and agents and those of your affiliates, subsidiaries and third parties, including clients (if any).
- 26.3. The obligations in this Clause 26 shall not apply to any Confidential Information (other than Personal Data or Special Category Data) lawfully in a Party’s possession otherwise than under or as a result of these Terms or coming into the public domain otherwise than by breach by any Party of its obligations contained in these Terms.
- 26.4. Notwithstanding the provisions of Clause 26.2, HSBC and any Connected Company may collect, use, transfer, disclose or otherwise process Confidential Information for the following purposes (the “**Purposes**”):
- 26.4.1. in connection with the provision of goods or services to you (for example: administration and operation of your account(s) both online and offline, account/product underwriting, research, statistical analysis, testing and benchmarking against HSBC and/or any Connected Company’s peer group);
  - 26.4.2. in the operations of HSBC or any Connected Company (including, without limitation, credit and risk management, hedging against risk and managing customer demand, whether expected or unexpected, system or product development and planning, insurance, audit and administrative purposes);
  - 26.4.3. to meet Compliance Obligations;
  - 26.4.4. to conduct Compliance Activity;
  - 26.4.5. to maintain HSBC’s overall relationship with you;
  - 26.4.6. as part of the disposal or reorganisation or the granting of security interests or encumbrances over the whole or any part of the business or assets of HSBC or any Connected Company, or the transfer or securitisation of any rights or obligations; and
  - 26.4.7. in accordance with Clause 26.8.
- 26.5. Confidential Information may be disclosed for the Purposes to any Connected Company (including their employees, directors and officers) as well as to the following recipients:
- 26.5.1. any legal or regulatory Authorities in response to a request from them;
  - 26.5.2. persons acting on your behalf, Infrastructure Providers, payment recipients, beneficiaries, account nominees, intermediaries, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock



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exchanges, and companies in which you have an interest in securities (where such securities are held by HSBC for you);

26.5.3. any party to a transaction acquiring interest in or assuming risk in or in connection with the Services; and

26.5.4. other financial institutions, credit reference agencies or credit bureaus, for the purposes of obtaining or providing credit references,

wherever located, including in jurisdictions which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Services are supplied. Such recipients may process, transfer and/or disclose Confidential Information for the Purposes.

Wherever it is processed, Confidential Information will be protected by codes of secrecy and security with which HSBC, Connected Companies, third parties and their respective employees are required to comply.

- 26.6. HSBC, any Connected Company or any relevant third party may disclose Confidential Information if required or requested to do so by any tax authority or any other Authorities conducting tax investigations in any territory.
- 26.7. You undertake, represent and warrant that you have taken and will continue to take any steps needed (including, without limitation, notifying any relevant individuals and/or obtaining all relevant consents), to facilitate processing of Confidential Information for the Purposes. These Terms do not in any way restrict other rights HSBC or any Connected Companies may have now or in the future to otherwise process Confidential Information relating to you or relevant individuals under Applicable Law and under the terms of any other agreement with you.
- 26.8. Where permitted to do so, HSBC may from time to time use contact details that you have given us to provide you or your employees or those of any of your affiliates and subsidiaries with information about new products, services and promotions available from HSBC and Connected Companies and approved third parties by various means (including telephone, email, mobile messaging or other electronic communication) in accordance with your marketing preferences as notified to HSBC by you or your employees or those of any of your affiliates or subsidiaries.
- 26.9. Under data protection law, individuals may have the right to request access to or erasure of Personal Data relating to them, to restrict or object to its processing, and to require Personal Data to be corrected if inaccurate. Any individuals wishing to exercise such rights should contact their usual HSBC representative.

## 27. Pre-trade and post-trade publications

Without prejudice to Clause 26 (*Confidentiality and data protection*), you agree and acknowledge that HSBC has regulatory obligations in respect of any pre-trade or post-trade information relating to the execution of any transactions and HSBC may use this information for its own commercial purposes.

## 28. Complaints

- 28.1. In the event that you have a complaint about the quality of HSBC's service to you under these Terms, you may speak to your usual HSBC representative or, alternatively, you can write to the HSBC Global Markets Compliance Department at our registered address set out in Clause 5.2. Further details of the complaints-handling process, including information about our complaints management policy and the contact details of our complaints management function, are available on request.
- 28.2. If you are an eligible complainant (as defined in the FCA rules), you may have the right to refer your complaint to the Financial Ombudsman Service. The Financial Ombudsman Service is a free and independent statutory dispute resolution scheme for financial services. Details of who are eligible complainants can be obtained from the Financial Ombudsman Service. The Financial Ombudsman Service's website is at <http://www.financial-ombudsman.org.uk> (or such other website as notified to you by us) and it can be contacted at:

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The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Telephone: 0800 023 4567 or 0300 123 9123

## 29. Compensation

29.1. Depending on the type of service that we provide to you, our activities in relation to them may be covered by a deposit or investment protection scheme, established by law, to provide compensation if a financial firm is unable to meet its liabilities to clients. This protection is only available to **certain types of clients** (for example, it is not available for financial institutions) and is subject to certain limits, which will be reviewed from time to time. For the most up-to-date amounts, or for further details of the relevant schemes, please contact us or the relevant scheme.

29.1.1. Depositor compensation scheme:

- (i) HSBC is a participant in the Financial Services Compensation Scheme (the “**FSCS**”) in the United Kingdom. The FSCS depositor compensation scheme is available to eligible claimants. You can obtain further up-to-date information regarding the compensation provided by the FSCS (including the amounts covered and eligibility to claim) on request from HSBC or from the FSCS ([www.fscs.org.uk](http://www.fscs.org.uk)).
- (ii) Compensation for Structured Deposits held by HSBC as deposit taker is available for claims for eligible deposits (currently up to £85,000 as at May 2018). For further details on us acting as a deposit taker, please see our website address <http://www.gbm.hsbc.com/financial-regulation/market-structure/dgsd> (or such other website as notified to you by us).
- (iii) In relation to the activities of arranging and selling of Structured Deposits to investors, as of May 2018 these are not covered by the FSCS; however, as of the same date, the FCA is consulting on extending protection to such activities. As mentioned above, please contact the FSCS or HSBC for up-to-date information on eligible deposits and compensation provided by the scheme in respect of any service under these Terms.

29.1.2. Investor compensation scheme:

- (i) The FSCS also operates the United Kingdom investor compensation scheme, which can pay compensation in respect of protected “investment business” (the scope of “investment business” is similar to our dealing and arranging services in relation to the Designated Investments under these Terms (excluding Structured Deposits)) where there is an eligible claim.
- (ii) If you have eligible claims under the FSCS’s investor compensation scheme, such claims are subject to maximum limits on compensation, as published from time to time on the FSCS’s website. The compensation limit for investment business as at May 2018 is set at 100% of £50,000 per client per authorised firm.
- (iii) You can obtain further up-to-date information on request from HSBC or from the FSCS ([www.fscs.org.uk](http://www.fscs.org.uk)) about the compensation provided by the FSCS (including the amounts covered and eligibility to claim).

## 30. Acting as a general clearing member

30.1. Where we agree to act as a general clearing member for you, the terms upon which we agree to act will be set out in a separate written agreement between you and us. However, if we do provide such services to you we shall conduct a periodic assessment of your performance against the due diligence criteria listed below.

30.2. We shall conduct such assessments on an annual basis, provided that we may, at our discretion, conduct such assessments at a greater frequency than this where we consider it necessary or desirable.

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- 30.3. Where you do not meet such criteria, we may take such action as we consider necessary, which may include, but is not limited to, limiting, suspending or ceasing the provision of, or refusing to provide, our clearing services.
- 30.4. Our assessment criteria are:
- 30.4.1. credit strength, including any guarantees given;
  - 30.4.2. internal risk control systems;
  - 30.4.3. intended trading strategy;
  - 30.4.4. payment systems and arrangements that enable you to ensure a timely transfer of assets or cash as margin, as required by us in relation to the clearing services we provide;
  - 30.4.5. systems settings and access to information that helps you to respect any maximum trading limit agreed with us;
  - 30.4.6. any collateral provided to us by you;
  - 30.4.7. operational resources, including technological interfaces and connectivity; and
  - 30.4.8. any involvement of you in a breach of the rules ensuring the integrity of the financial markets, including involvement in market abuse, financial crime or money laundering activities.

### 31. Know your client (“KYC”) requirements

- 31.1. Our dealings with you will be covered by certain Applicable Laws relating to client identification and money laundering which may require us to seek further evidence and confirmation of your identity and the business that you propose to undertake with us. In addition, where you act as an agent on behalf of one or more other persons, we may seek confirmation and/or evidence that appropriate evidence of the identity of such underlying clients has been obtained and recorded under procedures maintained by you.
- 31.2. If satisfactory evidence of your identity and/or the identity of any underlying client has not been obtained within a reasonable period, we reserve the right not to accept or process any Order or transaction in any Designated Investment, Structured Deposit or Other Financial Product or Service or otherwise to cease to deal with you under these Terms.

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## Part 4 – General provisions

### 32. Termination

- 32.1. Unless required by the rules of the FCA and/or the PRA, these Terms may be terminated by either Party by giving written notice to the other Party, such termination to be effective, unless otherwise specified in the notice, on receipt by the other Party of such notice, subject to outstanding transactions being settled and any charges or any other fees, expenses or amounts whatsoever accruing to HSBC (including any additional expenses incurred in connection with such termination) being paid, and provided that such termination shall not affect:
- 32.1.1. any warranties or indemnities made by you under these Terms, each of which shall survive such termination; or
  - 32.1.2. any other legal rights or obligations which have arisen prior to or upon termination.
- 32.2. Upon terminating these Terms, all amounts payable by you to HSBC to and including the date of termination shall become immediately due and payable. These shall include (without limitation):
- 32.2.1. all outstanding fees, charges and commissions;
  - 32.2.2. any dealing expenses incurred by terminating these Terms;
  - 32.2.3. any losses and expenses realised in closing out any transactions or settling or concluding outstanding obligations incurred by HSBC with you and/or on your behalf; and
  - 32.2.4. any other amounts which are due and payable by you but which are unpaid.
- 32.3. Termination shall not affect the outstanding rights and obligations and transactions which shall continue to be governed by these Terms and the particular terms agreed between HSBC and you in relation to such transactions until all obligations have been fully performed. In particular, termination shall not affect Clause 23 (*Recording and monitoring of communications*), 26 (*Confidentiality and data protection*), 33 (*HSBC's recovery of liabilities, losses and costs*), 35 (*Joint and several liability*), 44 (*Rights of third parties*) or 46 (*Governing law and jurisdiction*).

### 33. HSBC's recovery of liabilities, losses and costs

- 33.1. Subject to Clause 4.3, any indebtedness or liability incurred by you to HSBC shall, in the absence of express written consent by HSBC to the contrary, be due and payable on demand.
- 33.2. All payments due to us under these Terms shall be made free from, and without, set-off, withholding, counterclaim or deduction.
- 33.3. At any time after the termination of these Terms, or after HSBC has determined, in its sole discretion, that you have not performed (or after HSBC has reasonably determined that you may not be able or willing in the future to perform) any of your obligations to HSBC, HSBC may, without notice:
- 33.3.1. treat any transaction in Designated Investments and/or Other Financial Products that is then outstanding as having been cancelled and terminated;
  - 33.3.2. sell any of your Designated Investments and/or Other Financial Products to realise sufficient funds to cover any outstanding amount; and/or
  - 33.3.3. close out, replace or reverse any such transaction, enter into any other transaction or take, or refrain from taking, such other action at such times and in such manner as HSBC considers

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necessary or appropriate to cover, reduce or eliminate any loss or liability under or in respect of any contracts, positions or commitments.

- 33.4. Subject to Applicable Law, we may set-off any amounts due from you under any Designated Investment, Structured Deposit and/or Other Financial Product or otherwise related to these Terms against any amounts owed by us to you, whether or not such obligations are arising under these Terms, present or contingent and irrespective of the currency of such obligation. If the obligations are in different currencies, we may convert either obligation at its then prevailing selling spot rate of exchange.
- 33.5. Without prejudice and in addition to any general lien, right of set-off or other similar rights which HSBC may be entitled to exercise over any of your Designated Investments, Other Financial Products, monies or other property, your Designated Investments, Other Financial Products, monies or other property shall be subject to a general lien in HSBC's favour, insofar as there remain any outstanding amounts due from you to HSBC in relation to liabilities arising under these Terms.
- 33.6. If you default in paying any amount by the Settlement Date, HSBC shall be entitled (but only so far as consistent with the rules of the FCA) on such date to pay to the credit of, or as the case may be, debit to any account or accounts of yours with HSBC or any Connected Company the amount in question, together with any applicable interest (determined under Clause 18.7) and with or without the application of set-off in Clause 33.4, in the appropriate currency or, at HSBC's option, the equivalent thereof (at current market rates as determined by HSBC at its sole discretion) in any other currency or currencies in which any balance on such account or accounts may then be denominated.
- 33.7. In addition to HSBC's rights in Clause 33.6, HSBC shall have the right (but only so far as consistent with the rules of the FCA) at any time without notice to set off and/or combine and/or consolidate all or any of your accounts maintained with HSBC or any Connected Company in such manner as HSBC may determine.
- 33.8. You shall on demand indemnify and keep indemnified HSBC and any Connected Company against any cost, tax, expense, damage, loss or liability whatsoever which may be suffered or incurred by HSBC or any Connected Company as a result of any transaction in Designated Investments and/or Other Financial Products, action or step taken by HSBC under these Terms (including the costs of enforcing the same) unless, and then only to the extent that, such cost, tax, expense, damage, loss or liability is caused by the proven negligence or wilful default of HSBC or such Connected Company in the provision of such services, provided that nothing in these Terms shall exclude or restrict:
- 33.8.1. any obligation that it has under the FCA rules and/or PRA rules in relation to you; and
- 33.8.2. any liability which it may incur under the rules of the FCA, PRA or the Financial Services and Markets Act 2000, or any amendment thereof, in respect of a breach of any such obligation.
- 33.9. You acknowledge that HSBC may enter into transactions on your behalf on your instructions and that you may incur obligations as an underwriter or sub-underwriter to the transaction and that you will indemnify HSBC against any and all claims which may arise as a result of you not meeting those obligations.

#### **34. HSBC's limitation of liability**

- 34.1. Nothing in these Terms will exclude or limit any duty or liability that we may have to you under the FCA or the PRA rules or other regulatory requirements; or that Applicable Law does not allow to be excluded or limited.
- 34.2. None of HSBC, its Connected Companies or their directors, officers, employees or agents accepts any liability for any loss, costs, taxes or expenses suffered or incurred by you as a result of, or in connection with, the provision of Services hereunder by us unless, and then only to the extent that, such loss, costs, taxes or expenses are incurred directly by you and are caused by proven negligence, fraud or wilful default on the part of HSBC, its Connected Companies or their directors, officers, employees or agents in the provision of such Services.
- 34.3. Where HSBC fails to take any action which in our opinion would breach a regulatory requirement or market practice, HSBC will not be liable to you.

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- 34.4. In respect of any losses arising from any cause beyond our reasonable control and the effect of which is beyond our control to avoid or, any losses that we could not reasonably foresee when provided an instruction which we act upon, HSBC will not be liable to you.
- 34.5. In respect of any loss or damage to the extent that such loss or damage is indirect, consequential or special, HSBC will not be liable to you. This means that we will not be liable for various types of losses, including loss of: business; goodwill; opportunity; anticipated saving; or profit.
- 34.6. Save to the extent required by applicable rules and legislation, including insofar as applicable the rules of the FCA and/or PRA, neither HSBC nor any Connected Company owes any duty to disclose to you, or to use for your benefit, any fact, matter, information or thing which comes to its notice, or the notice of any Connected Company, in the course of rendering similar services to others or otherwise.

## 35. Joint and several liability

If two or more persons are joint parties to these Terms as clients of HSBC, the liability and obligations of such persons in relation to any transaction in Designated Investments, Structured Deposits and/or Other Financial Products executed with or on their behalf by HSBC shall be joint and several. Any communication that shall be given to one of such persons shall be deemed to have been given to all such persons. If an event described in Clause 40 (*Circumstances outside of HSBC's control*) shall be deemed to have occurred in respect of any one of such persons, HSBC may exercise its rights as set out in Clause 40 (*Circumstances outside of HSBC's control*) without being required to give notice of such event to any of the other person(s). HSBC shall be entitled to accept instructions and give receipts and for all purposes deal with any one of such persons as agent to and for all of them. References in these Terms to “**you**” shall be deemed to be to any one of or all such persons as the context may require.

## 36. Variation

HSBC may at any time vary or qualify any one or more of these Terms by written notice to you. Such revised terms will become effective on the date specified in the notice.

## 37. Transfer and assignment

### 37.1. General:

- 37.1.1. You may not transfer or assign any of your rights or obligations under these Terms without the prior written consent of HSBC.
- 37.1.2. Subject to Clause 37.2.1, HSBC may not transfer or assign any of its rights or obligations under these Terms without your prior written consent.

### 37.2. Transfer within the HSBC Group:

- 37.2.1. HSBC may, at any time, transfer all or any part of its rights and/or obligations under these Terms to a third party in the same group as HSBC (each, a “Transferee”) if it has given you reasonable notice of the transfer (unless it is impracticable to give you such notice).
- 37.2.2. Upon the effective date of the transfer as set out in the notice (or otherwise where it was impracticable to give you such notice):
- (i) the rights and/or obligations of you and HSBC shall be transferred to the Transferee and you and HSBC will be released from further obligations to each other; and
  - (ii) you and the Transferee will simultaneously acquire the same rights and assume the same obligations between yourselves as would have been acquired and assumed had the Transferee been an original party hereto instead of HSBC.

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## 38. Contacting us

- 38.1. Communications in relation to these Terms and the Services under it shall be in English.
- 38.2. Subject to Clause 38.3, you may generally communicate with us as through your usual HSBC representative as follows:
  - 38.2.1. by post, personal delivery or in person at our registered office set out in Clause 5.2;
  - 38.2.2. by telephone; and
  - 38.2.3. where we agree, by email.
- 38.3. Where you are obliged to communicate in writing under these Terms, you shall do so:
  - 38.3.1. by post or personal delivery to our registered office set out in Clause 5.2; or
  - 38.3.2. where we agree, by sending an email to an email address that we will provide you for the purpose from time to time.
- 38.4. Proving delivery:

In either Party proving service or delivery of the relevant communication, it shall be sufficient to prove that it was correctly addressed and was posted or, where it was delivered otherwise than by post, that it was delivered to the correct address or, where it was sent by electronic means, that it was transmitted to the correct number or email address as last notified by the relevant Party.

## 39. Provision of information

These Terms are drafted on the basis that you are not a “consumer” as defined in the E-Commerce Directive 2000/31/EC as may be amended from time to time (the “**E-Commerce Directive**”) as implemented in UK law (i.e. you are not an individual or, if you are, you are dealing in the course of your trade, business or profession). As a non-consumer, you hereby agree to the fullest extent permissible under the E-Commerce Directive that we shall not be required to make any disclosures or comply with any requirements which would otherwise be required by the E-Commerce Directive.

## 40. Circumstances outside of HSBC’s control

- 40.1. HSBC shall not be in breach of these Terms if there is, and shall not be liable or have responsibility of any kind for any loss or damage incurred by you as a result of, any total or partial failure, interruption or delay in performance of its duties and obligations occasioned by circumstances outside of HSBC’s control.
- 40.2. Such circumstances may include, but are not limited to, any act of God, fire, act of government, state, governmental or supranational body or authority or any investment exchange and/or clearing house, war, civil commotion, terrorism, failure of any computer dealing system, interruptions of power supplies, labour disputes of whatever nature or any other reason (whether or not similar in kind to any of the above) beyond HSBC’s control.
- 40.3. Should an event described in Clauses 40.1 and 40.2 occur, HSBC shall have the right to terminate and close out any transaction affected by such event and entered into under these Terms.

## 41. Screening

- 41.1. In order for HSBC to meet its Relevant Requirements, HSBC and Connected Companies may take any necessary action, including, without limitation, intercepting and/or investigating transactions on your accounts with HSBC (particularly those involving the international transfer of funds) including the source of or intended recipient of funds paid into or out of your accounts.



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- 41.2. Exceptionally, the action described in Clause 41.1 may delay or prevent the carrying out of your instructions, the settlement of transactions over your accounts or HSBC's performance of its obligations under these Terms.
  - 41.3. Where reasonably practicable (and consistent with Applicable Law), HSBC will advise you of the reasons for, and likely length of, any delay described in Clause 34.2.
  - 41.4. Without prejudice to Clause 34 (*HSBC's limitation of liability*), neither HSBC nor any Connected Company shall have any liability (whether direct, indirect or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by HSBC or any Connected Companies to comply with the Relevant Requirements (including, without limitation, those actions referred to in this Clause 41 (*Screening*)).

## 42. Illegality

If any provision or term of these Terms or any part thereof shall become or be declared illegal, invalid or unenforceable for any reason whatsoever, such term, provision or part shall be divisible from these Terms and shall be deemed to be deleted from these Terms.

## 43. No waiver

Our failure or delay in exercising any right, power or privilege in respect of these Terms will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right, power or privilege or exercise of any other right, power or privilege.

## 44. Rights of third parties

- 44.1. HSBC or any Connected Company may enforce the terms of, without limitation, Clause 33 (*HSBC's recovery of liabilities, losses and costs*), and the right of HSBC to vary any of these Terms in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.
- 44.2. Except as provided in Clause 44.1, a person who is not a Party to these Terms has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any one of these Terms but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 44.3. The rights of the Parties to these Terms to rescind or vary these Terms are not subject to the consent of any other person.

## 45. Rights and remedies

The rights and remedies herein are cumulative and not exclusive of any rights or remedies provided by law.

## 46. Governing law and jurisdiction

- 46.1. These Terms and any non-contractual obligations arising out of or in connection with it, are governed by English law and both parties submit to the non-exclusive jurisdiction of the English courts.
- 46.2. You irrevocably waive to the fullest extent permitted by Applicable Law, with respect to yourself and your revenue and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any courts, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which you or your revenues or assets might otherwise be entitled in any legal proceedings in the courts of any jurisdiction ("**Proceedings**") and irrevocably agree that you will not claim any immunity in any Proceedings. You consent generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings, including, without limitation, the making, enforcement or execution against any property



whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.



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# Schedule 1

## Definitions

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In these Terms, the following words and expressions shall, unless the context otherwise requires, bear the following meanings given to them:

**“Applicable Law”** means (i) all applicable laws; (ii) all applicable regulations and requirements imposed by any competent regulatory, prosecuting, tax or Governmental Authority in any jurisdiction, domestic or foreign (including, without limitation, the FCA rules), or imposed by or arising under the constitution, rules, regulations, bylaws, customs, usages and interpretations of any exchange, trading system, trading venue or organised market on which purchasers and sellers of securities or other investment instruments are brought together, and any clearing house, settlement exchange or other service provided to facilitate clearing and settlement; and (iii) any agreement entered into with, or between, any competent regulatory, prosecuting, tax or Governmental Authority in any jurisdiction, domestic or foreign;

**“Authorities”** means any competent regulatory, prosecuting, tax or Governmental Authority in any jurisdiction, domestic or foreign;

**“Best Execution”** has the meaning given to it in Clause 21.2;

**“Best Execution Policy”** means our policy and related arrangements on Best Execution in respect of our Global Markets activities, which explains how we will execute orders for you;

**“Client Money Distribution and Transfer Rules”** means the FCA rules which set out the rights of clients for whom a firm holds money under the Client Money Rules in the event that that firm fails;

**“Client Money Rules”** means the rules of the FCA which set out the obligations of a firm when it holds money as a trustee on behalf of a client in connection with the firm’s regulated business;

**“Competent Authority”** has the meaning given to it in the FCA rules;

**“Compliance Activity”** means any activity performed by a Connected Company considered to be appropriate, acting reasonably, to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime, international and national guidance, relevant HSBC procedures and/or the direction of any public, regulatory or industry body relevant to any member of HSBC Group;

**“Compliance Obligation”** means obligations of a Connected Company to comply with: (a) any applicable local or foreign statute, law, regulation, ordinance, rule, judgment, decree, voluntary code, directive, sanctions regime, court order or international guidance and HSBC’s mandatory policies or procedures, (b) any demand from Authorities or reporting, regulatory trade reporting, disclosure or other obligations under law or (c) any Applicable Laws or internal policies requiring HSBC to verify the identity of its customers;

**“Confidential Information”** has the meaning given to it in Clause 26;

**“Conflicts of Interest Policy”** has the meaning given to it in Clause 22.3;

**“Connected Company”** means HSBC Holdings plc and, from time to time, any subsidiary thereof (as defined in section 1159 of the Companies Act 2006) or affiliated company thereof (as defined in the FCA rules) and (otherwise than in Clauses 33 (HSBC’s recovery of liabilities, losses and costs) and 34 (HSBC’s limitation of liability)) (a) agents of any such person and (b) direct or indirect third party service providers of any of the foregoing persons;

**“Costs and Charges”** means the sums payable to HSBC in respect of fees, commissions, expenses and charges pursuant to these Terms;

**“CRD Credit Institution”** has the meaning given to it under the FCA rules;

**“CREST”** means the computerised settlement system operated by CRESTCo;

**“CRESTCo”** means CRESTCo Limited;

**“Designated Investment”** has the meaning given to it in the FCA rules;

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**“Designated Investment Services”** means the Services related to Designated Investments;

**“Eligible Counterparty”** has the meaning given to it in the FCA rules;

**“FCA”** means the United Kingdom Financial Conduct Authority, or any successor regulator, which may regulate the provision of HSBC’s services under these Terms;

**“FCA rules”** or **“rules of the FCA”** means the rules, regulations and procedures of the FCA in force from time to time;

**“Fiduciary Duty”** means any duty where a financial institution holds, manages, oversees or has responsibilities for assets for a third party that involves a legal and/or regulatory duty to act with the highest standard of care and with utmost good faith. A fiduciary must make decisions and act in the best interests of the third parties and must place the wants and needs of the third party first, above the needs of the fiduciary;

**“Financial Crime”** means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or violations, or attempts to circumvent or violate any laws or regulations relating to these matters;

**“Financial Instrument”** has the meaning given to it in the FCA rules;

**“FSCS”** has the meaning given to it in Clause 29.1.1(i);

**“Global Markets”** means HSBC’s Global Markets business;

**“Governmental Authority”** means the government of any jurisdiction, or any political subdivision thereof, whether provincial, state or local, and any department, ministry, agency, instrumentality, authority, body, court, central bank or other entity lawfully exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government;

**“HSBC”** has the meaning given to it in Clause 1.5.1;

**“HSBC Group”** means HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches;

**“Infrastructure Provider”** means any third party providing shared market infrastructure necessary for a party to perform its obligations under these Terms including any communications, clearing, settlement or payment system, or intermediary or correspondent bank;

**“Investment Advice”** has the meaning given to “personal recommendation” in the FCA rules;

**“MTF”** means a multilateral trading facility, which shall have the meaning given to it in the FCA rules;

**“Non-complex Investments”** means non-complex investments that are described under the FCA rules;

**“OFAC”** means the Office of Foreign Assets Control of the US Department of the Treasury;

**“Order”** means any order, request for quote, direction or instruction from you or any person who is, or is believed in good faith to be, a person designated or authorised by you to give instructions in relation to these Terms. Best Execution will not necessarily apply to the Order (as set out further under Clause 21);

**“OTF”** means an organised trading facility, which shall have the meaning given to it in the FCA rules;

**“Other Financial Products”** has the meaning given to it in Clause 1.3;

**“Party”** has the meaning given to it in Clause 1.5.3;

**“Person”** means an individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership;

**“PRA”** means the United Kingdom Prudential Regulation Authority or any successor regulator which may regulate the provision of HSBC’s services under these Terms;

**“PRA rules”** or **“rules of the PRA”** means the rules, regulations and procedures of the PRA in force from time to time;

**“Proceedings”** has the meaning given to it in Clause 46.2;

**“Professional Client”** has the meaning given to it in the FCA rules;

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**“Purposes”** has the meaning given to it in Clause 26.4;

**“Regulated Market”** has the meaning given to it in the FCA rules;

**“Relevant Requirements”** means, in respect of HSBC, HSBC’s legal and regulatory obligations, any request of a public or regulatory authority or pursuant to internal policies applicable to HSBC in relation to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons;

**“Retail Client”** has the meaning given to it in the FCA rules;

**“Sanctions”** means the sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any of the Sanctions Authorities;

**“Sanctions Authorities”** means:

- (i) the United States of America;
- (ii) the United Nations;
- (iii) the European Union;
- (iv) the United Kingdom;
- (v) Hong Kong;
- (vi) the jurisdiction of your incorporation or establishment; or
- (vii) the respective Governmental Authorities of any of the foregoing, including, without limitation, OFAC, the US Department of State and Her Majesty’s Treasury;

**“Services”** has the meaning given to it in Clause 2.1.1;

**“Settlement Date”** has the meaning given to it in Clause 18.6;

**“Short Sale”** means a sale of a security not owned by you;

**“Statement”** has the meaning given to it in Clause 21.3;

**“Structured Deposit Services”** means the Services related to Structured Deposits;

**“Structured Deposits”** has the meaning given to it in the FCA rules;

**“Systematic Internaliser”** has the meaning given to it in the FCA rules;

**“Terms”** has the meaning given to it in Clause 1.1;

**“Trading Venue”** means a Regulated Market, MTF and/or OTF;

**“Transferee”** has the meaning given to it in Clause 37.2.1;

**“we”, “us” or “HSBC”** has the meaning given to it in Clause 1.5.1; and

**“you”** has the meaning given to it in Clause 1.5.2.