



Account Agreement

Legal Entities

# General Terms and Conditions

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Note:

The language used throughout both the pre-contractual and the contractual relationship is French. The contract is drawn up in French.  
Any translations into another language shall be for information purposes only.

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Below you will find the general and specific terms and conditions that govern the functioning of the products and services that we are making available to you under the Agreement.

## **I. General provisions**

If the Client and the Bank have already concluded an Account Agreement, this Agreement will replace the agreement signed previously with effect from the date on which this Agreement was signed.

### **Designation of the bank**

The contract is entered into with HSBC Private Banking, HSBC Continental Europe, previously named HSBC France, having its registered office located at 38 avenue Kléber in Paris (75116) - France - a Public limited company with capital of 491,155,980 euros - SIREN 775670 284 RCS Paris - Bank and Insurance Intermediary registered with the Organisme pour le Registre des Intermédiaires en Assurances under number 07 005 894 ([www.orias.fr](http://www.orias.fr)) - Intra-community VAT number: FR 707 756 702 84.

The website of HSBC Private Bank in France is: [www.hsbcprivatebankfrance.com](http://www.hsbcprivatebankfrance.com).

### **ARTICLE 1 – SCOPE OF APPLICATION**

The provisions set out hereinafter shall apply to all contracts taken out in the context of this Agreement with the Bank such as designated above.

### **ARTICLE 2 – ADHERENCE TO THE AGREEMENT**

On account of its adherence to the Agreement, the Client acquires the possibility, if it so wishes, to take out or seek to take out one or more contracts with the Bank.

Said contracts are as follows:

- account;
- online banking;
- financial instruments account and services;
- Elys PC;
- cards.

If the agreement is declared null and void, the parties agree that the agreement will terminate automatically, without retroactive effect, on the date it became null and void and that, in that event, the stipulations relating to the article "CLOSING THE ACCOUNT" of this agreement shall apply.

### **ARTICLE 3 – CONCLUSION OF THE AGREEMENT**

The Account Agreement, as well as all contracts signed in the context hereof, are entered into subject to the Bank's approval. The absence of approval shall be notified by registered letter with acknowledgement of receipt sent to the Client at the latest seven working days starting from signature of the Agreement. In this case, the Agreement together with all those entered into in the context of opening the account shall be deemed never to have been entered into.

### **ARTICLE 4 – LANGUAGE USED**

The language used throughout both the pre-contractual and the contractual relationship is French. The contract is drawn up in French. If translated into another language, this shall be for information purposes only.

### **ARTICLE 5 – EVOLUTION OF THE AGREEMENT**

1. In the event of taking out one or more contracts as referred to above after conclusion of this Agreement, said subscription shall be made by separate instrument.

The contract concerned, provided that it is attached to the account and/or accounts indicated in the subscription form, shall be deemed to be taken out in the context of this Agreement. It shall therefore be governed by the separate instrument in respect of provisions specific to the product and by this agreement for the general provisions.

2. In the event of amendment to one of the contracts taken out in respect of this agreement, said amendment shall be made by separate instrument, while the amended contract shall remain governed by the provisions of this Agreement except for the amendments made.

3. The Client retains the right to request subscription to another account-opening Agreement. In the case of the Bank's agreement, the Agreement signed shall be independent of this Agreement.

Likewise, contracts that are taken out through separate instruments but attached to the new account-opening Agreement shall be governed by the latter.

### **ARTICLE 6 – SPECIAL ARRANGEMENTS**

The Client acknowledges and accepts that, in accordance with Articles L.133-2 and L.314-5 of the French Monetary and Financial Code, as well as all other provisions allowing it, this agreement derogates from all legal and regulatory provisions relating to payment services, such as set out in Book I, Title III, Chapter III and Book II, Title I, Chapter IV of the French Monetary and Financial Code, from which it is possible to derogate.

The existence of contractual provisions that would not derogate on a case-by-case basis from regulations relating to payment services cannot be construed as a waiver by the Bank of application of the special arrangements.

The respective obligations between the Bank and the Client in terms of payment service are therefore governed according to the provisions of this agreement.

### **ARTICLE 7 – AMENDMENTS**

The Bank reserves the right to make amendments to the Account agreement, under the conditions specified in the article relating to the amendments of the account-opening agreement, together with each of the contracts taken out by the Client.

Any planned amendment shall be communicated to the Client, or made available to it using any medium whatsoever, at the latest two months before the envisaged date of application.

In the absence of any objection in writing from the Client before the date of application of the amendment, the amendment shall be deemed to have been accepted.

If the Client refuses the proposed amendment, it may terminate the Account agreement, free of charge, before the date of application of the amendment.

Should any non-material provisions of the Agreement be held to be invalid, the other provisions shall nonetheless remain in full force and effect and the Agreement shall be the subject of partial enforcement.

The Bank's failure to exercise any right hereunder will not constitute a waiver of such right.

### **ARTICLE 8 – TRANSMISSION OF ORDERS BY TELEPHONE OR EMAIL**

#### **1. Order placed by telephone**

Orders placed by telephone, which do not require the Client to use a confidential identifier code, must be confirmed by the Client in writing at the earliest opportunity without the Client being able to plead the absence of confirmation to contest an order placed and executed in this manner.

The Bank draws the Client's attention to the fact that orders transmitted by telephone in addition to telephone conversations and callers' numbers shall be recorded. These records shall be kept for a period of 5 years. They will be used as evidence, particularly in the event of a dispute, which the Client expressly accepts.

#### **2. Order placed by email**

It is expressly agreed that since the process of transmitting orders by email is the Client's choice, the Client declares that it is aware of the risks inherent to said operating procedure.

The Bank, when it has lawfully executed orders that bear a signature appearing to match the specimen signatures submitted or originating from the electronic address indicated by the Client, shall be duly released by execution of said orders.

The Client must bear full responsibility for all inherent risks and deal with all transactions executed in this manner, even if said transactions are the result of an improper or fraudulent use of this method of transmission, particularly in the case of a falsification or forgery that is undetectable for the Bank, or a technical deficiency having altered the content of the message. The Bank's liability can only be involved in the event of an incorrect execution of a clear and complete order.

The Bank reserves the right to defer execution of the order, particularly in case of doubt as to the status of the order transmitted (status of the message, the instructing party, etc.). In which case, the Bank may carry out any check on the lawfulness of orders received, by means of a call-back or other method, and ask for the order to be formulated again. In that case, the Bank shall not under any circumstances be liable for delays in execution caused by such checks and the Client shall assume full responsibility for any consequences that may arise.

The Client may not hold the Bank liable in the event that it does not carry out such checks, since they are only an option for the Bank.

The email received by the Bank or the photocopy that might be made of it as required by the Bank shall be considered proof between the parties. Similarly, only the dates and times of receipt of the message indicated by the receiving workstation will have contractual validity and not those indicated on the sending workstation.

#### **ARTICLE 9 – RECORDING**

The Client authorises the Bank to proceed with recording incoming telephone numbers used to contact the Bank as well as its telephone conversations with the Bank.

The Client accepts that these records constitute proof of transactions realised, and may be produced and are admissible in court.  
The Client also authorises the Bank to use its mobile telephone number to send SMS messages.

#### **ARTICLE 10 – PRICING**

The conditions applicable to transactions processed with the Bank are indicated in the “Main pricing conditions” leaflet.  
Said leaflet is issued this day to the Client, who acknowledges it and accepts its terms.

The Client undertakes to pay the fees, charges and commissions of any kind whatsoever appearing in said document.

Said conditions may be amended, whether it involves a revision of the rate for such fees, charges or commissions or the introduction of new fees, charges and commissions, which the Client accepts.

In the event of amendment, the Client shall be made aware through the amendment of the aforementioned pricing leaflet, with said document, updated, being left at all times available to any Client on the Bank’s premises so as to guarantee its information on the terms and conditions applicable to it as standard practice.

Acceptance of the amendment, whether in the form of revision of a rate or introduction of a new invoicing system shall result in continuation of the relationship connecting the Client and the Bank or of the use of the banking service.

If the Client refuses the proposed amendment, it may terminate the Account agreement, free of charge, before the date of application of the amendment.

#### **ARTICLE 11 – CONTRACT WITH THIRD PARTIES**

The Client authorises the Bank to enter into agreements with third parties within the framework of implementing this Agreement and the agreements referred to in the “Scope” article.

The Client authorises the Bank to communicate to these third parties all the information concerning the Client and useful to the execution hereof and the agreements referred to in the “Scope” article.

#### **ARTICLE 12 – APPLICABLE LAW – ASSIGNMENT OF JURISDICTION**

Unless stipulated otherwise, the contracts entered into between the Bank and the Client are subject to French law.

This Agreement is governed by French law. Any dispute concerning its interpretation or implementation shall fall within the jurisdiction of the French courts.

#### **ARTICLE 13 – RESIDENCE FOR TAX PURPOSES AND IMPACT ON THE AGREEMENTS**

In accordance with prevailing legislation, the Client must communicate its country or countries of residence for tax purposes to the Bank and also, as applicable, the tax identification number allocated by its country or countries of residence for tax purposes. This information must be communicated before any account is opened. For that purpose, the Bank asks the Client to provide a “Self-certification of residence for tax purposes – Entity” and, as applicable, supporting documentation. If the Client meets the definition of “Passive non-financial entity”, the persons controlling said Client must also communicate their country or countries of residence for tax purposes and associated tax identification number(s) to the Bank. For that purpose, the Bank asks them to provide a “Self-certification of residence for tax purposes – Controlling person” and, as applicable, supporting documentation.

It is incumbent upon the Client and its controlling persons as applicable, and not the Bank, to determine, under their own responsibility, their country of residence for tax purposes. In this respect, the Client and its controlling persons, where applicable, are invited to consult the OECD portal or to contact an independent tax adviser or the tax authorities concerned.

The Client and its controlling persons as applicable must inform the Bank of any change in circumstances affecting the status of its residence for tax purposes within 30 days and must for that purpose communicate a “Self-certification of residence for tax purposes” form to it within a period of 90 days. This form is available from the Bank or at the following website: <http://www.crs.hsbc.com/fr-fr/cmb/france>

For that purpose, the Bank draws the Client’s attention to the fact that the status of residence for tax purposes may have significant fiscal consequences on the Client’s investments, income and earnings and affect this contract or any other contract entered into with the Bank.

Moreover, its investments, income and earnings are also likely to be subject to regulations, in particular tax-related, in force in its State of residence for tax purposes. In this context, the Bank invites the Client to consult the tax authorities for its State of residence and/or approach an independent adviser with a view to obtaining appropriate legal and tax advice.

#### **ARTICLE 14 – FISCAL RESPONSIBILITY**

It is incumbent upon the Client to meet all of its tax-related obligations in particular with respect to the filing of returns or any document made mandatory under tax legislation together with the payment of all taxes and duties for which it is liable (income tax, corporation tax, value added tax, etc.).

The opening, possession and operation of an account may have tax implications for the Client depending on a number of factors including, but not limited to, the place of the Client’s location, the place of the company’s incorporation or the type of assets that it owns.

The tax legislation in certain countries may have an extraterritorial scope regardless of the Client’s place of location, the place of incorporation of the Client’s company.

The Client should seek legal and/or tax advice from an independent legal and/or tax adviser.

The Client acknowledges and accepts that where it involves tax obligations incumbent upon it, the Bank shall not incur any liability.

#### **ARTICLE 15 – AUTOMATIC EXCHANGE OF INFORMATION FOR TAX PURPOSES**

In accordance with prevailing legislation resulting from Council Directive 2014/107/EU dated 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation, and with agreements entered into by France allowing automatic exchange of information for tax purposes, the Bank must transmit to the French tax authorities, for transmission to the foreign tax authorities concerned, certain information regarding the reportable financial statements of clients whose tax domicile is located outside of France in a European Union State or in a State with which an agreement on automatic exchange of information is applicable.

Such information, which will be transmitted on an annual basis in electronic format, concerns in particular the country of residence for tax purposes of the Client and controlling persons as applicable, their tax identification numbers, and any income from movable assets together with the balances on reportable financial statements.

For more details, the Client and controlling persons, if applicable, are invited to consult the OECD portal dedicated to the automatic exchange of information for tax purposes or the HSBC Continental Europe website at this address: <http://www.crs.hsbc.com/fr-fr/rbwm/france>.

#### **ARTICLE 16 – FATCA**

Pursuant to the intergovernmental agreement signed between France and the USA on 14 November 2013 for application of the US “Foreign Account Tax Compliance Act (FATCA)”, the Bank must, on an annual basis in electronic format, transmit certain information concerning the reportable financial statements held by “US Person” clients to the French tax authorities, for transmission to the US Internal Revenue Service (“IRS”).

The Bank must also transmit such information when the persons controlling “Passive non-financial entity” clients meet the definition of “US Person”.

In this context, the Bank must ascertain the tax status of the Client and controlling persons as applicable, in respect of said legislation and may be required to ask them to produce additional documents at any time. In case of doubt on the status of a Client or controlling persons as applicable, and in the absence of the required documentation being supplied by them, the Bank shall consider that the Client or controlling persons as applicable correspond to the qualification of “US Person” needing, in that respect, to be the subject of a declaration to the tax authorities.

The Client and controlling persons, where applicable, undertake to inform the Bank of any change likely to modify their status in respect of FATCA regulations and to transmit all required documents to it.

## **ARTICLE 17 – APPROVAL AND CONTROL OF THE ACTIVITY AS CREDIT INSTITUTION**

The main business of the Bank is that of a credit institution. Said activity is subject to the approval, control and prudential supervision of the European Central Bank (ECB) and the French prudential and resolution supervisory authority (ACPR), with the following contact information:

European Central Bank  
Kaiserstrasse 29,  
60311 Frankfurt-am-Main,  
Germany

ACPR (French prudential and resolution supervisory authority)  
4 place de Budapest  
CS 92459  
75436 Paris Cedex 09

The AMF, an independent public authority with legal personality, oversees the protection of savings invested in financial instruments and any other investments giving rise to a public offering, the provision of information for investors and the proper functioning of the financial instrument markets.

Its contact information is as follows:  
Autorité des Marchés Financiers  
17, place de la Bourse  
75002 Paris

The list of all duly authorised **payment service providers** may be consulted on the Banque de France website at: [www.banque-france.fr](http://www.banque-france.fr) ("*supervision et réglementation bancaire*" section). This list is also published on a regular basis in the Official Journal.

## **ARTICLE 18 – FONDS DE GARANTIE DES DEPOTS ET DE RESOLUTION (FRENCH DEPOSIT GUARANTEE SCHEME)**

Cash deposited by the Client with the Bank, securities held by the Bank, and certain sureties issued by the Bank to the Client are covered by guarantee mechanisms managed by the Fonds de garantie des dépôts (French deposit guarantee scheme) under the terms and conditions defined by the French Monetary and Financial Code.

The Client may obtain an explanatory leaflet on request from the Bank or the Fonds de garantie des dépôts (French deposit guarantee scheme) at the following address:

4 rue Halevy - 75009 Paris or [www.garantiedesdepots.fr](http://www.garantiedesdepots.fr).

## **ARTICLE 19 – UNFORESEEABLE EVENTS**

Notwithstanding the other provisions of the Agreement, any risk of an overly burdensome implementation of the Agreement, resulting from an unforeseeable change in circumstances, is assumed by the parties. Each of the Parties agrees not to invoke the provisions of article 1195 of the French Civil Code.

## **ARTICLE 20 – HANDLING OF COMPLAINTS – OMBUDSMAN**

The Bank offers a mechanism making it possible to collect client dissatisfaction feedback so as to respond and find appropriate and customised solutions.

The terms shown below in **italics and bold** are defined in the general terms and conditions of the account agreement.

The Bank shall indicate to its clients, as applicable, the means of redress that are offered to them.

### **Processing of complaints**

HSBC Private Banking in France offers a system that collects feedback on customer dissatisfaction in order to respond and find appropriate, personalised solutions.

#### **Your contacts:**

Your private banker is there to listen to you when the quality of our services doesn't match your expectations.

In the event of disagreement with the response or proposed solution, the Client will need to contact the Management of HSBC Private Banking in France:

- **by post:**  
Management of HSBC Private Banking in France  
38 avenue Kléber  
75116 Paris

- **by Internet:**  
[www.hsbcprivatebankfrance.com](http://www.hsbcprivatebankfrance.com), "Contact us" section, reason for contact "I wish to express my opinion to you" then "Make a complaint"

- or by telephone, toll-free  (1) (2).

- (1) The telephone number intended for taking the call from a consumer with a view to obtaining the proper performance of a contract entered into with a professional or the processing of a complaint may not be charged at a premium rate.  
(2) Call 0800 215 915 from abroad (the cost will vary depending on the carrier)

Any response from the Bank shall be provided to the Client in paper format or, where appropriate, on another durable medium. Communication between the Bank and the Client concerning a complaint is carried out in French or English.

You can contact the HSBC in France Consumer Ombudsman for free:  
- if the answer provided by the bank is not appropriate;  
- or if there is no response within 2 months.

#### **The Consumer Ombudsman may be contacted:**

##### **- by post at the following address:**

Le Médiateur de la consommation auprès de HSBC in France  
38 avenue Kléber  
75116 Paris

- **or online on the consumer ombudsman's website**  
<https://mediateur.hsbc.fr/>

In the event of a disagreement relating to a financial instrument, you have the choice, at your convenience, of contacting, for part of the dispute or the entire dispute, either the HSBC in France Consumer Ombudsman or the Ombudsman of the French Financial Markets Authority. (AMF) <sup>(3)</sup>

- <sup>(3)</sup> In accordance with Article L.612-2 of the French Consumer Code, once the client has referred the matter to one of the two ombudsmen, the client may no longer refer the matter to the other ombudsman.

#### **The AMF Ombudsman may be contacted:**

##### **- by post at the following address:**

Le Médiateur de l'Autorité des Marchés Financiers  
17, place de la Bourse  
75082 PARIS Cedex 02

- **Or via the electronic form available online at [www.amf-France.org](http://www.amf-France.org)**

You have the possibility to take legal action at any time.

### **Processing of complaints – Commitments to deadlines**

This system includes the systematic recording of the complaint, as well as a commitment on time frame in terms of acknowledgement of receipt within 48 hours and response within 10 business days, except in special cases requiring in-depth research, without exceeding 2 months.

Time frames for responding to the complaint are as follows:

#### **A) Complaints relating to a payment service provided by the Bank**

The Bank undertakes to respond to all of the points raised in the complaint within 15 business days of receiving the complaint.

In exceptional circumstances, if a response cannot be given within the 15 business days, the Bank undertakes to send a holding response with a clear explanation of the additional time frame required for responding to the complaint and specifying the final date on which the Client will receive a definitive response. In any event, a definitive response shall be communicated to the Client at the latest 35 business days following receipt of the complaint. Furthermore, if it is unable to fully satisfy the Client's request, the Bank shall indicate to the means of redress available to the Client.

#### **Complaints relating to other products and services provided by the Bank**

The Bank undertakes to respond within a period not exceeding 2 months. Furthermore, if it is unable to fully satisfy the Client's request, the Bank shall indicate to the means of redress available to the Client.

## **ARTICLE 21 – PERSONAL DATA – PROFESSIONAL SECRECY – COMBATING FINANCIAL CRIME**

### a) **Definitions**

For a better understanding of the articles "Data protection – Professional secrecy", certain terms and expressions are defined below.

**"Connected Person"**: means a person or entity for whom information (including Personal Information or Tax Information) is, in the context of the provision of a Service, either supplied by the Client or received by the Bank or by any other member of the HSBC Group.

**“Client Information”**: means the Personal Information and/or Tax Information of the Client or a Connected Person.

**“Financial Crime”**: means money laundering, financing of terrorist activities, corruption, tax evasion, fraud, the act of evading embargoes or financial or commercial sanctions and/or breaches or attempts to circumvent or breach the Laws or regulations applicable in this area, or any other conduct likely to be considered as an offence or financial crime.

**“The Bank” or “HSBC”**: means HSBC Continental Europe.

**“HSBC Group”**: means all companies held or controlled directly or indirectly by HSBC Holdings Plc, such that the “control” is assessed within the meaning of Article L.233-3 of the French Commercial Code.

**“Personal Information”**: means all data concerning a natural person who is or can be identified, directly or indirectly, by making reference to an identification number or to one or more of his/her distinctive features.

**“Tax Information”**: means the documents or data (declarations, waivers and authorisations that accompany them), directly or indirectly related to (i) the Client’s tax status (whether said Client is a private individual or a business, a non-profit organisation or any other type of legal entity) and (ii) any owner, Substantial Owner or beneficial owner of a Client that, for HSBC, needs to comply (or demonstrate their conformity or the absence of any shortcoming) with the obligations of any one whatsoever of the HSBC Group’s entities towards a Tax Authority. The expression “Tax Information” includes, but is not limited to, the following information: residence for tax purposes and/or the entity’s registered office (as applicable), tax domicile, tax identification number, tax certification forms, certain Personal Information (including name(s), residential address(es), age, date and place of birth, nationality or nationalities).

b) Personal data

In accordance with the provisions of the General Data Protection Regulation (EU) 2016/679 of 27 April 2016, all personal data relating hereto are collected, processed, and stored in accordance with the Personal Data Protection Charter available online at the following address: <https://www.hsbc.fr/1/2/hsbc-france/charte-de-protection-des-donnees> and available by simple request made to your usual contact at HSBC Continental Europe – HSBC Private Banking.

c) Professional secrecy

The confidential data processed by the Bank in the context of these terms and conditions, including Personal Information, may be communicated to, and used by, HSBC Group entities or third parties (in particular: authorities, subcontracting companies, consultants, etc.), for the purposes hereof and for commercial actions by the Bank and HSBC Group companies.

The Bank may also communicate the Client’s confidential data in order to meet its legal, fiscal or regulatory obligations and communicate to other HSBC Group entities the confidential data necessary for the purposes of managing the risk relating to Financial Crime within the HSBC Group and for the Risk Management Activities relating to Financial Crime as defined herein. In all these cases, the Bank will then be released from its obligation of professional secrecy.

d) The Bank’s obligations in terms of Risk Management relating to Financial Crime

The Bank and HSBC Group entities are required to comply with Obligations in terms of Compliance in the context of detecting, investigating and preventing Financial Crime and may take all measures that they deem appropriate in that respect (“Risk Management Activities relating to Financial Crime”).

With regard more particularly to opening an account for a private individual residing in a country other than France and who meets the definition of Politically Exposed Persons, as set out in Articles L.561-10-2 and R.561-18 of the French Monetary and Financial Code, the Bank is also required to research the origin of assets and funds involved in the business relationship in parallel with its aforementioned obligations.

The Bank has a duty to inform itself from its clients when a transaction seems unusual due, in particular, to its terms and conditions, amount or exceptional nature. In which case, the Client undertakes to provide the Bank with all information on this subject or to hand over the documents substantiating the transaction.

The Client is advised that, in order to comply with its legal obligations, the Bank, in its capacity as transaction manager, instigates a monitoring system designed to prevent money laundering and the financing of terrorism.

The Client is also advised that this information may be communicated, on their request, to official bodies and administrative or legal authorities.

To the extent permissible by law, neither the Bank nor any other HSBC Group entity shall be liable to the Client or any third party for a financial loss when such loss results from measures taken in application of a legislative or regulatory text.

## ARTICLE 22 - OBLIGATIONS OF VIGILANCE

Pursuant to the legal and regulatory provisions in force on the prevention of money laundering and combating the financing of terrorism, the Bank is required, in particular, to gather information related to the identity of the beneficial owners of its relationships and to the professional, economic, and financial situation of the Client. The Bank is also responsible for updating this information throughout the relationship with its Client.

For this purpose, the Client undertakes to provide the Bank with this information on request. If the Client fails to provide this information, the Bank may be required, under the aforementioned legal and regulatory provisions, to terminate the agreements entered into with the Client.

In addition, the Bank has a duty to gather information from its clients when a transaction seems unusual due to, in particular, its methods, amount, or exceptional nature. In which case, the Client undertakes to provide the Bank with all information on this subject or to hand over the documents substantiating the transaction.

The Client is advised that, in order to comply with its legal obligations, the Bank, in its capacity as data controller, operates a monitoring system designed to prevent money laundering and the financing of terrorism.

The Client is also advised that this information may be communicated to official bodies and administrative or legal authorities on their request, particularly to prevent money laundering and the financing of terrorism. Moreover, in the event of a transfer of funds (execution of a bank transfer, for example), some personal information must be sent to the payee’s bank, regardless of whether it is situated in a country belonging to the European Union.

## II. The account

### **CHAPTER 1 – DEFINITION**

To facilitate understanding hereof, some terms and expressions taken from regulations are explained herein. They are then reproduced in bold and italic characters within the contract.

#### Authentication

Procedure enabling the Bank to verify the Client’s identity or the validity of using a specific payment instrument, including use of the Client’s ***personalised security data***.

#### Strong authentication

Authentication relying on the use of 2 or more items belonging to “knowledge” (something that only the Client knows), “possession” (something that only the Client possesses) and “inherence” (something that the Client is) categories while remaining independent in that compromising one does not put the reliability of the others into doubt, and designed so as to protect the confidentiality of the authentication data.

#### BIC (Bank Identifier Code)

International codification over 8 or 11 alphanumeric characters allocated by the International Organization for Standardization (ISO) and used to identify a financial institution.

#### Interbank settlement date

Date when the interbank settlement is carried out.

#### Personalised security credentials

Any personalised data provided by the Bank to the Client for the purposes of ***authentication*** (user ID, password, confidential code, etc).

#### EEA (European Economic Area)

Member States of the European Union, Iceland, Liechtenstein and Norway.

#### SEPA Area

Member States of the European Union (EU), Iceland, Liechtenstein, Norway, Republic of San Marino, Switzerland and Monaco. As far as France is concerned, the overseas departments and regions (Guadeloupe, Guyane, Martinique, Réunion and Mayotte) as well as the overseas territories of Saint-Barthélemy, Saint-Pierre-et-Miquelon and the French part of Saint-Martin are part of the SEPA area.

### **Unique identifier**

Combination of letters, figures or symbols indicated to the Client, user of a **payment service**, by the Bank, and which the Client must provide to enable accurate identification of the other user of payment services and/or its payment account, for the **payment transaction**.

Example: when the Client wishes to initiate a SEPA credit transfer, it needs to provide the Bank with the payee's **IBAN**.

### **IBAN (International Bank Account Number)**

Identifier used to uniquely identify a client's bank account with a financial institution in a given country.

### **SCI (SEPA Creditor Identifier)**

Identifier that uniquely designates a creditor issuing SEPA direct debit instructions.

### **Business day**

Day during which the Bank carries out an activity allowing the execution of payment transactions.

### **Bank business day**

Day when the European payment system TARGET (Trans-European Automated Real-time Gross Settlement Express Transfer System) is open and which is a **business day** for the Bank.

### **Moment of receipt**

Is the day when the payment instruction is received by the Bank, or else the day when the Client has made the funds available to the Bank, or else, if the Client and the Bank agree that execution of the payment instruction shall commence on a given day or at the end of a pre-determined period, the day so agreed.

If the moment of receipt is not a **business day** for the Bank, the payment instruction is deemed to have been received on the next **business day**.

### **Payment Transactions:**

Transactions initiated by the Client or, as the case may be by the beneficiary of payment, consisting of paying, transferring or withdrawing funds, from the payment account opened by the Client in the Bank's books.

### **Payment services provider**

These are payment institutions, electronic money institutions authorised to provide **payment services**, lending institutions and providers of **account information services**.

### **Interbank settlement**

Transfer of funds between banks in the context of a payment transaction.

### **UMR (Unique Mandate Reference)**

Identifier given by the creditor to each SEPA direct debit mandate

### **SDD Core Rulebook**

Compilation of rules and functional specifications on the SEPA standing order drafted by the European Payments Council (EPC) and available in English at the following web address: [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)

### **Payment services**

Services offered by the Bank to the Client enabling it to carry out the management of its account such as credit transfers, direct debits, payment cards, etc. The Bank acts in the capacity of **payment service provider**.

### **Payment initiation service**

**Payment service** provided by a third party and consisting of initiating a payment instruction at the Client's request from the Client's account opened in the Bank's books

### **Account information service**

Online **payment service** provided by a third party and consisting of supplying consolidated information concerning one or more payment accounts held by the Client, either with a **payment services provider** or with more than one **payment services provider** including the Bank.

### **Durable medium**

A **durable medium** consists of any instrument allowing the Client to store information that is addressed to it personally, in such a way that said information can be consulted at a later date during a period appropriate to its end-purpose and reproduced identically to the original.

## **CHAPTER 2 – OPENING THE ACCOUNT**

### **ARTICLE 1 – PROCEDURES FOR OPENING THE ACCOUNT**

The account opened by the Bank for the Client is an account intended for recording all transactions taking place between the parties, transforming them into simple debit or credit items and, when said account is closed, generating a balance that will show any receivable or payable due.

At the time of opening the account, the Client must provide proof of its existence or any other document that the Bank may consider useful to ask for, and its representatives or agents of their identity, by presenting an official document bearing their photograph.

The Client may carry out its transactions under a business name, an acronym or a distinctive banner with its corporate name, provided that said business name, acronym or banner is indicated on an extract of registration in the Trade and Companies Register.

Such transactions shall be recorded on its account under the same terms and conditions and with the same guarantees as those carried out under its corporate name.

The Client undertakes to notify the Bank without delay of any modification made to information concerning it, and in particular any change in corporate name, legal name, banner, acronym or business name, registered office, legal form, or tax status, and provide proof thereof on first request.

### **ARTICLE 2 – UNITY OF ACCOUNT**

The account opened pursuant to this agreement is unique. If, for reasons of clarity or accounting convenience, said account is divided into several accounts, sub-accounts or items, these shall always form an indivisible whole, regardless of their operating procedures used.

By express agreement between the parties, this principle of account unity shall also apply when different accounts are opened under different numbers or when they record transactions in different currencies.

This principle shall not prevent the application of differentiated interest rates within the unique account.

As regards accounts in foreign currencies, the current account balance as a whole shall be assessed, as required, in euros.

Any debit or credit transaction recorded on an account shall be converted ipso jure into the account currency, unless otherwise agreed.

### **ARTICLE 3 – ACCOUNT IN FOREIGN CURRENCIES**

The Client may have the use of one or more accounts in a given foreign currency on its application in writing and as and when required.

Said accounts may be opened in currencies typically traded on the market and more specifically, in the following currencies, expressed by their ISO code: CAD, CHF, GBP, HKD, JPY, USD, CNY.

The Client's foreign currency account(s) shall be provisioned by currencies from foreign countries, transferred by another resident or non-resident, purchased on a spot basis or obtained from the liquidation of hedging or arbitrage transactions.

These currencies may be allocated to foreign currency payments, transferred to other foreign currency accounts in France or abroad or sold on the foreign exchange market.

The Client acknowledges having been informed and having accepted the foreign exchange risk inherent to transactions occurring between accounts in different currencies, in particular where the Client does not have foreign currency resources through its normal business activity.

In particular, the Client states that all of its requests for information relating to foreign exchange control have been addressed by the Bank. It acknowledges having taken cognisance:

- of the fact that it will be fully responsible for foreign exchange risk and the costs that may result from this,
- that the Bank shall not incur any liability if, due to exceptional circumstances, the foreign currency chosen by the Client is no longer convertible, transferable or liquid. In this case and as of such an occurrence, the Bank and the Client shall consult in order to reach agreement on an alternative currency. Failing such agreement, within fifteen calendar days of the non-liquidity, non-convertibility or non-transferability, the account shall automatically be converted into euros.

Similarly, the Client acknowledges and accepts that regulations relating to foreign currencies may be amended at any time by the monetary authorities involved. Also, the mere fact of complying with the regulations concerned at the date of signature of this agreement cannot guarantee to the Client that its transactions will not be rejected or penalised in future by the monetary authorities involved. The Client therefore releases the Bank from all liability in respect of any obligation whatsoever to provide information covering the regulations in question.

In order to make payments abroad, the Client may request cheque styles (except for CNY) which, when denominated only in foreign currencies, shall be usable solely on said accounts.

In the event of closing accounts, so as to allow the clearing of balances on accounts denominated in euros or in foreign currencies held by the Client, in application of the unity of account clause, the Bank shall be able to buy back or sell the necessary currencies on the basis of the bank buying or selling rate to clients, determined on the day that the transaction is carried out based on market quotes.

#### **ARTICLE 4 – TRANSACTIONS IN FOREIGN CURRENCIES**

In the event of transactions in foreign currencies, the exchange rate applied by the Bank shall be the interbank rate requested between banks on the Paris market at the time of processing by the Bank, plus the operational processing costs and the Bank's markup.

Any transaction debiting or crediting an account shall be automatically converted into the currency in which the account is denominated unless otherwise agreed.

#### **ARTICLE 5 – PAYMENT INSTRUCTIONS MADE TOWARDS A FOREIGN ACCOUNT**

**5.1** The Client may ask the bank to execute a payment instruction in euros or in another foreign currency (the "Reference Currency") to the benefit of a payee whose account is not located in France.

**5.2** The Client is informed that bank correspondents (who may or may not be part of the Bank's Group) are likely to be involved.

Subject to the terms of article 5.3 which follows, the Client acknowledges and accepts that said bank correspondents may, on their own initiative and outside of any instruction on the part of the Bank, decide to proceed with a conversion of the payment instruction denominated in the Reference currency into the currency of the place in which the payee's account is located, without information or prior consultation of either the Bank or the Client.

As appropriate, the Bank may, on request, obtain communication of the exchange rate applied by said bank correspondent.

**5.3** Notwithstanding the foregoing, the Client may ask the Bank, in writing and prior to any execution by it of any payment instruction in euros to the benefit of a payee whose account is located in the United Kingdom, for said instruction to be executed in euros from start to finish.

#### **ARTICLE 6 – EXCLUDED ACCOUNTS AND TRANSACTIONS**

Accounts that the Bank may decide to open in its books so as to isolate receivables held against the Client resulting in particular from outstanding payments, in view of their subsequent recovery, are excluded from this account.

The following shall also be excluded:

- Accounts under special regimes due to the special regulations governing them,
- unless otherwise stipulated, the accounts or sub-accounts that may record loans or lines of credit granted according to the terms of specific agreements and/or including special guarantee(s).

Similarly, each of the parties may exclude certain transactions, in particular to avoid the current account novation effect.

Lastly, if some transactions have given rise to accounting entries made automatically to the account due to IT constraints, said entries may be recovered.

### **CHAPTER 3 – OPERATING THE ACCOUNT**

#### **ARTICLE 7 – MEANS OF PAYMENT**

The Client may carry out credit transfer transactions or domicile draw-down notices or request the issuance of bank identity details (RIB or **BIC IBAN**).

The Bank may only be in a position to process a credit transfer order if the Client provides it with the following information: the **IBAN** number of the account to be debited, the amount of the credit transfer, the **IBAN** number of the account to be credited or any other **unique identifier** required by the payee's country, the payee's name (if available), and the BIC code of the bank holding the account to be credited.

It is the Client's responsibility to obtain from beneficiaries all data (**IBAN** or **unique identifiers**, BIC) necessary for issuing credit transfers, or to entrust its own **BIC** and **IBAN** codes to its debtors in order to benefit from a credit transfer.

The Client is solely responsible for the accuracy of information provided for the requirements of executing a credit transfer order. The Bank has no obligation to correct or complete the information provided. A credit transfer order is only executed by the Bank only on the basis of an **IBAN** number, or any other **unique identifier**, independently of any additional information provided for the requirements of executing said payment instruction.

The Bank draws the Client's attention to the fact that:

- refusals can occur, i.e. refusals to execute before the **interbank clearance**, principally for the following reasons: insufficient funds in respect not only of the amount of the requested credit transfer but also of the applicable fees, incorrect **IBAN** or **unique identifier** for the payee, or invalidity of the **BIC** for the payee's bank,
- returns may also take place, i.e. refusals to execute after the **interbank settlement**, for reasons such as inaccuracy of the **IBAN** or **unique identifier** for the payee's account or the closure of said account.

In the event of refusal or return, execution of the credit transfer cannot take place as is, with the Bank notifying the Client of the existence of the refusal or return and, if possible, the grounds for this, in accordance with the procedures and deadlines pertaining to the appropriate banking channel of communication. If, further to a refusal or return, the Client wishes to reissue a corrected credit transfer order, this will be treated as a new credit transfer order to which a new time frame for execution will be applicable.

The Bank reserves the right to assess, at any time, the issuance to the Client of payment instruments (cheque books, bank or withdrawal cards, etc.) in accordance with the status of its account, its requirements and resources. The Bank agrees to handle only standardised payment instruments.

In any event, the submission of any payment instruments, whether or not mentioned hereinabove, requires the Client to comply with all current or future legal, regulatory or contractual provisions applicable to it and, in particular, to ensure the existence of sufficient available funds beforehand to allow execution of the payment order.

#### **ARTICLE 8 – ACCOUNT STATEMENTS – DATES OF BOOK ENTRY – PROCESSING DATES**

Transactions entered in this account will be the subject of a statement sent periodically or made available to the Client on any medium which for the Bank constitutes a request for approval of the transactions shown on it.

The entries shown on the account statement comprise two dates:

- the date of entry into the account used to determine the account position, and the outcome of payment facilities issued on it,
- the value date used to calculate any interest at the time of the periodic account balancing.

Notwithstanding the stipulations of the "Liability" article in Chapter 4 below, with regard to **payment transactions**, the absence of comment formulated by the Client within a period of one month starting from receipt of said statement shall count as approval of such transactions.

#### **ARTICLE 9 – AMENDMENTS**

Any planned amendment shall be communicated to the Client, on any medium whatsoever, at latest 2 months before the envisaged date of application.

In the absence of any objection in writing from the Client before the date of application of the amendment, the amendment will be deemed to have been accepted.

If it refuses the proposed amendment, the Client may terminate the Account agreement, free of charge, before the date of application of the amendment.

#### **ARTICLE 10 – OVERDRAFT FACILITY: STANDARD TERMS AND CONDITIONS**

In the event that the account balance should become overdrawn, and unless the parties have agreed to put special terms and conditions in place, the Bank shall collect the interest, fees and commissions shown on the Pricing Leaflet.

The stipulations of this article may not under any circumstances be interpreted as the Bank's approval on the possibility for the Client to operate its account as an overdraft.

A monthly report is made of the sums due in respect of the debit balance, unless agreed otherwise and providing a different periodicity. These sums are collected in arrears and become items on the account.



## **ARTICLE 11 – ACCEPTANCE AND CALCULATION OF THE CONTRACTUAL RATE**

Any pegging as well as any variation upwards or downwards in the rate, corresponding to a variation in the reference rate, shall be brought to the Client's attention by means of the periodic account statements, and shall be deemed to have been accepted by the latter unless a claim is made within a month of their receipt.

Contractual interest is calculated by taking the exact number of days overdrawn into account based on a 360-day year.

Interest shall be debited from the account monthly and in arrears. The value date is the first day following the period over which the deduction applies.

Any interest thus debited shall become items in the account.

## **ARTICLE 12 – AUTHORISED OVERDRAFT**

If the Bank agrees to authorise an overdraft, the financial terms and conditions of said overdraft shall be those agreed with the Bank and failing that, those indicated in the article pertaining to the standard terms and conditions for overdraft facilities.

Unless otherwise stipulated, the authorised overdraft is granted for an indefinite period. Use of the overdraft is through debit transactions on the account and must not at any time exceed the maximum amount authorised by the Bank.

Any overrun of the overdraft will lead to the collection of interest and commissions provided for in the event of an unauthorised debit balance, without said collection constituting the Bank's acceptance on said overrun, the Client being required to immediately cover the unauthorised debit balance on its account.

The same would apply in the event of cancellation of the overdraft authorisation for any reason whatsoever.

## **ARTICLE 13 – REMITTANCE OF CHEQUES AND/OR BILLS FOR COLLECTION – APPLICATION OF INTERBANK REFUSAL TIME FRAMES**

In principle, cheques and/or bills remitted for collection by the Client are credited to its account subject to collection.

The Client shall not be able to hold the Bank liable if the Bank is caused to accept refusals of cheques and/or bills occurring outside of the time frames provided for by interbank rules and therefore debit the amount from its account without its authorisation, provided the balance on said account allows this.

## **ARTICLE 14 – WAIVER OF PROTEST**

In accordance with the Bank's practices, protests of cheques and securities deposited by the Client may only be made by written request from the Client.

Since postal and protest formulation time frames make it very difficult to comply with legal deadlines, the Client shall waive opposition to any lapse by the Bank and shall release it from all liability for late or delayed presentation, or failure to send any notice of non-payment or non-acceptance in the event of negligence by the Bank.

## **ARTICLE 15 – CONTRACTUAL CLEARANCE**

The Client authorises the Bank to clear its debt arising from all sums due in respect of this agreement against the Client's receivable resulting from any balance the other way for all accounts opened in its name and excluded from the account referred to in this agreement.

The Client shall also authorise the Bank to withhold the credit balance on the account and more generally any sums and securities belonging to the Client until all of the Bank's risks related to the Client have been cleared.

## **ARTICLE 16 – CANCELLATION OF FACILITIES**

In the event that the Client has obtained one or more facilities from the Bank, other than temporarily, for an indefinite period, it shall always be possible for the Bank, at any time, to reduce or withdraw such facilities.

Said decision must be notified by the Bank to the Client by registered letter with advice of receipt subject to granting it a notice period of 60 days. The notice period shall take effect from the date of receipt by the Client of the aforementioned letter.

During said period, the relationship between the parties shall continue as usual, with the Bank nonetheless retaining the possibility of selecting the transactions that are offered to it.

It is stipulated in particular that the Bank may, on a discounting or Daily law basis, refuse bills and/or receivables with a term subsequent to that of the notice, for facilities maintained during said period.

The same shall apply for signature commitments.

As an exception to the foregoing, and pursuant to Article L.313-12 of the French Monetary and Financial Code, the Bank shall be exempted from any such notice, whether the facilities are for a specified or unspecified period, in case of seriously reprehensible behaviour by the Client, or in the event that the Client's status should be irretrievably compromised.

Unless otherwise decided, on expiry of the notice period, the account shall be closed as of right.

## **CHAPTER 4 – PAYMENT SERVICES AND TRANSACTIONS**

Within the meaning of this chapter, the following are not transactions or **payment services**:

- cheque,
- trade bills and promissory notes, on the proviso that their existence is presumed in the case of paperless remittance of such trade bills/promissory notes to the Bank unless otherwise specified in writing at the time of remittance by the Client.

## **ARTICLE 17 – GENERAL STIPULATIONS**

The rules detailed hereinafter apply to the Client and the Bank in accordance with the principles defined in article 5 of the General Provisions.

## **ARTICLE 18 – SCOPE OF APPLICATION**

The provisions of this chapter shall apply to **payment transactions** carried out within the **European Economic Area**, in euros or in the currency of a member State of the **European Economic Area**, and when both **payment service providers** are located within the **European Economic Area**, without prejudice to any special provisions.

They shall also apply to **payment transactions** carried out in a currency which is not that of a member State of the **European Economic Area** when both **payment service providers** are located within the **European Economic Area**, without prejudice to any special provisions.

They shall also apply, as regards solely those parts of the transaction executed in the **European Economic Area** and subject to special provisions, to **payment transactions** carried out in any currency and when only one of the **payment service providers** is located in the **European Economic Area**.

## **ARTICLE 19 – STRONG AUTHENTICATION**

In accordance with the applicable regulations, the Bank shall apply **strong authentication** measures to the Client when the Client:

- uses online account access under the conditions set out in the remote banking communication service contract entered into with the Bank;
- initiates an electronic **payment transaction**;
- executes a transaction through the intermediary of an online communication method likely to carry a risk of fraud in terms of payment or of any other fraudulent use.

The Bank reserves the right to override the obligation to apply measures of **strong authentication** in the cases specifically referred to by applicable regulations and in particular the technical requirements of regulations concerning **authentication** and communication.

## **ARTICLE 20 – CONSENT AND REVOCATION OF A PAYMENT INSTRUCTION**

For execution of a **payment transaction**, the Client must give its consent, recorded in accordance with the channel used:

- through the Client's handwritten signature on the payment instruction and transmission of the payment instruction to the Bank (by the Client or, as appropriate, by the payment payee);
- through compliance with the **authentication** procedures set out in the online banking communication service contract entered into with the Bank in the event of initiation of a **payment transaction** from the Online Bank service;
- through compliance with the procedures for obtaining consent set out in the general terms and conditions for use of the card in the event of initiating a **payment transaction** by means of a payment card issued by the Bank.
- As applicable through the intermediary of the payee or a **payment initiation service** provider.

A series of **payment transactions** is authorised if the Client has given their consent to the execution of a series of transactions, such as in the form of a standing order mandate.

Authorisation for a **payment transaction** or for a series of **payment transactions** may be given by the Client before or after execution of the transaction. In the absence of consent, the transaction or series of transactions is deemed to be unauthorised.

The Client may not revoke a payment instruction:

- once it has been received by the Bank;
- when the **payment transaction** is initiated by the payee (direct debit) or by the Client who gives a payment instruction through the intermediary of the payee (payment card), after having transmitted the payment instruction to the payee or given its consent for execution of the payment transaction to the payee;
- when the **payment transaction** is initiated by a **payment initiation service provider**, after having given its consent for the **payment initiation service provider** to initiate the **payment transaction**.

The client may nonetheless revoke a payment instruction under the following conditions:

- at the latest at the end of the **business day** preceding the **moment of receipt**,
- in the case of a direct debit, at the latest at the end of the **business day** preceding its due date,
- in the case of proceedings or receivership or compulsory liquidation of the payee in the event that the **payment transaction** was made by means of a payment card issued by the Bank and that the payee's bank account was not credited with the amount of the **payment transaction**.

#### **ARTICLE 21 – REFUSAL TO EXECUTE A PAYMENT INSTRUCTION**

The Bank may be caused to refuse to execute a payment order given by the Client. In this case, the Bank notifies its refusal to the Client by any method at the latest at the end of the first **business day** following the **moment of receipt** of the payment instruction. The notification shall be accompanied by the reasons for refusal unless said information cannot be communicated by the Bank to the Client due to a legal or regulatory prohibition. In the event that the refusal were to be justified by a substantive error, the Bank shall also indicate to the Client, as far as is possible, the procedure to be followed for correcting said error.

If the refusal is to be objectively justified, charges may be collected by the Bank in respect of sending the aforementioned notification of refusal.

A payment instruction that is refused is deemed not to have been received.

#### **ARTICLE 22 – CHARGES COLLECTED FROM THE TOTAL AMOUNT TRANSFERRED**

No charge is collected by the Bank from the total amount transferred in the context of the execution of a **payment transaction** when it is carried out in euros or in the currency of a member State of the **European Economic Area** and when both payment service providers are located within the **European Economic Area**.

In the case of receipt of a **payment transaction**, whatever the currency, the Bank nonetheless reserves the right to collect the charges due to it directly from the total amount received. In this case, the total amount of the **payment transaction** and charges are separated on the Client's account statement.

The Bank hereby informs the Client that, at the time of execution of a **payment transaction** in a currency other than that of a member State of the **European Economic Area** or, regardless of the currency in which the transaction is made, when one of the **payment service providers** is located outside of the **European Economic Area**, intermediaries are likely to have collected charges before receipt of the funds by the Bank or by the beneficiary's Bank.

#### **ARTICLE 23 – SECURITY MEASURES**

The Client must take care to keep all payment instruments issued by the Bank.

On receipt of a payment instrument, the Client shall in particular take every reasonable precaution, as defined in the framework contracts governing such payment instruments, to safeguard the use of its **personalised security credentials**. Such obligations apply in particular to cards, confidential codes and any security procedure for payment instructions agreed between the Client and the Bank. The Client uses the payment instruments which have been issued to it by the Bank in accordance with the terms and conditions governing their issuance and use.

In the event of loss, theft, misappropriation, or unauthorised use of its payment instrument or data associated with it, the Client must notify the Bank of this without delay, for the purpose of blocking the payment instrument, according to the procedures set out in the framework contracts governing their issuance and use.

In the event of notification of the loss, theft or misappropriation of a payment instrument, the Client may then obtain from the Bank, on request and within a period of 18 months starting from the notification carried out, information enabling it to prove that it did indeed proceed with said notification.

#### **ARTICLE 24 – BLOCKAGE OF A PAYMENT INSTRUMENT ON THE BANK'S INITIATIVE**

The Bank reserves the right to block a payment instrument, for objectively justified reasons related to the security of the payment instrument, to the suspicion of an unauthorised or fraudulent use of the payment instrument or to the significantly increased risk that the Client may be unable to fulfil its liability to pay.

In such cases, the Bank shall inform the Client of the blocking of the payment instrument and the reasons for said blocking by any means and, in any event in a secure manner, which the Client accepts as of now, unless the fact of giving said information is not practicable or objectively justified security reasons or prohibited by virtue of other relevant Community or national legislation.

#### **ARTICLE 25 – LIABILITY**

If, on receipt of its account statement, the Client notes a **payment transaction** that it did not authorise or the incorrect execution of a **payment transaction**, it must inform the Bank of this without delay.

No contestation is allowed beyond a period of eight weeks starting from the debit of the **payment transaction** to the Client's account.

This principle applies without distinction of the involvement of a **payment initiation service provider** in the **payment transaction**.

The Bank is also released from all liability, in the event of force majeure or when it is bound by other French or European Community legal or regulatory obligations.

The Bank's accountability for the proper execution of the payment instruction and its possible obligation to return the amount thereof shall apply only to the part of the payment instruction that it handles itself.

The Bank's accountability for the proper execution of the payment instruction and its possible obligation to return the amount thereof shall apply only to the part of the payment instruction that it handles itself.

The onus of proof of an unauthorised or incorrectly executed **payment transaction** falls to the Bank. Proof of the payment authorisation shall be established by recording the **payment transaction** in the Bank's information systems.

In the event that the **payment transaction** was initiated by a **payment initiation service provider** at the Client's request, it is incumbent on the **payment initiation service provider** to prove that the **payment transaction** has been received by the Bank and that, as far as it is concerned, the payment transaction has been authenticated and duly recorded and correctly executed, that it has not been affected by a technical or other defect in relation with either the service that it provides, or the non-execution, incorrect execution or late execution of the **payment transaction**.

##### **25.1 Liability in the event of incorrect execution**

A payment instruction executed in accordance with the **unique identifier** provided by the Client is deemed to have been duly executed with regard to the payee designated by the **unique identifier**.

If the **unique identifier** provided by the Client is inaccurate, the Bank is not liable for the incorrect execution of the **payment transaction**.

However, in the event of an incorrectly executed **payment transaction** due to communication by the Client of erroneous bank account information:

- the Bank shall endeavour to recover the funds involved;
- if the Bank does not succeed in recovering the funds involved, it shall provide to the Client, at its request, the information at its disposal which could document legal action in view of recovering the funds;
- recovery costs may be charged to the Client by the Bank in accordance with the pricing leaflet in effect.

If the Client provides information in addition to the **unique identifier**, the Bank is only liable for execution of the **payment transaction** in accordance with the **unique identifier** provided by the Client.

If it is liable for the non-execution or incorrect execution of a payment transaction, and unless otherwise instructed by the Client, the Bank shall, depending upon the case:

- re-credit the Client's account for the amount of the incorrectly executed transaction and, where applicable, restore the account to the state in which it would have been had the transaction not taken place (credit transfers issued or debit notices received),
- immediately credit the Client's account for the amount of the transaction (credit transfers received or debit notices issued),
- transmit the payment instruction to the payment service provider of the payer (debtor) (debit notice issued).

All of the foregoing provisions also apply in the event that the **payment transaction** may have been non-executed or incorrectly executed due to a **payment initiation service provider**.

## 25.2 Liability in the event of unauthorised transactions

In the event of an unauthorised **payment transaction** reported without delay by the Client, and at the latest within a period of 8 weeks starting from the debit of said payment transaction to its account under penalty of foreclosure, the Bank shall reimburse the Client for the amount of the unauthorised transaction immediately after having become aware of the transaction or having been informed of it and, in any event, at the latest by the end of the next **business day**, unless the Bank has good reason to suspect fraud by the Client. In that event, the Bank shall inform Banque de France. The Bank, as applicable, shall restore the Client's account to the state in which it would have been found if the **payment transaction** had not been executed, on the correct value date.

All of the foregoing provisions also apply in the event that the **payment transaction** may have been non-executed or incorrectly executed due to a **payment initiation service provider**.

In the event of loss, theft, forgery, misappropriation or unauthorised use of its payment instrument equipped with personalised security credentials, the Client's liability shall not be capped if it has not taken care to keep it safe (payment card, confidential code, password, etc.). In other cases, the client's liability shall be limited to a ceiling of 50 euros.

## 25.3 Transactions authorised and initiated by the payee or the Client through the intermediary of the payee where the amount is not known

The Client may contest a **payment transaction** authorised and initiated by the **payee** or the **Client** through the intermediary of the payee if the authorisation given did not indicate the exact amount of the **payment transaction** and if the amount of the transaction exceeded the amount that the Client could reasonably expect taking into account the profile of its spending in the past.

The request must be made within a maximum period of 8 weeks running from the debit to the account.

The Client must provide the Bank with all factual information, such as the circumstances under which it gave its authorisation for the **payment transaction** and the reasons for which it was not in a position to anticipate the amount of the **payment transaction** that was debited from its account. In the event that the amount of the **payment transaction** exceeds the amount that the Client could reasonably expect, the Client cannot invoke reasons linked to a foreign exchange transaction if the exchange rate agreed with the Bank has been applied.

Within a period of ten **business days** following receipt of the request for reimbursement, the Bank will either reimburse the entire amount of the **payment transaction** or justify to the Client its refusal to reimburse.

## ARTICLE 26 – CHARGES FOR PREVENTIVE AND CORRECTIVE MEASURES

The Bank may charge fees for the performance of preventive and corrective measures relating to:

- cancellation of a payment instrument containing **personalised security credentials** in the event of theft, loss or misappropriation of such an instrument;
- reimbursement of the Client before or after cancellation, in the context of the liability regime in the event of incorrectly executed **payment transactions** or unauthorised use of a payment instrument;
- the Bank's obligation to endeavour to follow the track of the **payment transaction** and notify the Client of the result of its findings.

## ARTICLE 27 – EXECUTION TIME FRAMES

For the following payment transactions:

- **payment transactions** in euros when both **payment service providers** are located in the **European Economic Area**,
- or payment transactions involving a single conversion between the euro and the currency of a Member State of the **European Economic Area** outside the euro zone, when the transfer is executed in euros and the conversion is carried out in the other Member State;
- to the exclusion of any other transaction, the account of the **payment service provider** of the payee's **payment transaction** is credited at the latest at the end of the first **business day** following the **moment of receipt** of the payment instruction by the Bank. This deadline is extended by one **business day** if the payment instruction is transmitted by post.

For any **payment transaction**, given in particular the requirement for the Bank to obtain the currency in which the **payment transaction** is executed, the account of the payee's **payment services provider** is credited by the amount of the transaction at the latest at the end of the fourth **business day** following the moment of receipt of the instruction. However, this rule does not apply to **payment transactions** effected in a currency other than that of a member State of the **European Economic Area** when both **payment services providers** are located in the **European Economic Area**.

The Bank shall place the amount of the **payment transaction** of which the Client is the payee at its disposal immediately after its own account has been credited when this does not require conversion or when there is a conversion between the euro and the currency of a member State of the **European Economic Area** or between the currencies of two member States of the **European Economic Area**.

## ARTICLE 28 – VALUE DATES

The Bank assigns a value date to the **payment transaction**, which is the reference date that it uses to calculate any interest applicable to the funds debited or credited on the account.

The value dates applied by the Bank are shown in the Pricing Leaflet.

## ARTICLE 29 – SEPA CREDIT TRANSFERS

### a) Characteristics

When the Client wishes to transfer a sum of money, it may ask the Bank to debit its account for the desired amount in order to transfer it to another account, opened in its name or in the name of a third party.

The SEPA credit transfer can be used for transactions denominated in euros, between two accounts held by **payment services providers** located in the **SEPA area** or in the French Pacific Territories (French Polynesia, New Caledonia and the Wallis and Futuna islands).

The Bank provides said **payment service** solely for issues from a euro account and for receipts on an account in euros.

The Bank may only be in a position to process a SEPA credit transfer order if the Client provides it with the following information: the **IBAN** number of the account to be debited; the amount of the credit transfer; the **IBAN** number of the account to be credited; the payee's name (if available); any transaction text (maximum 140 characters).

It is the Client's responsibility to obtain the necessary **IBAN** codes from beneficiaries for issuing SEPA credit transfers, or entrusting its own **IBAN** to its debtors in order to benefit from a SEPA credit transfer.

The Client is solely responsible for the accuracy of information provided for the requirements of executing a SEPA credit transfer order. The Bank has no obligation to correct or complete the information provided. A SEPA transfer order is only executed by the Bank on the basis of an **IBAN** number, independently of any additional information provided for the requirements of executing said order.

### b) Requests for a recall of funds

There are two separate procedures for requesting a recall of funds.

1- The first procedure for requesting a recall of funds is used solely to sort out the issuance of the SEPA credit transfer(s):

- in duplicate,
- Erroneous following an operational problem
- fraudulently

The request for a recall of funds may come from the instructing party for the SEPA transfer or from its payment services provider, since the latter is in any case responsible for the validity of said request.

For any request received, if the Client's account status allows, the Bank will automatically debit said account, which the Client accepts as of now.

The Bank may, on its own initiative and in the cases referred to above, initiate a request for a recall of funds.

The Client may also make a request to the Bank for a recall of funds when the Client is responsible for issuing the SEPA credit transfer in question and solely in the 3 aforementioned cases.

To do this, the Client's request must be addressed to the Bank at the latest before 10 a.m. (Paris time) on the 8<sup>th</sup> **business day** following the **interbank settlement date** of the initial SEPA credit transfer.

In this case, the Client acknowledges being fully informed of the fact that:

- the payee's payment services provider has a period of **10 business days (15 business days beginning 17 November 2019)** following the date of receipt of the request for a recall of funds to give its reply,
- the request for a recall of funds may not be successful due in particular to the payee's refusal or the non-availability of the funds being called,
- the amount possibly returned may be less than the amount of the original SEPA credit transfer, due in particular to any charges that the payee's payment services provider is entitled to retain on said amount.

2- The second procedure differs from the above procedure in that:

- it may only be initiated by the SEPA transfer instructing party,
- it may only relate to a SEPA transfer **issued on or after 18 November 2018**,
- the only regulatory grounds that may be invoked are:
  - incorrect identification details of the beneficiary (incorrect beneficiary IBAN),
  - incorrect amount,
  - other client request,
- it may be initiated within a maximum period of 13 months after the date of the debit from the instructing party's account.

#### The Client is the instructing party

Reasons for the Client's request can be clearly explained in "comments" field with a maximum capacity of 105 characters (a space counts as one character). If the reason for the recall of funds is "Other client request", the Client must fill in this field or the Bank may reject the request.

The Client acknowledges having been duly informed of the fact that:

- the payee's payment services provider has a period of **10 business days (15 business days beginning 17 November 2019)** following the date of receipt of the request for a recall of funds to give its reply,
- the request for a recall of funds may not be successful, due in particular to the payee's refusal or to the non-availability of the funds being claimed,
- the amount possibly returned may be less than the amount of the original SEPA credit transfer, due in particular to any charges that the payee's payment services provider is entitled to retain on said amount.

#### The Client is the beneficiary

The Bank will expressly request the Client's agreement to debit their account for the amount of the SEPA transfer in question. The Client's response must be received by the Bank **no later than the 8<sup>th</sup> business day (no later than the 13<sup>th</sup> business day beginning 17 November 2019)** before 10am (Paris time) following the date of receipt by the Client of the request for agreement.

Should the Client fail to respond, this shall be considered as a refusal to return the funds. In the event that the Client agrees, the recall of funds shall be executed by the Bank provided that there exist prior, available and sufficient funds in the Client's account.

#### c) Inquiry and/or correction procedure

Beginning 17 November 2019, the Client may ask the Bank to initiate an inquiry procedure concerning a self-issued SEPA transfer order on the grounds that the payee of this transfer:

- informed the Client that the funds have not been received,
- disputed the date on which the funds were credited to the payee's account, and

where appropriate, obtain any corrections if this transfer has not been executed or was executed incorrectly.

This request must be initiated within 13 months following the date when this transfer was debited from the Client's account.

The payee's bank must reply to the Bank within

**10 business days** from the date of receipt of the request.

### ARTICLE 30 – SEPA DIRECT DEBITS

This article applies to the Client in its capacity as drawee of SEPA direct debits.

The SEPA direct debit makes it possible to process **payment transactions** in euros, whether domestic or cross-border, within the **SEPA area**.

It is executed by the Bank if it is received in compliance with the rules set out in the **SDD Core Rulebook**.

It is based on a dual mandate given by the Client to its creditor and to the Bank, authorising its account to be debited. This mandate is written and is retained by the creditor.

The SEPA direct debit may be used for one-off or recurring payments.

The Client is identified by the **IBAN** and **BIC**.

The Client has the possibility:

- of refusing a SEPA direct debit by notifying the Bank in writing at the latest at the end of the **business day** preceding the **interbank settlement date**.
- of refusing all SEPA direct debits initiated by a given creditor.

It is recommended for the Client to inform its creditor when making such requests.

The Bank draws the Client's attention to the fact that:

- refusals may take place, i.e. refusals to execute prior to **interbank settlement**, mainly for technical reasons,
- returns may take place, i.e. refusals to execute **after interbank settlement**, mainly in the case of insufficient funds.

The Client may contest with the Bank a SEPA direct debit taken from its account:

- for any reason, within a period of 8 weeks starting from the debit from its account.

In the event the debit is contested on the grounds that it was "unauthorised", an investigation shall be undertaken by the Bank and the bank of the creditor in question. The Client acknowledges having been informed by the Bank that its account may be debited for the amount of any reimbursement made by the Bank if, at the close of said investigation, its request is shown to be unfounded.

In case of merger or acquisition of the Bank, the SEPA direct debits domiciled on the Client's account will continue to be received and executed under the same conditions.

### ARTICLE 31 – SEPA BUSINESS-TO-BUSINESS DIRECT DEBITS

The Bank offers the Client the possibility of using the SEPA business-to-business direct debit for payment of sums due by the latter.

The SEPA business-to-business direct debit functions according to the rules set out in this article which supplement or replace those set out in article 30 above.

The SEPA business-to-business direct debit is meant for non-consumer clients, i.e. legal entities and natural persons acting within the context of their commercial, business or associative activity.

The Client certifies that it is a non-consumer and undertakes as of now to inform the Bank following the loss of its status as non-consumer.

For a one-off direct debit or for the first recurrent direct debit of a series, the Bank is required to check the existence of the Client's consent.

In addition, the Client undertakes to submit the copy of any SEPA business-to-business direct debit mandate signed by it to the Bank at the latest **2 business days** before the **interbank settlement** date of the first direct debit initiated by virtue of said mandate.

Otherwise, the Bank rejects said direct debit.

For recurrent direct debits following the first of a series, the Bank is required to check the consistency of data in the mandate against the data in the direct debit instruction received from the creditor.

In addition, the Client undertakes to inform the Bank of any modification taking place (change in SCI, UMR, etc.) on any SEPA business-to-business direct debit mandate signed by it to the Bank at the latest **2 business days** before the **interbank settlement** date of the first direct debit initiated by virtue of the mandate.

Otherwise, the Bank rejects said direct debit.

The Client acknowledges having been informed by the Bank that it cannot ask the latter for reimbursement of a direct debit that it has authorised.

However, it may contest a direct debit taken from its account with the Bank which it considers to be incorrectly executed, erroneous or fraudulent, within the maximum time frame set out in the "Liability" article of Chapter 4 above. Said request gives rise to the implementation of an investigation procedure between the Bank and the bank of the creditor in question. The Client acknowledges having been informed by the Bank that its account may be debited for the amount of any reimbursement made by the Bank if, at the close of said investigation, its request is shown to be unfounded.

### ARTICLE 32 – RELATIONSHIPS WITH PAYMENT INITIATION SERVICE PROVIDERS AND ACCOUNT INFORMATION SERVICE PROVIDERS

The Client may have recourse without any restriction whatsoever to a **payment initiation service** provider or to an **account information service** provider. The Bank nonetheless invites the Client to make sure that said service providers are in compliance with all applicable regulations and the Bank cannot be held liable, outside of the cases set out by this agreement and the applicable regulations, in the event of default or breach of its obligations by the **payment initiation** or **account information service** provider.

In any event, the Bank reserves the right to refuse access to the Client's account to a **payment services provider** supplying an **account information service** or **payment initiation service** on the basis of objectively substantiated or documented reasons associated with unauthorised or fraudulent access by said service providers, including the unauthorised or fraudulent initiation of a **payment transaction**.

In this case, the Bank shall inform the Client, by any means and, in any event, in a secure manner, of the refusal of access to the account and the reasons for said refusal. Said information shall, if possible, be given to the Client before access is refused and, at the latest, immediately after said refusal, unless such information is not communicable for objectively justified security reasons or is prohibited by virtue of another relevant provision of Community or national law.

### **ARTICLE 33 – PROCEDURE FOR REQUESTING ACCOUNT BALANCE**

In the event that the Client has given its express consent to the Bank allowing the issuer of a payment method linked to a card to obtain confirmation from the Bank that the Client's account contains sufficient funds to be able to execute the payment transaction linked to the card, the Bank shall fulfil its obligations in this area provided that all the conditions set out in Article L. 133-39 of the French Monetary and Financial Code are met.

The Client may request that the Bank communicate the identity of the issuer of the payment instrument concerned, as well as the response sent to it by the Bank.

### **ARTICLE 34 – CONSENT TO THE USE OF DATA NECESSARY FOR THE EXECUTION OF PAYMENT SERVICES**

In accordance with Article L. 521-5 of the French Monetary and Financial Code, the Client, by accepting this agreement, gives its explicit consent to allow the Bank to access, process and store any information that the Client supplies for the purpose of enabling the Bank to provide payment services. The aforementioned provisions and consent do not affect our respective rights and obligations in terms of protection of personal data. The Client may withdraw said consent by closing the account. If the Client withdraws its consent in this manner, the Bank shall stop using said data for payment services. However, the Bank will need to continue processing said data for other legitimate purposes and reasons and in particular to meet its legal obligations.

## **CHAPTER 5 – CLOSING THE ACCOUNT**

### **ARTICLE 35 – CLOSING THE ACCOUNT**

The account shall continue for as long as it suits the parties to maintain it.

Termination of the account agreement may take place at any time on the initiative of one or other of the parties, by registered letter with advice of receipt, subject to prior notice of 30 calendar days for the Client and 2 months for the Bank. The period of notice shall be counted, in the event of notice of termination by the Bank, from the day of receipt by the Client of the aforementioned letter and in the event of notice of termination by the Client, from the day of receipt of said letter by the Bank.

As an exception to the foregoing, termination shall take place as of right without prior formality in the following scenarios:

- in the case of the Client's judicial liquidation,
- in the case of the Client's seriously reprehensible behaviour or in the event that the latter's status should be irretrievably compromised,
- in the case of information, documents or declarations of any kind given by the Client for entering into the agreement and the contracts signed as set out in this general terms and conditions and that do not appear to correspond to reality.

In all cases of termination, the Bank shall clear the balances of the different accounts opened in the Client's name and shall reverse all transactions in progress.

To that end, and in the case of foreign currency accounts, these shall be sold on the foreign exchange market in Paris, at the rate in effect at the date of said clearance.

Payment with the Client's time-deposit accounts shall be carried out at the end of their terms.

Closure shall make all transactions payable immediately and shall require the Client to cover all those involving a commitment at the Bank's expense, even when potential.

Following these closing entries, if there are inadequate or no provisions for drafts issued and not yet presented, the Client must complete or constitute the provision. Otherwise, the Bank shall be obliged to refuse payment.

Notwithstanding the provisions of Article L 312-11 III and L 314-13 IV of the French Monetary and Financial Code, and as authorised by Article L 314-5 of the same Code, the bank shall not be bound to reimbursement, on a prorated basis, of fees lawfully charged for the provision of payment services, settled by the Client in advance.

Lastly, closing the account shall require the Client to immediately return all payment instruments in its possession.

### **ARTICLE 36 – DEBIT BALANCE AT CLOSURE – INTEREST**

If there is a debit balance at closure, this shall bear interest as if said closure, at the legal rate increased by 5 points.

Similarly, any transactions that the Bank has not been able to reverse shall bear interest at the same increased rate.

Lastly, pursuant to Article 1343-2 of the French Civil Code, the parties agree that the interest on principal due for a full year shall itself bear interest.

## **III. Financial instruments account and services agreement**

This Agreement (the "Agreement"), in compliance with the regulations of the French Financial Markets Authority, is for the purpose of defining the terms and conditions under which the Bank provides the following services to the Client, in the capacity of investment service provider:

- investment advice;
- reception/transmission of instructions on behalf of third parties;
- execution of instructions on behalf of third parties;
- custody account keeping.

The financial instruments account agreement is comprised of these terms and conditions together with the pricing applicable to the Execution and best selection policy and the summary of the Management of conflicts of interest policy given to the Client at the time of entering into this agreement.

## **CHAPTER 1 – OPENING AND OPERATING THE ACCOUNT**

### **ARTICLE 1 – PROCEDURES FOR OPENING THE ACCOUNT**

Once the contracting parties have signed the application requesting the opening of a financial instrument account by the Bank, a financial instrument account is opened on the Client's behalf.

Any incomplete applications for new accounts (application not signed, missing supporting documents, etc.) will be automatically rejected.

Additionally, the Client may not initiate any transaction before the account has received the funds and/or financial instruments necessary for its operation.

This opening requires the Client to have a current cash account opened in the Bank's books, the operating procedures of which are shown in the Agreement signed for that purpose. Said current account serves as a pre-concentration account and shall record both debit and credit amounts in cash originating from transactions effected on the financial instruments account.

Additionally, as part of a related entry, the Bank shall reserve the right to approve this opening. Subject to the special procedures described hereinafter, said approval shall be deemed to have been granted after a period of seven business days from signature of this Agreement. In the absence of approval, the Bank shall inform the Client of this by letter.

The financial instruments account is opened in the name of a single person, as designated in the special terms and conditions.

For the purposes of opening and operating the financial instruments account, the necessary arrangements are made for the signature(s) of representatives as designated in the special terms and conditions to be deposited with the Bank.

The Client may initiate transactions provided the funds and/or financial instruments required for the respective operation of the financial instrument account and associated cash account are credited thereto and/or recorded in the account.

Any new financial instruments account opened subsequently by the Client with the Bank shall be governed by these terms and conditions, unless specifically stipulated otherwise (in particular, if another Financial instruments agreement is signed).

Furthermore, if the Bank and the Client agree that the Client may access the markets directly, they shall enter into an Agreement for that purpose.

### **Restrictions relating to capacity, residence for tax purposes and applicable regulations**

The services or products presented in the Agreement may be subject to restrictions in certain countries pursuant to domestic regulations applicable in those countries.

It is the Client's responsibility to make sure that it is authorised to invest in said products and to use the services pertaining thereto.

The services rendered under this Agreement apply to financial securities as defined by Article L.211-1 of the French Monetary and Financial Code and set out in article 6 of this Agreement.

The Bank draws the Client's attention to the fact that such an agreement permits access to financial instruments that involve particular risks because of their specific characteristics or the transactions to be executed or that have a price that depends on fluctuations of financial markets over which the Bank has no influence and that past performance is not an indicator of future performance.

Please refer to the **Appendix** to this Agreement on financial securities and associated risks.

## **ARTICLE 2 – QUALIFIED INTERMEDIARY (“QI”)**

In the context of implementing the US regulation known as “Qualified Intermediary - QI”, the Bank has signed an agreement with the US Internal Revenue Service (“IRS”) through which it becomes a Qualified Intermediary (QI) for it.

Said agreement subordinates the application of reduced rates for withholding tax on US sourced investment income, as provided for by US internal law or the tax treaties in force between the USA and the payee's State of residence, to identification by the Bank of the beneficial owner of income from US transferable securities held by the beneficial owner in the Bank's books.

In this context, the Client must at any time provide the information and necessary supporting documents relating to its identity and residence for tax purposes. In that respect, a US Person Client will need to provide the Bank with a W9 form prior to opening its account, while a non-US Person Client will need to provide the Bank with a W8-BEN, W8 BEN E, and/or W8 IMY form when purchasing US transferable securities.

## **ARTICLE 3 – INFORMATION NECESSARY FOR EXECUTION OF THE AGREEMENT**

### **3.1 Information supplied by the Client**

In order to enable the Bank to fulfil its task and establish an investment profile for the Client (hereinafter the “Investor Profile”) under the applicable legal and regulatory conditions, the Client must, in its own interest, provide the Bank with full and truthful information:

- intended for appraisal of the knowledge and experience of its representative(s) in terms of investment,
- intended for assessment of its financial situation and investment objectives with regard to the services that are the subject of this Agreement;
- relating to its identity, such as its MiFID identification number “Legal Entity Identifier” (hereinafter “LEI”), issued by INSEE or any equivalent body for companies under foreign law.

The accuracy and comprehensiveness of information supplied will enable the Bank to provide an adequate level of protection to the Client.

For the purpose of enabling the Bank to update the Client's dossier, the latter undertakes to keep the Bank informed, without delay, of any modification of information concerning it or concerning its representatives and, in particular, those relating to its corporate name, its financial and tax situation, and the ability of its representative(s) to act, (transfer of the registered office, modification of business name, banner, any document certifying the identity, capacity and powers of the representative(s), financial aptitude, etc.) and to provide evidence of this on first request. Any modification shall be binding on the Bank after its receipt of the information in question bearing a signature conforming to that identifying the Client's representative.

The Client also undertakes to respond to any request for information or document originating from the Bank (in particular with a view to addressing the regulatory provisions in effect).

Similarly, if the Client becomes a qualified investor, it must so inform the Bank by communicating to it the copy of its publication in the French Bulletin des Annonces Légales Obligatoires (BALO).

If the Client is a qualified investor, but happens to lose said status, it must so inform the Bank.

The Bank informs the Client that any failure to update its information, and in particular the information required for updating its Investor Profile, may result in a temporary suspension of access to all or part of the services accessible in respect of the Agreement and, in particular, to the investment advice services.

The Client also acknowledges having been informed that unless it provides the Bank with its LEI, which will need to be renewed every year, it will not be possible to carry out certain transactions. The financial instruments concerned by said restriction are as follows:

- Financial instruments that are admitted to trading or traded on a trading platform or for which a request for admission to trading has been made;
- Financial instruments the underlying of which is a financial instrument traded on a trading platform; and
- Financial instruments the underlying of which is an index or a basket made up of financial instruments traded on a trading platform.

### **3.2 Information supplied by the Bank**

The Client acknowledges having received information:

- enabling it to evaluate the characteristics of transactions that it may ask to be carried out in respect of this Agreement;
- concerning the specific risks that said transactions may involve, in particular concerning products likely to be purchased in the context of this Agreement, and the risks presented in the Appendices.

### **3.3 Categorization**

In accordance with the regulations, the Bank has a duty to classify its clients into one of the following categories: “Non-Business Client”, “Business Client” or “Eligible Counterparty” in accordance with Articles D.533-11 *et seq.* of the French Monetary and Financial Code.

A letter will be sent to the Client to inform it of its categorisation and the consequences of such categorisation as well as the possibility of a change of category, with the understanding that the Bank is not obliged to grant the Client's request.

Each category has a degree of protection appropriate to the level of competence and knowledge of financial products, services and markets.

### **3.4 Authorised means of communication between the parties**

For the purposes of the Agreement, the parties agree that they may use the following means of communication:

- Oral conversation in person or remotely, accompanied by video or not;
- Written material (email, letter, secure messaging, etc.); or
- Any other means of communication expressly authorised by the Bank.

Nevertheless, for the placement of orders, the Client undertakes to use only the means of communication duly authorised by the Bank and as indicated in article 17.

The Bank may also provide the Client with information via the Internet, subject to the following conditions:

- The provision of such information using this method is appropriate to the context in which the business affairs between the Bank and the Client are or will be carried out;
- The client must be notified electronically of the website address and where the information may be accessed on the website;
- The information must be up to date;
- The information must be accessible continuously by means of that website for such period of time as the Client may reasonably need to inspect it.

In this regard, the Client declares to have regular access to the Internet and consents to the Bank's communication of certain information to the Client by email or through its website. The Client undertakes to inform the Bank of any change of email address.

In accordance with the regulations in force, any conversation or exchange between the Bank and its Client relating to a transaction, whether carried out or not, shall be recorded, which the Client accepts, and stored by the Bank for five years (meeting report, emails, telephone conversations, etc.).

### **3.5 Language of communication**

The language used for all communication is French. However, if the Client is not familiar with this language, the communications will be written in English.

## **ARTICLE 4 – POWER OF ATTORNEY**

The Client may appoint one or more authorised agents to operate the financial instrument account. If one or more authorised agents are appointed on the conclusion hereof, their identity will appear in the special conditions hereof. The Bank draws the Client's attention to the fact that the Client remains liable for all transactions initiated by its authorised agent or agents.

Irrespective of the moment when the Client gives a power of attorney to a third party, this power of attorney operates through signature of a Bank standard form contract and after the Bank receives a copy of the identity document of the authorised agent(s) and notification of their signature(s).

The Bank reserves the right to refuse any authorised agent and any power of attorney drawn up according to a different model from that of the Bank.

If the Client has signed an Online Banking Agreement, it may appoint one or more authorised agents, in accordance with the rules applicable to online banking services.

## **ARTICLE 5 – COMPETENCE – ANALYSIS – INFORMATION**

In compliance with current regulations, and in light of the information the Client communicates to the Bank, the latter shall analyse the Client's experience and knowledge of investing in relation to the products and services offered under this Agreement.

Given this analysis, for each transaction that the Client intends to carry out, the Bank shall provide the Client with the information necessary to evaluate the characteristics of the planned transaction and the special risks that the transaction may involve.

The Bank draws the Client's attention to the fact that suitability and appropriate character tests for the service to be provided will be carried out to determine the Client's investment profile.

However, if, for any reason whatsoever, the Client does not provide the necessary information requested by the Bank to evaluate the appropriateness or suitability of the service provided or the order to be processed, the Bank may not be held liable.

Concerning the category in which the Client is placed, a letter will be sent to it to notify it of its status as a non-professional, professional, or eligible counterparty, of the consequences of this classification and of the ability to change categories.

However, where the Client wishes to carry out a transaction involving financial instruments with which it is unfamiliar or for which it is unable to assess the risk, the Client will be responsible for requesting any additional information from the Bank before placing the order and, where applicable, for requesting any pertinent documents.

## **ARTICLE 6 – THE FINANCIAL INSTRUMENTS ACCOUNT**

In particular, financial instruments include:

- Financial securities:
  - capital securities issued by public limited companies (stock and more generally securities giving or that may give direct or indirect access to capital or voting rights);
  - debt securities (bonds and similar securities, medium-term negotiable debt securities, short-term negotiable securities, financial warrants) excluding bills of exchange and medium-term notes;
  - shares or stock in collective investment vehicles;
  - any equivalent financial security issued on the basis of foreign law excluding bills of exchange and cash vouchers.
- Financial contracts, also known as "forward financial instruments": financial futures contracts on interest rates, swap contracts, options contract on financial instruments.

The financial instruments account records transactions on these financial instruments, ensuing from a transaction or a set of transactions carried out through the Bank with the exception of transactions on financial contracts, which will be governed by specific provisions.

## **CHAPTER 2 – INVESTMENT ADVICE SERVICE**

### **ARTICLE 7 – INVESTMENT ADVICE SERVICE**

The Bank is required to provide the Client with the non-independent investment advice service. In that context, the Bank shall provide the Client with personalised recommendations that will cover financial instruments issued or managed by the Bank, an entity within its Group or a company having close links of a legal, contractual or economic nature with the Bank. In this respect, the Bank is required to collect management fee retrocessions and/or marketing or investment commissions from said entities.

The Client nonetheless has the possibility of entering into an investment advice agreement with the Bank separate from this Agreement. The advice service shall be subject to specific pricing which will be communicated to the Client at the time of entering into said agreement. The Bank shall no longer be in a position to collect management fee retrocessions and/or marketing or investment commissions from the aforementioned entities.

In the context of providing the investment advice service, the Bank undertakes to provide the Client with advice focusing exclusively on financial instruments suited to its financial situation, investment objectives, and also know-how and experience on financial matters. The Bank also undertakes to check, from time to time, that the financial instruments advised to the Client continue to correspond to all of the above-mentioned items.

### **ARTICLE 8 – SUITABILITY OF THE PROVIDED SERVICE AND PERIODIC REVIEW OF SUITABILITY**

The Bank undertakes to recommend to the Client only financial instruments suited to its investment knowledge and experience as well as its financial situation and investment objectives.

Any investment advice will be the subject of a declaration of suitability specifying the advice provided and how the recommended financial instruments correspond to the objectives, financial situation and, in general, to the Investor Profile of the Client.

The Bank undertakes to contact the Client periodically to propose working together to reassess whether the recommended financial instruments continue to be suitable with regard to the Client's Investor Profile.

## **ARTICLE 9 – CONFLICT OF INTERESTS**

In the interest of investor protection, the Bank has adopted a policy regarding conflicts of interest, as defined by the AMF General Regulations. Specifically, the Bank has implemented and maintains a set of effective organisational and administrative arrangements aimed at taking all possible reasonable measures to prevent conflicts of interest which might be harmful to the interests of its clients.

If the Bank's arrangements are unable to prevent with reasonable certainty the risk of harm to the Client's interests, it will clearly inform the Client of the overall nature and/or source of the conflicts of interest in advance.

The summary of this conflict of interest policy is also available at the Bank's branches at the Client's request or on the Bank's website ([www.hsbcprivatebankfrance.com](http://www.hsbcprivatebankfrance.com)).

If the Client so wishes, the Bank will provide its complete conflict of interest policy document at any time.

Furthermore, in the event of an amendment to the Bank's conflict of interest policy, the amendment will be brought to the Client's attention via an update of the Bank's documentation, particularly on the Bank's website.

A summary of the conflict of interest management policy is described in the *Appendices*.

## **ARTICLE 10 – REMUNERATION RECEIVED BY THE BANK**

As part of the provision of the non-independent investment advisory service and in accordance with the applicable regulations, the Bank reserves the right to receive retrocessions of management fees and/or marketing or investment commissions in CIUs and, more generally, in financial securities, under the conditions set out in the pricing leaflet or in any other document provided to the Client prior to subscription.

The Bank may also receive non-monetary benefits, considered minor under the regulations in force.

## **CHAPTER 3 – RECEPTION AND TRANSMISSION OF ORDERS (RTO) SERVICE**

### **ARTICLE 11 – RECEPTION AND TRANSMISSION OF ORDERS SERVICE (RTO)**

The Bank shall transmit orders received from the Client, covering financial instruments, to an investment services provider with a view to their execution.

The Bank can only recommend that the Client seek information on the operating conditions and market mechanisms through which the orders will be executed, and in particular, the risks inherent in transactions executed on these markets, given, in particular, their speculative nature or their potential lack of liquidity.

The Bank's involvement in the receipt, transmission and execution of an order will not imply any assessment by the Bank of the appropriateness of the transaction; such a transaction will be the sole responsibility of the Client.

The Bank can only recommend that the Client seek information on the operating conditions and market mechanisms through which the orders will be executed, and in particular, the risks inherent in transactions executed on these markets, given, in particular, their speculative nature or their potential lack of liquidity.

### **ARTICLE 12 – EXECUTION AND BEST SELECTION POLICY**

The Bank undertakes to execute the orders placed by the Client in accordance with its "Best execution" policy appended to this Agreement. Said policy is also available in the Bank's offices on request.

The "Best execution" policy is subject to amendment, in particular to take any legislative or regulatory changes into account.

In accordance with the regulations in effect, the Bank shall review said policy:

- once a year;
- or in the event of any substantial amendment arising that might affect the Bank's ability to continue consistently obtaining the best possible outcome in executing the Client's orders.

In the event of amendment to the "Best execution" policy, the Client shall be informed by any means deemed appropriate and, in particular, by the updating of this policy on the aforementioned media.

### **ARTICLE 13 – COMPLIANCE WITH RULES RELATING TO THE MARKET**

The Client may place cash orders.

The Client undertakes to comply with the obligations and regulatory provisions applicable to the markets upon which the orders are executed and in particular the Euronext regulations.

Orders shall be placed in accordance with the practices and provisions of said regulations and of this Agreement. The Bank may refuse any order that does not comply with the current standard practices and regulations on the markets on which the order is executed or any order which may be executed on a market on which the Client does not normally trade. Capital payments and financial instrument deliveries shall be made according to current regulations and standard practices on the markets in which the financial instruments are registered or traded. The Bank may act as the transmitter of orders or as a counterparty for transactions on financial instruments executed by the Client.

All transactions on financial futures, whether fixed or optional term, processed in France or abroad on OTC markets, organised or regulated, such as swaps FRA, options, etc. are excluded from this Agreement.

The Client shall be notified of other transactions that it may be authorised to execute and that may be executed, possibly after signature of an amendment to this Agreement.

#### **ARTICLE 14 – FOREIGN MARKETS – FOREIGN EXCHANGE TRANSACTIONS**

For the placement of orders on foreign markets, orders shall be taken and confirmed in the trading currency of the relevant market.

If the Client has a sub-account in the relevant currency, it may choose settlements in the trading currency. To do this, the Client must mention this option when placing its order (purchase/sale) by telephone or by email. Fees and commissions shall be debited in foreign currencies from the cash account associated with the financial instruments account.

In the absence of an account in foreign currencies, the settlement currency shall be the euro by default.

#### **ARTICLE 15 – PROCEDURES FOR COVERAGE OF GUARANTEES**

The regulations in force require that a cash margin or securities be deposited by all operators carrying out transactions for future delivery on regulated markets. The Client undertakes in particular to comply with the minimum coverage rules on the following spot markets:

Spot market hedges:

- for a buy order, the cash margin must be on deposit when the order is placed;
- for a sell order, the financial instruments must be on deposit when the order is placed; otherwise, the order shall be refused. Short sales are prohibited.

For any order, the Client undertakes to establish and constantly maintain sufficient coverage on the securities account and its associated cash account to comply with the aforementioned coverage rules.

The Client authorises the Bank, if necessary, to transfer the financial securities as well as the cash representing the coverage of each order to a special reserved non-interest-bearing account.

Full ownership of cash or securities used by the Client to guarantee orders is transferred to the Bank, in accordance with Article L.440-7 of the French Monetary and Financial Code, for the purpose of settling the debit balance discovered at the time of automatic liquidation of positions and commitments and any amount owed to the Bank by the Client hereunder.

#### **ARTICLE 16 – ABSENCE OF COVERAGE, LIQUIDATION OF COMMITMENTS**

Where the coverage of the Client's commitments proves inadequate, and the Client fails to increase said coverage within one trading day of the request that the Bank presents, the Client's commitments may be liquidated.

Consequently, in the absence of sufficient coverage, the Bank may repurchase the financial instruments sold and not delivered or resell the financial instruments purchased and unpaid, without prior notice and at the expense and risk of the Client. The corresponding amounts shall be debited from the cash account. Moreover, the financial instruments held in the Client's account may be sold without prior notice in order to offset the Client's debit positions, all financial instruments recorded on the account governed by this Agreement and all cash in the associated cash account being earmarked for the settlement of claims arising from the execution of the Agreement or those related thereto.

Furthermore, if the closure gives rise to a debit balance, the Client authorises the Bank to debit the amounts, which are not otherwise allocated or restricted, required to clear said balance from any accounts open in the Bank's books.

In the event of the liquidation of the Client's commitments, the Client agrees that any expenses arising from the liquidation may be debited from its current account.

In the event of the Client's default, it will be possible to apply the provisions of Article L.211.18 of the French Monetary and Financial Code, which stipulates that when an account-keeper or custodian intermediary delivers financial instruments or pays the price by taking the place of its defaulting client, it acquires full ownership of the financial instruments or cash received from the counterparty.

A debit position on the Client's account linked to a transaction carried out within the framework hereof does not constitute a tacit overdraft authorisation.

#### **ARTICLE 17 – PROCEDURES FOR PLACEMENT OF ORDERS**

The Client may transmit its orders by any means accepted by the Bank, knowing that the Bank may, at any time, require confirmation of said order from the Client.

The means for order placement accepted by the Bank are:

- telephone;
- email.

The procedures for proof of orders placed by telephone or email are specified in the provisions of the article entitled "Proof of orders placed by telephone or email" below.

When a written confirmation is required under the terms of this Agreement or sent voluntarily by the Client, it must summarise the full characteristics of each order placed in accordance with what is indicated in the article entitled "Content of orders" below.

The Bank cannot be held liable if the Client does not send a written confirmation to the Bank when required under this Agreement or expressly requested by the Bank.

**The Client should note that** the Bank will refuse to execute orders not meeting the aforementioned conditions and transmitted by means not authorised by the Bank (such as fax, est.) unless expressly approved by the Bank.

#### **ARTICLE 18 – CONTENT OF ORDERS**

When the Client places an order, it must specify:

- the direction of the transaction: buy or sell;
- the designation or characteristics of the financial instrument;
- the quantity;
- the type of order in line with what is indicated in the Appendices;
- the method of execution: spot
- the stock market concerned;
- the currency of settlement, where appropriate; and
- in general, all the details necessary for transmission of the order on the market.

The types of orders accepted by the Bank are specified in the Appendices.

Orders are worded and executed on Euronext Paris in compliance with the provisions of the regulations of the *Autorité des Marchés Financiers* and Euronext.

In certain circumstances, the market may cancel any order pending execution, in particular in the event of the announcement or occurrence of events affecting an issuing company and likely to have a significant influence on the price of the security of that company.

In such a situation, given that the Client's order has been cancelled, the Client will have to re-enter its order after any necessary price or quantity adjustments if it wishes to maintain it.

In any event, the Bank shall not be liable for the consequences related to the cancellation of transactions by the Client or the Market.

#### **ARTICLE 19 – VALIDITY OF ORDERS**

The rules for order validity are specified, where applicable, in the Appendices.

Upon expiration of its validity, the order will automatically be deleted from the trading system.

Without possibility of dispute, the Bank may refuse orders that seem to it to be incompatible with the market conditions, in accordance with its legal obligation to act in respect of market integrity.

The Client may cancel the order or change its characteristics before its execution, subject to the market rules. These new instructions will be taken into account:

- if they are received by the Bank within a time frame that is compatible with the conditions for execution of the orders, and;
- if the order has not already been executed. If the order has been partially executed, the new instructions will be valid for the unexecuted part of the order.



## **ARTICLE 20 – THE EXECUTION OF INSTRUCTIONS**

### **1. Procedures for execution of instructions**

The Client is hereby reminded that the transmission of an order with a view to its execution does not automatically mean that it has been executed.

The execution of instructions shall be carried out in line with the possibilities resulting from instructions in place on the market.

The Bank reserves the right to refuse any order covering any financial security in particular when traded or kept on a foreign market where the Bank does not trade.

The Client's instructions shall be executed by the authorised intermediary chosen by the Bank.

On request, at any time, the Bank will provide an order execution status to the Client.

### **2. Difficulties in execution on a market**

The Bank shall keep the Client informed of any eventual difficulties in transmitting and executing an order as soon as it becomes aware of them.

The Bank especially draws the Client's attention to the fact that order execution times may be shorter or longer depending on the placement method used by the Client or the market concerned.

Furthermore, execution of all or some of the orders requested by the Client may be impossible because of conditions on the market concerned, the security concerned or the market conditions.

If the order could not be successfully transmitted, the Bank will make every effort to contact the Client for the purpose of informing it.

Depending on the method used, the proof of this contact will be the duplicate of the letter sent, the copy of the email, or the register kept by the Bank for this purpose and recording the call or attempted call by telephone.

The Bank informs the Client of the existence of a time limit for executing any orders on UCITS. When the Client would like to place a subscription or redemption order on a UCITS, the Bank invites the Client, before placing the order, to request any additional information from it.

Whatever the circumstances, the Bank's liability can only be incurred if it has not taken the order into account under the terms and conditions set out in this Agreement.

### **3. Orders related to complex financial instruments and warning**

The Bank reserves the right to refuse any order relating to a complex financial instrument that does not correspond to the Client's level of knowledge and experience as assessed in its Investor Profile.

For orders transmitted by telephone or email, the Bank shall make every effort to contact the Client for the purpose of fulfilling its obligation to warn by any means: telephone or email,

If the Client confirms an order after the Bank has issued the warning message, this order will be transmitted for execution.

Failing confirmation by the Client of its order or in the absence of counter-order from the Client within a period of 24 hours after delivery or attempted delivery of said warning, the order that the Client has placed shall be transmitted for execution.

Depending on the method used, the proof of the said contact shall be the screenshot delivering the warning message and the confirmation by the Client of said order, the register held by the Bank for that purpose and recording the call or attempted call, or a copy of the email.

### **4. Order pertaining to a CIU**

Where the Client wishes to place a CIU subscription or redemption order, the Bank urges the Client, prior to placing the order, to read the French version of the Key Investor Information Document (KIID) and its prospectus or any other regulatory document available from the Bank.

The Client is informed that the Bank may refuse, at its sole discretion, subscription orders relating to a CIU governed by foreign law, in particular because of specific constraints and technical deadlines related to the transmission of orders pertaining to these CIUs.

## **ARTICLE 21 – PROOF OF ORDERS PLACED BY TELEPHONE OR EMAIL**

### **1. Order placed by telephone**

Orders placed by telephone, which do not require the Client to use a confidential identifier code, must be confirmed by the Client in writing at the earliest opportunity without the Client being able to plead the absence of confirmation to contest an order placed and executed in this manner.

The Bank draws the Client's attention to the fact that orders transmitted by telephone in addition to telephone conversations and callers' numbers shall be recorded. Such records are stored for a period of five years. They will be used as evidence, particularly in the event of a dispute, which the Client expressly accepts.

### **2. Order placed by email**

It is expressly agreed that since the process of transmitting orders by email is the Client's choice, the Client declares that it is aware of the risks inherent to said operating procedure.

The Bank, when it has lawfully executed orders that bear a signature appearing to match the specimen signatures submitted or originating from the electronic address indicated by the Client, shall be duly released by execution of said orders.

The Client must bear full responsibility for all inherent risks and deal with all transactions executed in this manner, even if said transactions are the result of an improper or fraudulent use of this method of transmission, particularly in the case of a falsification or forgery that is undetectable for the Bank, or a technical deficiency having altered the content of the message. The Bank's liability can only be involved in the event of an incorrect execution of a clear and complete order.

The Bank reserves the right to defer execution of the order, particularly in case of doubt as to the status of the order transmitted (status of the message, the instructing party, etc.). In which case, the Bank may carry out any check on the lawfulness of orders received, by means of a call-back or other method, and ask for the order to be formulated again. In that case, the Bank shall not under any circumstances be held responsible for delays in execution caused by such checks and the Client shall assume full responsibility for any consequences that may arise.

The Client may not hold the Bank liable in the event that it does not carry out such checks, since they are only an option for the Bank.

The email received by the Bank or the photocopy that might be made of it as required by the Bank shall be considered proof between the parties. Similarly, only the dates and times of receipt of the message indicated by the receiving workstation will have contractual validity and not those indicated on the sending workstation.

## **ARTICLE 22 – REMUNERATION RECEIVED BY THE BANK**

In accordance with the applicable regulations and to the extent that the Bank provides the Client with an RTO service, the Bank reserves the right, for any subscription in a CIU managed by a management company of the HSBC group or outside the HSBC group, to receive retrocessions on the management fees of this CIU.

This remuneration will be collected by the Bank, under the conditions provided for in the pricing leaflet or in any other document provided to the Client prior to its subscription.

The Bank may also receive non-monetary benefits from the aforementioned third parties, considered minor under the regulations in force.

## **CHAPTER 4 – CUSTODY ACCOUNT-KEEPING SERVICE**

The Bank will provide the Client with the custody account-keeping service, which consists in recording the Client's financial securities in the securities account opened in its name, holding the Client's corresponding assets and handling events occurring in the life of the held financial securities.

## **ARTICLE 23 – REGISTERED FINANCIAL INSTRUMENTS – MANAGEMENT MANDATE**

Orders involving administered financial instruments may be given only to the Bank by the Client or its authorised agent(s), in compliance with the current regulatory provisions.

The Client authorises the Bank, which so accepts, to administer the registered financial instruments entered into the issuer's books and reproduced in the account opened in the Bank's books. Under the terms of this mandate, the Bank will manage these securities on behalf of the Client, notably with regard to the collection of income.

However, transactions involving the exercise of rights for capital increases and for the receipt of cash or securities will be carried out in accordance with the Client's instructions.

Nonetheless, and in the interest of the Client, the Bank may claim tacit acceptance by the constituent for some transactions, in accordance with current standard practices.

On instruction in writing from the Client, the Bank shall proceed with changing the form of one or more securities, in particular the switch from bearer share to administered registered share.

In the case of securities recorded in the Bank's books and subject to compulsory liquidation proceedings or equivalent proceedings under foreign law, the Client authorises the Bank, when the time comes, to transfer such securities in pure registered form directly to the issuer's books.

The administrative authorisation may be terminated at any time by registered letter with acknowledgement of receipt, without advance notice, if the termination is on the Client's initiative or after advance notice of 15 days if the termination is at the Bank's initiative.

Subject to the settlement of transactions in progress, this termination shall close the financial instrument account and terminate this Agreement immediately if the termination is on the Client's initiative and after the notice period if the termination is on the Bank's initiative.

## **ARTICLE 24 – AVAILABILITY OF FINANCIAL INSTRUMENTS**

The Client may dispose of its financial instruments at any time without prejudice to contractual, judicial, or legal holds to which they may be subject (management mandate, account pledge, seizure of ownership rights and securities, etc.) and the coverage rules described hereinafter.

The Bank shall refrain from recording transactions on the Client's account that do not comply with its instructions.

The financial instruments held by the Bank will be used in compliance with the rules and standard practices related to the security of financial instruments and their delivery, in particular the rules of the French financial markets authority (AMF) and the French Financial and Banking Regulation Committee (CRBF).

## **ARTICLE 25 – TRANSACTIONS ON THE FINANCIAL INSTRUMENTS ACCOUNT**

### **25.1 – Book entry**

The Client may request the entry into its account of any financial instrument liable to be subject to such entry in application of a French or foreign regulation, without prejudice to the restrictions listed hereinafter.

The Bank reserves the right to refuse the book entry of financial instruments, particularly if they are unlisted securities or securities issued and held abroad.

The financial instruments booked in the account may be in bearer or registered form or, at the Client's request, in any other form (subject to acceptance by the Bank and in compliance with laws and regulations in force).

With regard more specifically to bearer securities, the Client hereby undertakes to immediately inform the Bank in writing of any change in ownership or issuance of these securities and to provide the Bank with all information that it may require. For the purposes of this clause, the "Client" means a company having issued or able to issue bearer securities.

The transmission of digital financial instruments is effected by account-to-account credit transfer.

### **25.2 – Special rules for book entry**

Concerning financial instruments:

- not governed by French regulations, and/or;
- not admitted to the transactions of a central depository and subject to direct entry in the issuer's books.

The Bank draws the Client's attention to the risks incurred with respect to:

- the incorrect execution, by the issuer, of instructions concerning said instruments;
- The difficulties or recognising the Client's rights, for which the Bank may not be held liable, and the same is true for valuation errors concerning these financial instruments, in particular when these valuations are communicated to the Bank by external suppliers.

## **25.3 – Custody of financial instruments – EUROCLEAR France – Recourse to third parties**

The Bank enters in its books and holds the assets corresponding to the securities of its clients in accordance with the regulations in force. The Bank therefore keeps the registers and accounts required for making it possible, at any time and right away, to distinguish the Client's financial securities from those held by other clients or by the Bank itself.

### **Securities held with EUROCLEAR France, Central Depository in France**

As central securities depository, EUROCLEAR France is required to keep records and accounts that enable the Bank to distinguish its own financial securities from those belonging to its clients. This may be done according to two modes of segregation:

- "collective" segregation, whereby financial securities belonging to all HSBC clients are accounted for separately from financial securities belonging to HSBC in a collective account opened by HSBC with EUROCLEAR France (hereinafter "Collective Segregated Account");

or

- "individual" segregation, whereby financial securities belonging to an HSBC client are recorded in an individual account opened by HSBC in the books of EUROCLEAR France and are thus recorded separately from financial securities belonging to HSBC and also those belonging to other HSBC clients (hereinafter "Individual Segregated Account").

In accordance with the applicable regulations, the Bank, as a participant with the central depository EUROCLEAR France, is required to offer its Client a choice between these two modes of segregation. By default, the Bank uses "collective" segregation. However, on request, individual segregation may be applied to the Client's securities held with EUROCLEAR France and entered in the Bank's books under this agreement.

In order to enable the Client to make this choice, the Bank has drafted a document describing the levels of protection and the costs associated with the various modes of segregation offered by the Bank, which can be found on the Bank's website at [www.hsbcprivatebankfrance.fr](http://www.hsbcprivatebankfrance.fr), under *Regulatory Information, Central Securities Depositories Regulation (CSDR)*. Clients who would like "individual" segregation will opt for this service through a separate document.

### **Recourse to third parties**

The Client is informed that the Bank may make use of any third party of its choice to ensure all or part of the custody of the financial instruments both in France and abroad. The Bank chooses the third party under consideration of its expertise and reputation on the market and also of any regulatory restrictions or market practices.

Where the Client's financial securities are kept with a third party, the Bank takes all necessary measures to ensure that the Client's financial securities can be identified separately from the financial securities belonging to the third party or the Bank.

The Client authorises the Bank to inform the third-party holder (central depository, custodian, etc.), at its request, of the Client's name, nationality, date and place of birth, address and, where applicable, email address for carrying out said custodial assignment. The Client is informed that such information may also be communicated to the issuing company, to which the Client agrees.

The Client is informed that its financial securities, in particular foreign securities, may be held by a third party on an account opened in the Bank's name and that, in that situation, the Bank assumes responsibility for any action or omission of said third party or its possible insolvency and the consequences for clients in the conditions in the Appendix (*Fonds de garantie des dépôts*).

The Bank also informs the Client, with regard to certain securities kept abroad, that:

- the financial securities may be held by a third party on a global account;
- the third party may not be in a position to identify the financial securities held by a third party separately from specific financial securities held for said third party or the Bank;
- some of these financial securities may, when such securities or the investment services associated with them so require, be subject to different law from that of a State party to the agreement on the European Economic Area.

In such cases, the Bank draws the Client's attention to the risks associated with these methods of custody abroad, as specified on the Bank's website, [www.hsbcprivatebankfrance.com](http://www.hsbcprivatebankfrance.com), in the section *Client Documentation, Custody of Financial Instruments – Use of Third Parties*.

To that end, the Client's attention is drawn in particular to the fact that the third party may, under the law applicable in the country in which the Client's financial instruments are held, hold security interests, liens or rights of set-off on the Client's financial securities.

It may be useful for the Client to refer to the Bank's website at [www.hsbcprivatebankfrance.com](http://www.hsbcprivatebankfrance.com), in the section *Client Documentation, Custody of Financial Instruments – Recourse to Third Parties*, which lists the countries concerned and the specific risks associated with holding foreign financial securities kept in certain foreign countries.

The Bank shall inform the Client, as soon as it becomes aware of it, of the establishment of such security interests, liens or rights of set-off on the Client's financial securities.

At its sole discretion, the Bank may refuse the trade or custody of any financial security, in particular financial securities issued and/or kept abroad.

#### **25.4 – Execution and book entry**

The Bank draws the Client's attention to the fact that the transmission of an order with a view to its execution does not automatically mean that it has been executed.

The book entry date coincides with the date of effective completion of the transaction, unless there is suspense or exemption, three trading days after execution of the order.

The accounting entry of the trade to the buyer's and seller's account is made upon recognition of the transaction. However, this entry shall not equal book entry until the transaction completion date. If not completed, the transaction will be cancelled.

The buyer may carry out disposal actions on the financial instruments acquired starting from effective completion of the trade.

#### **Securities of companies in compulsory liquidation**

The Client may hold, in the Bank's books, securities whose issuer is the subject of compulsory liquidation proceedings or equivalent proceedings on the basis of foreign law.

The commencement of compulsory liquidation proceedings against a listed company shall result in the delisting of the securities of the company concerned; shareholders shall be informed of the delisting of the security and the arrangements for such delisting (where applicable, with an indication of the loss of the value of the securities).

In such a situation, the Client authorises the Bank, when the time comes, to transfer in pure registered form, directly to the issuer's books, the securities subject to compulsory liquidation proceedings or equivalent proceedings on the basis of foreign law.

The securities shall remain negotiable after the dissolution of the company and until the closure of the liquidation operations. In addition, until that date, they must be maintained in registered form in order to guarantee the shareholder's subsequent rights (for example, the right to a possible "boni de liquidation" (liquidation bonus)).

### **ARTICLE 26 – TRANSACTIONS IN SECURITIES**

#### **26.1 – Transactions in securities not requiring instructions from the Client**

The Bank carries out all routine administrative duties and in particular the collection of profits and revenues (coupons, dividends, etc.) pertaining to the Client's financial securities in accordance with Market rules and practices.

#### **26.2 – Transactions in securities requiring a prior instruction from the Client**

Certain actions resulting from transactions in securities can only be carried out on specific instructions from the Client.

As soon as it knows of this, the Bank informs the Client, by ordinary notice on a durable medium, of the circumstances of the transaction that require a response. The announcement notice is written from information supplied by the Issuing Company or on its behalf, via the communication media that it has chosen or through the central depositories.

The Bank cannot be held liable for the harmful consequences attributable to such sources, caused by the lateness, inaccuracy or omission of the circulation of information relating to the transaction in securities leading in particular to an inappropriate choice by the Client or the impossibility for the Client to exercise its right to said transaction in securities.

The notice indicates the terms and conditions for the transaction and, where applicable, mentions the restrictions placed by the issuer or relating to the Client's country of residence with which the Client undertakes to comply; the Bank cannot be held liable for consequences relating to non-compliance by the Client with the restrictions relating to a given transaction in securities.

The notice includes a reply slip which will specify the option that will be applied in the event of absence of instruction from the Client within the required time frames.

In the absence of a response from the Client, the Bank shall not stand in for the Client for participation or non-participation in the transaction and cannot be held liable for the transaction in securities not being taken into account.

### **ARTICLE 27 – GUARANTEES**

#### **1. French financial instrument guarantee fund**

The Client acknowledges having been informed of the existence of a financial instrument guarantee system, the mechanism for which is described in the Appendices.

#### **2. Guarantee offered by the Clearing House**

A clearing house is a body responsible for clearing balances between banks. For example, LCH Clearnet SA is the clearing house and sole central counterparty for the Euronext Paris, Brussels, Amsterdam and Lisbon markets.

The guarantee provided by LCH Clearnet SA includes payment, as well as the delivery of financial instruments in the event of a default by the seller. Therefore, the Clearing House ensures that transactions are recorded and guarantees to its subscribers the proper completion of transactions, as soon as it has taken them into account.

## **CHAPTER 5 – MISCELLANEOUS PROVISIONS**

### **ARTICLE 28 – TRANSACTIONS ON PHYSICAL GOLD**

Gold positions are only entered on the Client's financial instruments account to enable it to have an overall view of its assets under custody in the Bank's books.

Physical gold does not constitute a financial instrument; it is therefore not covered by the guarantee of the French Fonds de Garantie des Dépôts et de Résolution.

### **ARTICLE 29 – PRICING – CHARGES**

Each order or fraction of an order executed results in the payment of commissions and fees and, where applicable, the collection of taxes, borne by the Client as mentioned in the general pricing conditions.

Fees are debited after each buy or sell order.

Custody fees are debited twice a year. Billing for the services provided by the Bank, established according to the applicable Main Rates and Terms, shall be debited directly from the Client's account, and it accepts this practice.

The pricing and the payment method related to the services that the Bank provides are indicated in the Main Rates and Terms leaflet and form an integral part hereof.

The pricing and the payment method related to the services that the Bank provides are indicated in the Main Rates and Terms leaflet and form an integral part hereof. The Client will receive one calendar month's advance notice of any amendment to the Main Rates and Terms. Notice will be provided via the modification of the Main Rates and Terms leaflet or by prior written notice on any type of medium and brought to the Client's attention by any available means. If the Client chooses to continue its relationship within the framework hereof, it will be deemed to have accepted the modifications, be they price revisions or the introduction of a new billing system.

### **ARTICLE 30 – INFORMATION ON TRANSACTIONS**

#### **30.1 – Request for information**

At any time and at the Client's request, the Bank shall inform it of the status of execution of its order.

#### **30.2 – Transaction notice**

The execution of orders shall be the subject of a contract note that the Bank will, except in the event of technical incident or force majeure, send to the Client by letter as soon as possible and in any event within 24 working hours of the time when the Bank was informed of the conditions for execution of the order.

The transaction notice will notably contain the following information:

- identification of the Bank;
- corporate name of the Client or any other designation concerning it (e.g. account number);
- day of trading;
- time of trading;
- type of instruction;
- identification of the place of execution;
- identification of the financial instrument;
- buy/sell indicator;
- type of order if neither a purchase nor a sale;
- volume;
- unit price.

If the order is executed in stages, the Bank may inform the Client of the price of each stage or the average price. If the Bank informs the Client of the average price, the price per stage may be communicated to it, at its request.

- the total price;
- the exchange rate obtained when the transaction involves a currency conversion;
- total amount of commissions and fees billed, and if the Client so requests, the Bank may provide it with a breakdown by item;
- currency;
- the indication, as applicable, that the Client's counterparty was the investment services provider itself, or any member whatsoever of the same group, or another Client of the investment services provider, unless the order was executed through the intermediary of a trading system facilitating anonymous trading.

Allowing for the transit times of the transaction notice into account, if this was sent by post, in theory this should reach the Client within two business days in France after the time when the Bank is informed of the conditions for execution of the order. The Client is therefore invited to contact the Bank if no transaction notice is received within a period of three consecutive working days. The Bank will then send another transaction notice to the Client.

### **30.3 – Monthly statement**

The Client shall receive a monthly financial instruments account statement indicating the number of financial instruments held in the account and their valuation, provided said valuation is regularly circulated by official financial information providers. The Client shall be informed, by simple notice, of securities transactions so as to enable them to exercise the rights attached to the financial instruments booked in the account whenever required. The information sent will be limited to the events affecting the rights attached to the financial instruments and will exclude events affecting the company. The Client will receive this information if the Bank has been made aware of the events.

The Bank may show, in a special section on the financial instruments account statement, the other movable assets deposited with it by the Client, which shall be governed by the provisions of articles 1915 et seq. of the French Civil Code.

The Client must inform and justify to the Bank the cost price of the financial securities to be transferred to its financial instruments account, failing which the Bank shall be entitled to consider this cost price to be zero.

### **30.4 – Disputes**

Any disputes filed by the Client in connection with this article must reach the Bank within 48 hours of receipt of the information that has been sent to the Client. They must be made by post in writing and justified. In the event of any dispute, and without prejudging its validity, the Bank may liquidate the Client's position by executing an order in the opposite direction to the disputed order. If the dispute proves unfounded, this liquidation is carried out at the Client's expense.

### **ARTICLE 31 – IMPRIME FISCAL UNIQUE (IFU) SINGLE TAX RETURN**

In accordance with the tax regulations in force and except in special cases, the Bank declares to the tax authorities the receipt of investment income and the execution of transactions in securities on this financial instrument account and on any account opened with the Bank.

The Client shall receive an *Imprimé Fiscal Unique* (IFU – Single tax return) each year. This document shall include the elements communicated to the Bank by the Client and shall report all the aforementioned income and gains declared to the tax authorities. However, note that this summary is adapted to the tax regime for natural persons who are French residents according to the tax laws. Legal entities must take into account their own tax regime.

### **ARTICLE 32 – MEDIUM WITH REGARD TO INFORMATION TRANSMITTED**

All the information that the Bank sends and, in particular but not limited to, the transaction notices, the annual statement or the single tax form in addition to information related to the products or amendments hereto are included in a letter written in French sent by post or electronically.

### **ARTICLE 33 – LIABILITY**

The Bank will not be held liable for the non-performance of its obligations hereunder resulting from circumstances beyond its control such as strikes, malfunctions of computer systems or of means of communication, malfunctions of clearing systems, or any cases of force majeure.

Furthermore, the Bank will not be held liable if the order placement system is unavailable or for delays in executing orders, for whatever reason.

Any general information of an economic, stock market or financial nature that may be provided is for indicative purposes only.

The Bank will ensure that this information is precise, clear and not misleading.

The Bank may provide the Client with information supplied by third parties. The Bank will not be held liable where this information is incomplete or inaccurate or in case of direct or indirect loss resulting from such information where the Bank was unaware that the information was incomplete or inaccurate or did not have the means to check whether it was complete or accurate.

This information must not be interpreted as a recommendation or incentive to subscribe to the securities or invest on the markets named therein.

### **ARTICLE 34 – DURATION – TERMINATION**

This Agreement is concluded for an indefinite period.

It may be terminated at any time by each of the parties eight calendar days after receipt of a registered letter with advice of receipt.

If the Holder wishes to have its financial securities transferred from another institution, it must inform the Bank in writing and communicate to it all the elements necessary to carry out said transfer (name of institution, account reference, etc.). This transfer shall result in the collection of fees as mentioned in the general pricing conditions in force.

Termination leads to closure of the financial instruments account(s) and the discontinuance of all transactions carried out on said account(s) with the exception of transactions in progress at the closing date and not definitively finalised. The Bank may retain all or some of the financial instruments in the account(s) until completion of the pending transactions in order to ensure their coverage.

In the event of termination, the Client shall advise the Bank, within two weeks of closure, of the name of the institution to which the financial instruments are to be transferred together with the account number. Failing this, the Bank shall have the option, without prior formal notice to the Client, to transfer bearer financial instruments registered on the Client's account to direct registered form with issuer or to administered form, since the Bank is irrevocably authorised for the purpose of dealing with all documents and formalities necessary for said purpose.

If the Agreement is declared null and void, the parties agree that the Agreement will terminate automatically, without retroactive effect, on the date it became null and void and that, in this situation, the stipulations on termination provided for in this article will apply.

### **ARTICLE 35 – AMENDMENTS TO THE AGREEMENT**

This Agreement is subject to amendment by the Bank.

Without prejudice to the provisions of the "Pricing – Fees" article hereinabove, any amendment shall take effect, in the absence of objection by the Client, two months after the Client has been made aware of it.

Should any non-material stipulations hereof be held to be invalid, the other stipulations will nonetheless remain in full force and effect and the Agreement will be performed in part.

The Bank's failure to exercise any right hereunder will not constitute a waiver of such right.

### **ARTICLE 36 – TAXATION**

The tax treatment applicable to the income and earnings from financial instrument accounts depends on each client's tax status and, where appropriate, the nature of the financial instruments registered on said accounts.

It is the Client's responsibility to meet the tax obligations in force concerning the functioning of its financial instrument account.

### **ARTICLE 37 – APPLICABLE LAW – ASSIGNMENT OF JURISDICTION**

This Agreement is governed by French law. Any dispute, in particular from the execution or interpretation of this Agreement, shall fall under the jurisdiction of French Courts.

### **ARTICLE 38 – COLLECTION OF PROFITS AND REVENUES**

Profits and revenues that the Bank collects for the Client on the financial instruments appearing in the Client's account shall be credited, according to their nature, to the Client's current cash account or financial instruments account on receipt by the Bank of the corresponding amounts or revenues.

## **IV. APPENDICES**

### **Appendix 1 – List of markets and characteristics of authorised orders**

#### **I. Euronext markets**

Euronext N.V. is the leading international stock exchange of Europe. It includes Euronext subsidiaries in Amsterdam, Brussels, Lisbon and Paris. The market rules for each of these subsidiaries are subject to the approval of the Regulators in each of the countries concerned.

• **The Eurolist by Euronext** is a single regulated market which meets the European directives in terms of admission and financial information of listed companies. It contains three sub-funds that distinguish between the companies depending on their capitalisation.

Certain of these financial instruments, designated by instruction of NYSE EURONEXT in accordance with criteria approved by the French financial markets authority (AMF), may be eligible for the French deferred settlement service (SRD). Orders covered by said service benefit from deferred settlement in line with procedures set out in the Agreement.

- **The Alternext, now named Euronext Growth™**, is an organised Multilateral trading facility. It is not a regulated market within the meaning of the MiFID but is supervised and establishes rules of a nature to ensure the protection of investors and maintain liquidity. It aims to offer simplified conditions to small and medium-sized businesses in the euro zone for access to the market. Particular attention must be paid to private placement transactions at the time of floatation on this market due to volatility and/or liquidity risks.
- **Non-regulated markets**  
These sub-funds do not benefit from the status of regulated markets and the securities that are traded on them are not subject to mandatory financial disclosure or clearing house guarantee (the Paris OTC Market now named Euronext Access™ for example). Investors on these markets must be warned of the Risks involved (see Information on financial instruments and associated risks hereinafter).
- **Derivatives markets**  
Derivatives markets, which are particularly speculative, carry substantial risks and are intended for very well-informed investors. In addition, this Agreement in particular does not cover transactions on MATIF (French financial futures market) or MONEP (Paris options market) which require the signature of Agreements specific to those markets.

## II. Operation of orders on the Euronext Markets

### II. 1 Rating

Securities on the spot market (equities, bonds, trackers, certificates and warrants) are traded in line with the same rules:

- Liquid securities are listed on a continuous basis (from 9 am to 5:30 pm CET)
- Securities with lower liquidity are listed on a fixing basis twice a day at 11:30 am and 4:30 pm CET
- On the OTC Market now named Euronext Access™, the matching of orders on the market takes place once a day at 15:00 CET.

### II. 2 Characteristics of stock exchange orders on Euronext

The execution of orders is carried out by application of 2 priority rules:

- by price
- by time (rule of first in, first out)

#### 1. Stipulations common to all orders

##### a) Types of orders

- Market orders

The "market" order has no price limit and takes priority over all other orders. The risk of this type of order is linked to non-control of the price.

In fixing mode, any market orders not yet or only partially executed during a fixing period will be part of the next fixing. They will have priority over other orders.

In continuous mode, if the market orders have not all been executed at the opening fixing, a "deferral of volatility" takes place: the opening price is not fixed, and a new opening phase starts in order to give rise to one and only one new opening fixing.

*Example: The Client places an order to purchase 100 shares. In the order book, the market-to-limits of the sellers are: - 30 financial securities at EUR 10; - 70 securities at EUR 12.*

*The order will be executed, and the Client will buy its 100 securities: 30 at EUR 10 and 70 at EUR 12. Securities that had a price of EUR 10 then increase to a price of EUR 12.*

- Market-to-limit orders:

The "market-to-limit" order is admissible before market opening (when it is known as "opening price order") and during the trading session. It may also be entered for financial instruments quoted on either a fixing or a continuous basis.

In fixing mode, when determining the fixing price, orders expressed at best limit are transformed into orders limited to the fixing price. They are therefore executed as limit orders but after "market" orders and limit orders at better prices. Any balance is kept in the order book at the opening price.

In continuous mode, the "market-to-limit" order is transformed into an order limited to the price of the best offer if a buy order, or the best demand if a sell order. The presence of a limit order in the opposite direction is therefore essential in this scenario, failing which it is refused.

*Example: the Client places an order at market price at 10 a.m. If the best offer is 15 euros: the order is executed at 15 euros.*

- Limit orders:

A "limit" order is the way in which the buyer fixes the maximum price that it is prepared to pay and the seller, the minimum price at which it is prepared to sell its securities. This is the order used most frequently by investors since it allows perfect control of the price.

During the trading session, the entry of a limit order triggers either a full or a partial execution of the order, depending on market conditions. Failing this, it is positioned on the order book in descending order in terms of buy price or ascending order in terms of sell price (price priority) and at the end of the queue of orders at the same limit (time priority).

*Example: the Client places a limit buy order of 10 euros: for as long as the price of the share is above 10 euros, it will not be executed. Provided the security is quoted 10 euros or less, the buy order will be executed, subject to the queue.*

- Stop orders

**Orders denominated as "on-stop or trailing stop"** (or just "stop") orders are buy or sell orders for which the instructing party wishes to intervene on the market once a trigger price that it has selected beforehand, has been reached.

The on-stop order: the investor only fixes a single limit (or threshold) and it transforms itself into a market order as soon as the condition for execution has been reached.

The trailing stop order: the investor fixes a threshold and a limit. The order becomes a limit order as soon as the condition for execution is reached.

*Example: use of a "stop order" to make a purchase.*

*A security listed at 9 euros. Analysis shows that if it exceeds 10 euros, the upwards movement should be strong. While waiting for it to reach 10 euros, the Client may action an on-stop order at 10 euros. For as long as the security is less than 10 euros, the order is not placed.*

*Example: use of a "stop order" for a "protection sale".*

*The Client acquired the shares at EUR 10 in the hope that the analysis showing a sharp increase will prove correct. However, should this scenario be invalidated, it is sometimes preferable to limit the loss, especially if the price of the security is expected to crash.*

*The loss is fixed at 2% and in this case the Client places a triggered stop order at EUR 9.80. If the price decreases to EUR 9.80, the securities are sold (subject to the queue). If the price does not decrease to EUR 9.80, the securities are not sold. This is what is called a "protection stop".*

*Example: Use of a "stop order" to protect a capital gain:*

*The Client purchased shares at EUR 10, and they are now worth EUR 15. To avoid the effects of a turnaround, the Client places an order at EUR 13. If the shares decrease to EUR 13, they are sold (subject to the queue).*

- Variable stop buy order

The Client wishes to guard against a rapid increase in the stock price, while at the same time benefiting from any decrease.

It defines its threshold by a percentage variance in relation to the current stock price. The threshold changes only if the stock price drops, which will allow the client to benefit from a bearish trend and buy at a lower price in the event of an upswing in price.

Every evening, if and only if the stock price has closed lower, then the threshold is automatically updated by applying the percentage initially defined for the closing rate for the day, rounded, as applicable, to the price tick, which then allows the client to see their threshold level fall.

If the stock price then closed higher, the threshold will not change. The buy order will only be triggered if the stock price reaches the last threshold.

*Example: the Client wishes to buy a stock listed today at €40; it fixes a threshold at 5% (therefore an acquisition price at €42). The stock closes at 38.5, the threshold is updated for the next day at €40.42 (38.5 X 5%). If the stock price rises the next day, the order will be triggered at the last threshold €40.42.*

- Variable stop sell order

The Client wishes to secure their capital gain and guard against trend reversals. It defines its threshold by a percentage variance in relation to the current stock price. The threshold changes only if the stock price rises, which will allow the client to benefit from a bullish trend and sell at a higher price while at the same time securing their capital gain if the trend reverses.

Every evening, if and only if the stock price has closed higher, then the threshold is automatically updated by applying the percentage initially defined for the closing rate for the day, rounded, as applicable, to the price tick\*, which then allows the client to see their threshold level rise. If the stock price closed lower, then the threshold will not change. The sell order will only be triggered if the stock price reaches the last threshold.

*Example: the stock price is at €20; the Client fixes their threshold to sell at 5%, i.e. a possible sale at €19. The stock price closes down at €19.47. The new threshold for the next day remains unchanged, it will still be €19. So, if the price drops, the order will be executed at €19.*

(\*) The "tick" constitutes the minimum variance allowed between two consecutive prices for the same stock. It is fixed by Euronext and can vary from €0.001 to 0.05 in line with the stock in question and its valuation.

#### b) The validity of orders

- **"Day" order:** an order that is only valid during the trading day in progress and will be rejected from the market in the event of non-execution at closure. This is the default validity on the Euronext Trading Platform.
- **"Month" order:** the order is valid until it is either executed, cancelled by the Client or withdrawn by the system when it reaches the end of its validity, either at the end of the calendar month (unless otherwise indicated by the Bank or otherwise instructed by the Client and duly accepted by the Bank), or if the order is stipulated for deferred settlement/delivery, at the date of liquidation (4<sup>th</sup> trading session before the end of the month).
- **"Fixed-date" ("dated") order:** The order is valid until a specific date fixed by the Client, within the limit of 365 days. The order remains valid until it is either executed, cancelled by the Client or withdrawn by the system when it reaches the end of its validity. The attention of investors is drawn to the long validity of such orders which remain in the order book and are liable to be executed well after their input. The Bank cannot be held responsible for the client forgetting having left an order in the book that may be executed at an unfavourable time for them.

### III. FOREIGN MARKETS

#### III. 1 Foreign marketplaces

With regard to accessible foreign marketplaces, it is incumbent upon the Client to refer to the Execution and Best Selection Policy available on the Bank's website.

#### III. 2 Characteristics of orders

##### 1. Types of orders

- Market order ("at best")
- Limit orders

##### 2. Validity and placement of orders

Orders are subject to the rules of validity applicable to the markets on which they are placed. The Client may, in theory, place the following orders:

- "Day" order: the order can only be executed during the current day and will be rejected from the market in the event of non-execution.
- "Revocation" order: The order is valid until a specific date fixed by the Client, within the limit of 90 days. The orders can be executed until the date fixed by the Client, unless otherwise indicated by the Bank or instruction to the contrary from the Client duly accepted by the Bank.

The Bank invites the Client to consult its branch or the Client Relations Centre for information on the rules of validity applicable to the market in question.

*NB: due to the opening hours of foreign markets and the different time zones, it is incumbent on the Client to find out from the Bank about the conditions for placing orders on the markets concerned.*

## APPENDIX 2

### Information on financial securities, their performances and associated risks

The main financial securities, their performances and associated risks shown below and, in general, the main risks inherent to stock exchange transactions are presented for information purposes only.

**The Bank draws the Client's attention to the need, prior to any transaction envisaged on a financial security, to refer to any presentation or information document drawn up by the issuer, and detailing the operation of the security in question, its associated performances and risks (such as KID, PRIIPS, KIID, etc).**

## I - FINANCIAL SECURITIES

### - **Capital securities issued by joint stock companies**

A share is a financial security which represents a fraction of the capital in the company that has issued it and the possession of which confers rights over the company that issued said securities (voting rights in annual general meeting; right to receive every year the share of profit distributed by the company (dividend); preferential subscription right as applicable). There are other categories of shares such as preference shares which enjoy a priority dividend over other types of shares but which do not confer any voting right, as well as investment certificates which include entitlement to profit and dividends but no voting right.

The value of a share may be affected by the status of the issuing company itself hence the importance for investors to take cognisance of information published periodically by the company. Shares may be listed on so-called regulated or unregulated markets (the latter do not offer the same guarantees in terms of information, liquidity or security). A listed share may see its value impacted by market fluctuations; its price may therefore vary upwards as well as downwards, by a substantial amount; equity investment presents a risk of capital loss. Investors may also be faced with liquidity problems (i.e. the absence of counterparties on the market) that will not allow them to sell or buy the desired quantity of securities at the desired price.

The share's performance is dependent on the development of the market price and, as applicable, the amount of dividends distributed.

### - **Debt securities**

#### • **Bonds**

Bonds are debt securities representing a portion of a loan issued by a Government, local authority, Bank, public or private business.

They are characterised by a nominal amount (issue value), an interest rate and conditions for issuance and reimbursement.

A bond is usually reimbursed at maturity. However, in the event of major financial difficulties, a private issuer may be unable to repay its loan. It should be noted that Government bonds, as for Treasury bonds issued by the French State are guaranteed for reimbursement. A bondholder periodically receives interest calculated in relation to the face value of the bond.

If it is a fixed-interest bond, the issuer pays out a regular income; if it is a floating rate note, the issuer will pay out an income which will depend on market fluctuations.

#### • **Short-term (NEU CP *Negotiable European Commercial Paper*) or medium-term (NEU MTN – *Negotiable European Medium Term Note*) marketable securities**

Short-term and medium-term marketable securities may be issued by credit institutions, governments, local authorities, securitisation undertakings, etc. Their term is less than or equal to 1 year and the minimum amount is 150,000 euros or its equivalent in another currency. They may be issued at a different price than par and carry a redemption premium. If the issue does not guarantee reimbursement of the entire capital, a disclaimer shall be carried in the financial presentation dossier. Remuneration is unrestricted, it may, for example, be indexed on a market rate (interbank market rate). Such securities present the same risks as those mentioned previously for bonds. Investors will need to refer to the issuance programme and the issuer's presentation that can be accessed on the Banque de France website before any investment decision.

The performance of a fixed-interest bond is determined from the time of issuance and throughout its term by the rate of return.

The performance of a floating rate note is dependent on market fluctuations.

#### - **CIUs**

Collective Investment Undertakings (CIUs) are savings products that, when authorised for commercialisation in France, are approved, authorised or declared with the French financial markets authority (AMF). Before investing in a CIU under French or foreign law, the Client must without fail take careful cognisance of the French version of the Key Investor Information Document (KIID) and its prospectus, where appropriate. For CIUs marketed by the Bank, these regulatory documents are available at the Client's branch or on [www.hsbc.fr](http://www.hsbc.fr). Prior to any investment decision, it is incumbent on the Client to ensure that the CIU or CIUs under consideration correspond to its financial situation, its investment goals, its sensitivity to risk and also to the legislation under which it falls. Investments that are subject to market fluctuations may vary both upwards and downwards, and present a risk of capital loss.

The AMF has set out a classification of CIUs into 6 families depending on the nature of exposure to risks with an indicator making it possible to check if the CIU is in line with the investor's goals and requirements. This classification is summarised in the KIID.

## II – RISKS RELATING TO STOCK MARKET TRANSACTIONS

**1. Risk relating to the issuing company:** the price of a share is affected by the issuing company's situation.

Besides the risk related to the price, shareholder remuneration, which is carried out through the payment of a dividend, is directly linked to the company's results.

Note that companies listed on the stock exchange draw up annual leaflets that present their results for the year and for the previous three years.

Furthermore, with regard to bonds, there is the risk that the issuing company cannot adhere to the time limit for payment of interest or for redemption. This risk is regarded as non-existent for loans issued by the state or benefiting from a state guarantee.

**2. Risk relating to the market:** This is the risk of fluctuation upwards or downwards in the price. Investments are subject to market fluctuations and can vary both upwards and downwards and potentially result in loss of capital. Thus, the price of a share may drop by 20%, or more, in a single trading session.

### 3. Particular risks relating to certain types of financial instrument:

- **Complex Financial Instruments**

The Complex Financial Instrument (CFI) is known as an instrument the value of which does not result directly from the confrontation between supply and demand on the market at a given moment, as well as other factors that investors need to take into account when deciding to sell or buy said instrument.

CFIs can generate high risks for investors and in particular the risk of financial losses. Knowledge is needed on their nature and on the mechanisms of financial markets so as to make their decisions on the opportunity of carrying out a transaction on an informed basis.

- **Equities admitted for listing on an unregulated market (e.g. Euronext Access™)**

Issuing companies are not subject to the same disclosure obligations as those of regulated markets, and their securities are not subject to listing procedures. Transactions on the exchange, withdrawal or redemption of securities are carried out outside of the control of the Market authorities. This type of market does not offer the same level of liquidity, information and security as a regulated market. These equities require caution and are intended more for well-informed investors.

- **Share subscription warrants and rights**

Subscription warrants are warrants attached to a share or a bond entitling its owner to subscribe to one or more shares or to one or more bonds, at a price set in advance and until a fixed date. The issuance of subscription warrants may be linked to the creation of new shares (unlike stock purchase warrants) or may be autonomous. Subscription warrants are listed separately. They are accompanied by a maturity date beyond which they lose any value if they are not exercised. Share subscription warrants and rights amplify the variations in price of the shares to which they relate (leverage effect). They present a strong volatility and therefore a high risk. Find out about the characteristics of the transaction.

- **Bonds and other debt securities containing a derivative instrument (example: Convertible bonds):**

The price of such instruments varies in line with the evolution of rates and in accordance with the price of the underlying share. They also present a high volatility risk.

- **EMTN (Euro Medium Term Note)**

EMTNs are negotiable debt securities. They are based on combinations of other financial instruments, transferable securities (equities, bonds) and derivatives (options, swaps, etc.) so as to offer a level of return defined in advance and sometimes including the protection of all or part of the investor's capital at maturity.

EMTNs present significant risks with regard to their method of assessment which can sometimes be difficult to grasp. Investors need to consider the narrowness of the secondary market usually handled by the instrument's issuer. The issuer's status is therefore crucial for benefiting from a market with the necessary liquidity. Lastly, the capital guarantee is, for the most part, only authorised at the product's maturity; with investors exposing themselves to market risk during the period under consideration.

- **Trackers/ETF (Exchange Trade Funds)**

Trackers are listed index funds. Their change in price follows the change in their reference stock exchange index and their underlying assets. The risk is a risk of capital loss similar to an investment in the set of equities that are included in the tracker's reference index, even several times the loss on the basket of underlying equities in the case of ETF with leverage effect.

- **Derivatives**

They are somewhat speculative and high risk due to being allocated a maturity date at the end of which they lose any value and their optional nature exposes them to substantial fluctuations that may result in the total loss of the capital invested. These derivative products include:

- warrants

These are warrants issued by financial institutions allowing their holder to trade an underlying asset at a strike price established at the start during a defined period. Warrants have a significant leverage effect and are instruments presenting considerable volatility and therefore a high risk. You can lose your entire investment.

- indexed certificates

These are financial instruments, issued for a fixed period, which make it possible to invest on an index, a share, a basket of shares (or any other underlying) and where the procedures for redemption are defined in advance by the issuer. On the due date, indexed certificates are redeemed in line with the change in the underlying.

In accordance with the redemption clauses and the achievement or otherwise of the investor's expectations, the risk of capital loss may be limited to that of an investment directly on the underlying but may also represent the total amounts invested (nil redemption).

- **CIUs and alternative investment funds (hedge fund, FCIMT)**

Alternative CIUs are CIUs that invest all or part of their assets in alternative funds for which performance is not correlated with market indexes and management is based on strategies and tools that are both diversified and complex and, in particular, futures markets and other financial instruments making it possible to alternate or combine long positions and short positions.

Such CIUs present a specific risk profile and are intended for investors who are particularly well informed on the nature of the risks that they carry. In fact, using the leverage effect can significantly expose alternative funds, sometimes beyond the amount of the assets.

- **Venture capital products:**

Venture Capital investment consists in, by means of funds, acquiring participating interests in recently created companies and/or intervening on high-tech sectors.

We find:

- Venture capital funds (FCPR)
- Innovation investment funds (FCPI).
- Local investment funds (FIP).

This type of investment presents a liquidity risk, due to the funds being for the most part invested in transferable securities not admitted to trading on a regulated market (unlisted companies).

**4. Foreign exchange risk:** when this involves financial instruments not denominated in euros, since the foreign exchange transaction is generally carried out on the date of settlement/clearance, foreign exchange risk must also be taken into account, with said risk being borne by the investor.

**5. Liquidity risk:** The risk is linked to the difficulty in finding a counterparty likely to sell or buy a given quantity of a financial instrument. Because of this, for instruments with low liquidity, between the date of placement of orders and the date of execution, the value of the instruments may drop significantly.

**6. Interest rate risk:** Uncertainty relating to the fluctuation of interest rates means that the buyer of a fixed rate financial instrument is subject to a risk of falling prices, if interest rates increase. The sensitivity of bonds to a fluctuation in interest rates depends in particular on the term remaining to run and the nominal level of interest.

**7. Capital risk:** Capital risk means that for any investment, an investor may be faced with the loss of their capital. It is therefore possible for the capital invested not to be fully returned to an investor.

**8. Settlement-clearance risk:** This is the risk that a transaction has not been finalised at the scheduled delivery date. The risk concerns the difference in the asset's price between the theoretical delivery date and the effective delivery date.

**9. Risk relating to foreign legislations:** Certain financial instruments traded on foreign markets are subject to the risks of the foreign market in question (for example, absence of supervision by a supervisory authority intended to provide protection for investors).

## Appendix 3 – *Fonds de garantie des dépôts (French deposit guarantee scheme)*

Cash deposited by the Client with the account holder institution, financial instruments kept by it, and certain sureties that it issues to you are covered by guarantee mechanisms managed by the Fonds de Garantie des Dépôts et de Résolution (French deposit guarantee scheme) under the terms and conditions defined by the French Monetary and Financial Code.

## I - Financial instrument guarantee

### **Amount guaranteed**

You benefit from a guarantee for a maximum amount of 70,000 euros per depositor and per credit institution or investment firm belonging to the *Fonds de Garantie des Dépôts et de Résolution* (regardless of its location within the European Economic Area).

Cash deposited in financial instruments accounts is also covered by the *Fonds de Garantie des Dépôts et de Résolution* up to a limit of €100,000.

Financial instruments deposited by financial companies such as insurance companies or credit institutions are also excluded.

### **Implementation**

On ascertainment of the unavailability of financial instruments by the ACPR (French prudential and resolution supervisory authority) and after notification from the AMF (French financial markets authority) or in the event of receivership or compulsory liquidation proceedings being opened, the *Fonds de Garantie des Dépôts et de Résolution* shall advise depositors of the terms and conditions for compensation as quickly as possible.

Even if they are not available when the compensation procedure is launched, you nevertheless remain the owner of the financial instruments recorded in the account. The *Fonds de Garantie des Dépôts et de Résolution* does not therefore guarantee the value of financial instruments: It compensates the Client on the basis of their market value at the date of unavailability.

## II - Surety guarantee

### **Purpose**

You benefit from a guarantee ensuring, within the aforementioned limits, the proper performance of the surety commitments offered in favour of natural persons or private-law legal entities by credit institutions belonging to the *Fonds de Garantie des Dépôts et de Résolution*, when said commitments are made mandatory by a legal or regulatory provision.

### **Amount guaranteed**

The guarantee covers 90 % of the cost that the credit institution would have incurred in carrying out its commitment. There is, however, a EUR 3,000 excess.

### **Sureties concerned**

These are surety guarantees in particular relating to:

- private works contracts referred to in Article 1799-1 of the French Civil Code;
- travel agencies;
- real estate agents and building managers;
- temporary employment agencies;
- brokers and insurance brokerage companies;
- construction of detached houses;
- construction of buildings (completion guarantee);
- bar associations (money-back guarantee);
- intermediaries in banking transactions to which funds are entrusted.

### **Implementation**

The guarantee is implemented at the request of the French prudential and resolution supervisory authority (ACPR) when it finds that the institution is no longer able to honour its commitments.

The *Fonds de Garantie des Dépôts et de Résolution* shall advise those concerned of the terms and conditions for compensation as quickly as possible.

## III - Cash deposit guarantee

Please refer to the standard form in the appendix below.

### **Additional information**

Additional information on the terms and conditions (in particular exclusions) or time frames for compensation together with the formalities to be completed for receiving compensation can be requested from the *Fonds de garantie des dépôts et de résolution* (65, rue de la Victoire 75009 Paris).



## GENERAL INFORMATION ON DEPOSIT PROTECTION

The protection of deposits made with HSBC Continental Europe is covered by	Fonds de garantie des dépôts et de résolution (FGDR)
Protection ceiling	€100,000 per depositor and per credit institution (1) The business names hereinafter are part of your credit institution: HSBC Continental Europe, HSBC Private Banking.
If you have several accounts with the same credit institution	All your deposits registered on your accounts opened with the same credit institution and entering into the scope of the guarantee are added together in order to determine the amount eligible for the guarantee; the amount of compensation is capped at €100,000 or its equivalent in foreign currency (1)
If you hold a joint account with one or more other persons	The ceiling of €100,000 applies to each depositor separately. The balance on the joint account is divided between its co-holders; each co-holder's share is added to their own holdings for calculating the guarantee ceiling that applies to this (2)
Other special cases	See note (2)
Compensation time frame in the event of the credit institution's default	Seven business days (3)
Currency of compensation	Euro
Correspondent	Fonds de garantie des dépôts et de résolution (FGDR) 65, rue de la Victoire - 75009 Paris Telephone: 01-58-18-38-08 Email: <a href="mailto:contact@garantiedesdepots.fr">contact@garantiedesdepots.fr</a>
For further information	Refer to the FGDR website: <a href="http://www.garantiedesdepots.fr/">http://www.garantiedesdepots.fr/</a>

### Additional information:

#### (1) Overall protection limit

If a deposit is unavailable because a credit institution is unable to honour its financial obligations, depositors are compensated through a deposit guarantee system. The compensation is capped at €100,000 per person and per credit institution. This means that all accounts payable with the same credit institution are added together so as to determine the amount eligible for the guarantee (subject to application of the legal or contractual provisions relating to the compensation with its accounts receivable). The compensation ceiling is applied to this total. The deposits and persons eligible for this guarantee are indicated in Article L. 312-4-1 of the French Monetary and Financial Code (for any clarification on this point, see the Fonds de garantie des dépôts et de résolution website).

For example, if a client holds an eligible savings account (excluding Livret A, Livret de Développement Durable and Livret d'Épargne Populaire) with a balance of €90,000 and a current account with a balance of €20,000, the compensation will be capped at €100,000.

This method also applies when a credit institution operates under several business brand names. HSBC Continental Europe also operates under the following corporate name: HSBC, HSBC Private Banking. This means that all deposits by the same person accepted under said business brand names benefit from a maximum of €100,000 in compensation.

#### (2) Principal special cases

Joint accounts are allocated between co-holders in equal shares, unless there is a contractual stipulation setting out a different allocation key. The share reverting to each of them is added to their own accounts or deposits and this total benefits from the guarantee up to €100,000.

Accounts on which at least two persons have rights in their capacity as co-owner in indivision, partner in a company, member of an association or any similar grouping, without legal personality, are grouped together and handled as having been effected by a single depositor distinct from co-owners in indivision or partners.

Accounts belonging to a Sole Trader with limited liability (Entrepreneur Individuel à Responsabilité Limitée / EIRL), opened for allocation of the asset base and bank deposits of its business activity, are grouped together and handled as having been effected by a single depositor distinct from that person's other accounts.

Amounts entered on Livrets A, Livrets de Développement Durable / LDD (sustainable development savings accounts) and Livrets d'Épargne Populaire / LEP (people's savings accounts) are guaranteed independently of the cumulative ceiling of €100,000 applicable to other accounts. This guarantee covers the amounts deposited on all of these savings accounts for the same holder as well as the interest pertaining to said amounts limited to €100,000 (for any clarification, see the Fonds de garantie des dépôts et de résolution website). For example, if a client holds a Livret A and an LDD with a total balance amounting to €30,000 as well as a current account with a balance of €90,000, said client will be compensated up to €30,000 for their savings accounts and, additionally, up to €90,000 for their current account.

Certain deposits of an exceptional nature (amount resulting from a property transaction carried out on a residential property belonging to the depositor; amount comprising the lump-sum compensation for damage suffered by the depositor; amount comprising the lump-sum payment of a pension benefit or an inheritance) benefit from an upgrade of the guarantee above €100,000, for a limited period following their collection (for any clarification on this point, see the Fonds de garantie des dépôts et de résolution website).

#### (3) Compensation

The Fonds de garantie des dépôts et de résolution makes compensation available to depositors and beneficiaries of the guarantee, for deposits covered by it, for seven business days starting from the date at which the French prudential and resolution supervisory authority observes the unavailability of the member institution's deposits in application of the first paragraph of Article L.312-5(I) of the French Monetary and Financial Code. Said period of seven business days shall be applicable as of 1 June 2016; until that date, the period is twenty business days.

Said period concerns compensation payments that do not involve any special treatment or any additional information necessary for calculation of the compensable amount or for identification of the depositor. If special treatment or additional information is necessary, the compensation payment shall be made as soon as possible. The funds are made available on decision of the Fonds de garantie des dépôts et de résolution:

- either by sending a cheque by registered letter with acknowledgement of receipt,
- or by placing the necessary information online in a secure Internet area, opened especially for that purpose by the Fonds and accessible from its official website (see below), so as to allow the payee to indicate the new bank account on which the compensation payment is to be made by bank transfer.

#### (4) Other important information:

The general rule is that all clients, whether private individuals or businesses, whether their accounts are opened for personal or business use, are covered by the FGDR. Exceptions applicable to certain deposits or certain products are indicated on the FGDR website.

Your credit institution informs you on request if its products are guaranteed or not. If a deposit is guaranteed, the credit institution also confirms this on the account statement sent periodically and at least once a year.

In that respect, a US Person Client will need to provide the Bank with a W9 form prior to opening its account while a non-US Person Client will need to provide the Bank with a W8-BEN form when purchasing US transferable securities.

## Appendix 4 – Best selection and execution policy

In accordance with the applicable regulation, HSBC Private Banking France (the "Bank") has put in place a policy on execution of orders on financial instruments and a policy on best selection of intermediaries enabling it to obtain the best possible result for its clients.

### Scope:

This policy applies to the clients of HSBC Private Banking in France, whether business or non-business, in accordance with MIFID II.

It applies as much to orders initiated in the context of the reception – transmission of orders on financial instruments originating from clients, as to orders initiated by managers in charge of discretionary asset management (delegated management) and also to the execution of orders that the Bank executes for its clients (execution on behalf of third parties).

### Financial instruments concerned

The best execution principle applies to orders on financial instruments covered by MIFID II (DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 May 2014 concerning financial instrument markets) and accessible to trading through the intermediary of the Bank. For financial instruments that are not covered, HSBC Private Banking in France nonetheless complies with the principles of general duty to act honestly, fairly and professionally in the interest of clients and with respect for market integrity.

### 1 - Best selection and execution policy

The Bank's selection policy makes provision for entrusting orders on behalf of third parties solely to intermediaries whose expertise is proven and allowing it to meet its obligations in terms of best execution.

#### 1.1 – Selection criteria

Intermediaries are selected on the basis of the following criteria:

- an adequate structure, organisation and internal control mechanism,
- a solid reputation
- a solid financial situation
- their "best execution of orders" procedure and their commitment to complying with the obligations in effect,
- the status of order execution and post-trade management, while taking into account the order's transmission speed, forms of execution responses, of settlement/clearance security, etc.
- the cost of executing orders (pricing), while taking into account the pricing applicable to each class of instruments, the settlement/clearance costs incurred, the cost of processing small-sized orders, etc.

In addition to the selection process outlined above, the Bank subjects all of its authorised brokers to an annual review. Such analysis makes it possible in particular to assess services for the past year in terms of best execution.

#### 1.2. Factors and criteria in terms of execution of orders

In order to obtain the best possible result at the time of executing orders for its clients, HSBC Private Banking in France takes the following factors into account:

- total cost paid following execution of the order (price of the financial instrument concerned, costs associated with execution including commissions, fees specific to the place of execution, settlement/clearance fees and any other fees that might be paid to third parties having been involved in executing the order),
- price at which the order may be executed,
- speed and probability of execution and settlement of the order,
- size and nature of the order,
- or any other consideration relating to execution of the order.

The rate and the total price will generally have high significance when the Bank assesses the weight of the criteria referred to above for obtaining the best possible result for the client. This total price includes the price of the financial instrument and costs relating to execution, including fees incurred by the client which are directly associated with the execution.

At the time of the assessment of this price by the Bank, three categories of costs are taken into account:

- implicit costs: these fees are variable and unknown in nature prior to the transaction. They include the spread, the impact of an order on the market and an order's opportunity costs (costs associated with operational constraints, with the problematic of market timing and with faulty orders). These fees are fundamentally dependent on an order's characteristics, the market conditions and also the speed of execution;
- explicit external costs, which include commissions, fees, taxes, stock exchange fees, costs of settlement/clearance, or any other cost passed on to the client by intermediaries who are stakeholders in the transaction;
- explicit internal costs which represent the Bank's compensation via a commission or a price adjustment.

When executing orders for its clients, the Bank shall take all necessary precautions to minimise such implicit costs and explicit external costs.

The Bank also focuses on prior communication to the client of all internal costs involved.

While the rate and total price will generally have great importance in obtaining the best possible result for the client, there may be circumstances in which other factors will have more weight, such as:

- the specific characteristics of the financial instrument that are the subject of the order;
- the characteristics of the order relating to the financial instrument, such as the size of the order with regard to existing orders in the market relating to the same financial instrument and the need to limit any impact from the transaction on the market;
- the characteristics of the places of execution on which the order may be processed.

**The Bank draws the attention of its clients to the fact that if the securities account is pledged, the execution of orders may be affected (in particular, by an extension of the order execution period due to the need to lift the block) and that this may have an impact on the transaction price of financial instruments.**

#### 1.3 – Processing of specific instructions

In the context of a specific instruction given by the client, such as that of executing the order on a particular market or relating to any other characteristic of the order (price, etc.), the Bank complies with the instruction that is given by transmitting it to its intermediaries or by executing it as appropriate.

The Bank cannot guarantee the application of its policy aiming to obtain the best possible result and the order's execution will therefore need to be considered as having fulfilled its obligations of best selection and/or best execution for the part or aspect of the order covered by the specific instruction.

The Bank shall nonetheless comply with the principles of general duty to act honestly, fairly and professionally in the interest of clients and with respect for market integrity.

#### 1.4 Transactions outside regulated markets or outside MTFs

When execution on a regulated market or a multilateral trading facility (MTF) is impossible such as when it involves financial instruments with low liquidity or mainly processed over-the-counter, orders may be traded outside of a regulated market or MTF through intermediaries selected by the Bank.

When none of said intermediaries is in a position to proceed with trading and with the client's agreement, the Bank shall do its best to execute the client's order through its negotiating table. Said order shall be processed under the terms and conditions of a specific instruction.

Transactions executed over-the-counter present different risks than those executed on regulated markets mainly connected with the risk of the counterparty's default in the absence of a public order book.

## 2 - Information intended for clients

### 2.1 – Prior consent from clients

The Bank draws the attention of its clients to the fact that its policy on execution incorporates the possibility of proceeding with the execution of their orders outside of regulated markets or multilateral trading facility with their prior express consent.

The consent from clients to this provision and also the overall policy is deemed to have been obtained at the time of opening the securities account.

### 2.2 – Information on the execution of orders

The client systematically receives a transaction notice after execution of its order, summarising the characteristics of the order that was executed. On request, the Bank shall provide the Client with useful items of information substantiating the order's status of execution in accordance with the Bank's policy.

Orders traded on a domestic market are routed electronically towards selected intermediaries in accordance with the policy on execution. It is possible that the processing of orders on non-domestic markets is not fully automated which is liable to affect the routing time frame of orders.

## 3 - Control and modification of the Policy on Selection of Intermediaries

The Bank carries out continual supervision of the quality of execution services provided by selected intermediaries.

The Bank reviews its Policy on best selection of Intermediaries at least once a year but also every time that a substantial modification is made to the chosen environment.

In the event of amending its policy, the Bank informs its clients via its website [www.hsbcprivatebankfrance.com](http://www.hsbcprivatebankfrance.com)

#### 4- Best execution report (RTS 28)

Markets in Financial Instruments Directive (MiFID2) provides that the Bank publishes an annual report about the data relating to the execution quality standards. This report indicates for each category of financial instruments and by typology of clients the information related to the first five execution platform used. In order to justify the best execution, data and evaluation factors such as price, costs, speed and execution probability will feature on that report. This report is published once a year on HSBC.fr website.

#### 5 - Table of intermediaries

List of intermediaries and execution venues currently selected by the Bank.

Type of financial instruments	Execution venues or brokers
Equities (including ETFs) and derivatives listed	HSBC Continental Europe CIC Securities
Fixed-income instruments	HSBC BANK PLC HSBC Continental Europe CREDIT AGRICOLE-CIB Odoo BHF BNP PARIBAS SA JP Morgan Securities Plc Deutsche Bank AG London Barclays Bank PLC London Société Générale Paris Goldman Sachs International London RBC EUROPE LIMITED Royal Bank of Scotland PLC
Foreign exchange transaction	HSBC GBM
Structured products	HSBC Continental Europe BNP Paribas SA Barclays Bank PLC Deutsche Bank UBS AG JP Morgan Crédit Suisse AG Société Générale SA Standard Crédit Agricole SA Natixis Goldman Sachs RBC Morgan Stanley
Money market instruments.	HSBC GBM

#### Appendix 5 – Summary of the conflicts of interest policy

In terms of identification and management of conflicts of interest, HSBC Private Banking France undertakes to respect the highest standards in order to safeguard the interests of its clients. This policy is in compliance with the requirements of MiFID 2.

So as to identify and manage the types of conflict of interests that may arise, in the context of providing the Group's investment services, related services and other activities that might jeopardise the interests of its clients, HSBC Private Banking pays particular attention specifically to the following situations:

- HSBC Private Banking is likely to make a financial gain or avoid a financial loss at the client's expense;
- HSBC Private Banking has a stake in the result of a service provided to the client or of a transaction carried out on their behalf which is different from the client's stake in the result;
- HSBC Private Banking has an incentive, for financial or other reasons, to give priority to the interests of another client or group of clients as opposed to the interests of the client to whom the service is provided;
- HSBC Private Banking carries out the same professional activity as the client;
- HSBC Private Banking receives or will receive a benefit from a person other than the client in relation with the service provided to the client, in any form whatsoever, other than the commission or fees usually invoiced for said service.

Particular attention is also paid to conflicts of interest that may arise from the coexistence of activities within a multi-capability bank such as HSBC Continental Europe and in particular from the collaboration of several business lines at the time of providing a service to a client.

#### How does HSBC Private Banking manage conflicts of interest?

Appropriate management of conflicts of interest is a priority for HSBC Private Banking. It is the responsibility of the general management and department managers of HSBC Private Banking (hereinafter referred to as "Management") to identify and assess the various risks to which HSBC Private Banking is exposed and to draw up and supervise the corresponding procedures in order to be able to ensure the primacy of our clients' interests in all circumstances.

The "Compliance" function, reporting to general management, monitors compliance with high ethical standards and compliance with the rules of good conduct.

#### Policies and procedures for management of conflicts of interest

The company culture at HSBC Private Banking contributes to the good management of conflicts of interest.

HSBC Private Banking maintains a central register and the mapping of possible conflicts of interest carrying a significant risk of jeopardising the interests of one or more of its clients.

HSBC Private Banking relies on internal procedures, operating procedures and policies intended to identify and manage conflicts in the same business line as well as cross-functional conflicts. This mechanism is in particular supplemented by organisation of activities that safeguard the interests of its clients. Lastly, these procedures summarise the typologies of conflicts of interest and provide for the setting up of an annual review of the mechanism.

HSBC Private Banking ensures that the Bank's General Management is periodically kept informed concerning the mechanism for the prevention and management of conflicts of interest.

In the event that the provisions made by HSBC Private Banking are not sufficient to guarantee with any reasonable certainty that the risk of jeopardising the interests of clients will be avoided, HSBC Private Banking may consider it appropriate to use one of the following procedures for management of conflicts:

- informing the client(s) on a durable medium of the nature and/or source of the conflict so as to obtain its (their) formal agreement prior to any action in its (their) name; the information takes the client's categorisation into account and is sufficiently detailed to enable the client to reach an informed decision; or in certain circumstances, refuse the envisaged transaction, prior or subsequent to the client's information.

#### Appendix 6 – Inactive accounts and safe-deposit boxes

##### Eckert Law

##### Legislation on inactive bank accounts and consequences on your assets held in account

Law no. 2014-617 of 13 June 2014, known as the "Eckert Law", strengthens the legal supervision of inactive bank accounts. This new legislation establishes a definition of inactive accounts and makes the financial institutions responsible for a certain number of obligations that have consequences on your assets.

At the end of a period of inactivity lasting 10 years (3 years for deceased holders). The law stipulates that an inactive account must be transferred to the Caisse des Dépôts et Consignations.

##### Definition of an inactive account

A bank account is considered to be inactive when the two following conditions are met at the end of a period of 12 months:

- The account has not been the subject of any transaction, aside from entry of interest and debit by the institution holding the account for fees and commissions of all kinds or payment of revenues or redemption of capital or debt securities.
- The account holder, their legal representative or the person authorised by them has not been seen in any form whatsoever by the institution for said account or for another account opened in their name.

The time frame is raised to 5 years for securities accounts, passbook savings accounts, term accounts and accounts opened in the context of savings products.

When amounts deposited on these types of account are unavailable during a certain period of time by virtue of legal or contractual provisions (company savings plan and term accounts for example), the 5-year period starts to run at the end of the period of unavailability.

In the event of the holder's death, inactivity is ascertained when, at the end of a period of 12 months after the death, no heir or beneficiary has made themselves known to the institution.

##### Information of the holders of inactive accounts

The financial institution must inform the account holder (or their beneficiaries in the event of a deceased holder) if the inactivity of an account is ascertained at the end of the period, so as to enable them to reactivate it.

This information takes place for the first time when the inactivity is ascertained. It is then renewed annually. Without the holder's appearance at the end of a period of inactivity lasting 10 years (3 years for deceased holders). The account is transferred to the Caisse des Dépôts et Consignations.

Information is sent for the last time 6 months before expiry of this period.

Transfer of funds to the Caisse des dépôts et consignations

Let's stay in touch! Your account is not deemed to be inactive if, at least once during the year, you have contacted HSBC Continental Europe by telephone, by letter or by email, or if you have connected to your accounts via the Internet or mobile phone application.

Assets are held by the financial institution for 10 years (3 years for holders who are deceased) starting from the date of the last transaction (other than interest payments) or the holder's last contact.

If they have not been reclaimed during this period, inactive accounts held by the financial institution are closed and assets are transferred to the Caisse des Dépôts et Consignations.

The Caisse des Dépôts et Consignations keeps these assets for 20 years (27 years for deceased holders). Beyond this deadline, if they are not reclaimed, they become definitively acquired by the State.

In the case of securities accounts or share savings plans, the bank has the task of selling the securities before transferring the revenue from liquidation (in euros) to the Caisse des Dépôts et Consignations. The institution is not liable in the event of any capital loss generated by the liquidation transaction.

The Caisse des Dépôts et Consignations is an independent institution at the service of the public good. It ensures the safekeeping of funds entrusted to it and guarantees the return of the capital to the final beneficiary or beneficiaries. Explore the Caisse des Dépôts et Consignations <http://www.caissedesdepots.fr/>.

#### Case of inactive safe-deposit boxes

A safe-deposit box is deemed to be inactive if there has been no appearance of the holder (or beneficiaries for a deceased holder) or of a transaction on an account opened in their name for 10 years and if, at the end of said period, the rental fees have not been paid at least once.

During the 20 years that follow the declaration of the safe-deposit box's inactivity, the institution informs the holder (or their known heirs or beneficiaries as applicable) every 5 years of the consequences relating to the safe-deposit box's inactivity.

At the end of 20 years from the date of the first outstanding payment, the institution is authorised to proceed with opening the safe-deposit box. The holder is informed of the implementation of said procedure 6 months before expiry of this period.

The securities are liquidated, and the goods are sold at public auction. The proceeds from the sale are paid to the State, after deduction of outstanding annual rental charges, costs of opening the safe-deposit box and selling expenses. No transfer is made to the Caisse des Dépôts et Consignations.

#### On the subject of accounts that have been inactive for more than 30 years as of 1 January 2016

As of 1 January 2016, date when the law came into effect, and after informing the client, accounts that have been effectively inactive for more than 30 years shall be liquidated and transferred to the Government.

## Appendix 7 – Personal Data Protection Policy

**How are your personal data collected, stored and processed? Preamble:** this Policy applies to all personal data processed by HSBC Group entities in France acting as data controllers in the context of products and services provided to professional and corporate clients.

It explains what data we may collect about you or related persons, how we use this data, with whom we are likely to share it, and what steps we take to ensure their privacy and security.

This Policy covers all the personal data processing of which the controller is HSBC Continental Europe (including HSBC Private Banking), HSBC Assurance Vie (France), HSBC Factoring (France) or HSBC REIM. If you are in contact with other HSBC entities, specific information will be provided to you if necessary.

Some of the links on our websites may redirect you to non-HSBC websites. They have their own policies or privacy or data protection charters that may differ from ours: it is your responsibility to read them.

All individuals whose data you transmit to us must be informed, including through this Policy how we are likely to collect and process their data. These people must be informed of their rights.

When we use the terms "you" or "your", it means you, your company or any person who may carry out your banking, factoring, insurance or financial instrument transactions with our services and any other person within your company (including your agents and signing officers, spouses, contacts, subscribers or holders of life insurance or capitalisation contracts or their representatives, etc.).

The term "Related Person" means any individual related to your business, including an officer, guarantor, legal representative, partner, owner, beneficial owner, payment recipient or any other person related to HSBC.

Similarly, when we use the terms "HSBC", "we" or "our", this includes all HSBC entities in France and other HSBC Group companies. HSBC Group refers to all companies owned and/or controlled directly or indirectly by HSBC Holdings Plc as control is understood within the meaning of Article L.233-3 of the French commercial code.

#### What data do we collect?

The data we collect or hold about you may come from a variety of sources. Some have been collected directly from you or others such as Related Persons, others may have been collected in accordance with applicable regulations in the past or by other companies of the HSBC Group. We may also collect information about you when you interact with us, for example when you visit our websites or when you use our mobile applications, when you call us or visit one of our branches.

Some may even come from publicly available sources (for example, creditors' registers, the press and Internet sites) or from external companies (credit control agencies, for example). We may also collect data by combining datasets (for example, location data if you have a mobile application provided that geolocation is enabled).

- ◆ The data that you provide to us (including those of Related Persons) may for example relate to:
  - information about your identity such as your name, gender, date and place of birth, and information on your credentials;
  - your contact information such as your mailing address, email address, and telephone numbers;
  - information you provide to us by completing forms or contacting us by phone, in person, by email or by any other means of online communication or by responding to questionnaires or satisfaction surveys.
- ◆ The data we collect or generate may include:
  - information about our business relationship, your transactions and instructions (including information about your accounts or assets held with other financial institutions), the channels of communication you use with us, your ability to repay your loans, your solvency, your transaction histories, the transactions generated on your accounts, your claims;
  - the information we use to identify and authenticate you such as your signature sample, your biometric information such as your voice and any other information we may receive from external sources to ensure our identity;
  - geographic location data (about the branches you visit or ATMs you use);
  - any information contained in the client documentation or forms that you could complete as a prospect;
  - any information of a commercial nature, such as the details of the products or services you benefit from;
  - data collected through "cookies". We use "cookies" and similar technologies on our websites and in email messages to recognize you, remember your preferences and present you with content that may be of interest to you. Consult your [cookie policy](#) for more details on how we use "cookies";
  - information about your risk rating, such as your credit risk rating or transactional behaviour;
  - data related to our internal investigations, in particular the controls relating to the pre-contact checks or throughout our commercial relationship, the controls relating to the application of the rules on sanctions, the freezing of assets, the fight against money laundering and the financing of terrorism and all information related to controls on our means of communication;
  - records of all correspondence and communications between us, including phone calls, email messages, instant messaging, social media communications or any other type of communications and exchanges;
  - any information we need to comply with our legal and regulatory obligations, including your financial transaction data, the information necessary to detect any suspicious or abnormal activity concerning you or the persons with whom you are in contact.
- ◆ The data we obtain from other sources may include:
  - communication information (for example, information contained in email messages, third-party information, chat information, instant messages, media information, disputes or minutes); and
  - information that you have asked us to collect for you (information about your accounts or assets held with other financial institutions).

#### How do we use your data?

We will only use your personal data if you have consented to it or if it is based on one of the legal grounds laid down by law:

- The protection of our legitimate interests;
- The performance of a contract or commitment for which you are and/or we are engaged;
- Compliance with a legal or regulatory obligation;
- The preservation of the public interest, such as the prevention or detection of fraud or financial crimes.

We collect and process information about you for a variety of reasons, including:

- ◆ providing you with products and services and validating any instructions or transactions that you request or authorise;
- ◆ meeting all of our legal, regulatory or tax obligations and, in particular, ensure HSBC's compliance with applicable laws and regulations;
- ◆ preventing or detecting any risk of fraud or financial crime;
- ◆ defending our rights and respecting our legal, regulatory or tax obligations;
- ◆ managing our internal operational needs in terms of credit and risk management, development and planning of computer systems or products, insurance contracts, SCPI shares or auditing.

### **Automated decisions**

We are likely to use automated systems to assist decision-making, for example when you want to subscribe to a product or a service, when you are seeking a loan or during controls aiming to prevent the risk of fraud, money laundering or financing of terrorism. We may use such processes to help us determine whether the activity of a client or account involves a risk (credit, fraud or financial crime). For example, we can use this process to determine if your credit card is used fraudulently.

You are entitled to information about how a decision is made, to request human intervention and to challenge any decision made through an automated system. Please see the "Your Rights" section below for more information.

### **Compliance with our legal and regulatory obligations**

We use your personal data to comply with our obligations, comply with any applicable law or regulation and, where appropriate, share it with a regulator or a competent authority in strict compliance with applicable law. The purpose of this use is to detect or prevent any risk of financial crime/ offence (including terrorist financing, money laundering) and is based on a legal obligation or on our legitimate interest.

### **Marketing and market research**

Branches in charge of carrying out market research may contact you (by post, telephone, email or any other means of communication) to invite you to take part in a study.

### **Follow-up and recording of our exchanges**

We may record and retain conversations that you (or a Related Person) have with us – including phone calls, face-to-face meetings, letters, email messages, live chats, video chats and any other type of messaging – to check your instructions. We may also evaluate, analyse and improve our services, train our employees, manage risks or prevent and detect fraud and other financial crimes from these data.

We use a video surveillance system in and around our branches and offices for security purposes, so we may collect images, photos, or videos from you, or record your voice through this process.

### **With whom are we likely to share them?**

We may transfer and disclose your data to:

- other HSBC Group companies, subcontractors, agents, partners or service providers who work for us or other HSBC Group companies (including their employees, directors and officers);
- Co-holders of accounts, persons who carry out your banking transactions for you, your beneficiaries, intermediary banks, correspondents or depositories, clearing houses, payment systems, payment card schemes (EIG of CB Credit Cards, MasterCard, Visa, etc.), any market participant or counterparty, stock exchanges or any company in which you hold financial instruments through us (for example, stocks or bonds);
- other financial institutions, tax authorities, professional associations, credit control agencies and debt collection agencies;
- fund managers who provide you with asset management services and all distributor intermediaries and brokers who put you in touch with us or deal with us on your behalf;
- any person, company or other person who has an interest in or assumes a risk with respect to or in connection with the products or services we provide to you;
- any company (new or potential) of the HSBC Group (for example, if we restructure or acquire other companies or merge with other companies) or any company that acquires all or part of an HSBC group company;
- auditors, regulators, the TRACFIN unit, Banque de France (in the event of registration in the Central Register of Checks – FCC or the Central Bank Card Withdrawal File), the Caisse des Dépôts et Consignations, independent administrative authorities or dispute resolution bodies to comply with their requests;
- companies that conduct business or market studies for us;
- any other person involved in litigation with respect to a transaction;
- the French government, the judicial or administrative jurisdictions/authorities.

### **International data transfers**

Your data are likely to be transferred to, hosted in or accessed from a country located outside the European Union where the data protection laws are not equivalent to those of France or the European Union. We will only make such transfers of data to perform a contract between you and HSBC, perform a legal obligation, protect the public interest, or defend our legitimate interests.

When data about you is transferred to a country outside the European Union, we will always make sure that it is protected. To this end, we submit all transfers of your data to appropriate and relevant safeguards (such as encryption and contractual commitments, including standard contractual clauses approved by the European Union).

You can obtain further information on how we transfer your personal data outside the European Union by contacting us directly: see the section "More details about your data".

### **Sharing aggregated or anonymised data**

If we have made your data anonymous, we may share it outside the HSBC Group with partners such as research groups, universities, advertisers or related sites. For example, we may publicly share information to present trends in the overall use of our services. These data do not allow you to identify yourself.

### **How long do we keep them?**

We will retain your data as long as you use our services and platforms (e.g. our website or our mobile apps). We may also retain them even if you choose not to use our services or platforms, including to comply with applicable law, to defend our interests, or to enforce our rights. We will not keep them for longer than necessary and, in accordance with the applicable legislation, when we no longer need them, we will destroy them safely in accordance with our internal policy or we will make them completely anonymous.

Certain data may be retained for an additional period of time for the purposes of managing claims and/or litigation or to meet our legal or regulatory obligations or to respond to requests from authorised authorities.

### **Your rights**

You have rights to your personal data:

- the right to obtain information about the data we hold about you and the processing used;
- in certain circumstances, the right to receive data in electronic form and/or to request us to transmit such information to a third party where technically possible (please note that this right only applies to the data you have provided to us);
- the right to modify or correct your data;
- the right to request the deletion of your data in certain circumstances (please note that legal or regulatory provisions or legitimate reasons may require us to retain your data);
- the right to ask us to restrict or oppose the processing of your data in certain circumstances (please note that we may continue to process your personal data if we have a legitimate reason to do so).

You can exercise your rights by contacting us. For this, please refer to the "More details about your data" section.

You can find more information about your rights on the CNIL website: <https://www.cnil.fr/>.

You also have the right to file a complaint with the National Data Protection Authority (please [click here](#) or send a letter to the following address: CNIL – 3 Place de Fontenay - TSA 80715 - 75334 Paris - Cedex 07).

### **What do we expect from you?**

You must ensure that the information that you have sent us is relevant and up to date. You must also inform us, without delay, of any significant change in your situation. If you provide us with information about a third party, you must make sure that they have authorised it.

### **How do we ensure the security of your data?**

We implement technical and organisational measures to protect your data, including encryption, anonymisation and the implementation of physical security procedures. We require our staff and all third parties working for HSBC to adhere to high standards of security and information protection, including contractual obligations under which they undertake to protect all data and to enforce strict data transfer measures.

### Learn more about your data

If you would like to know more about the provisions of this Data Protection Policy or contact our Data Protection Officer, you can write to us at the following address:

**HSBC Continental Europe – Data Protection Officer**  
38 avenue Kléber – 75116 Paris

### You can exercise your rights by writing to the following addresses:

**HSBC Continental Europe (including HSBC Private Banking)**  
Client Experience Department  
38 avenue Kléber  
75116 Paris

**HSBC REIM France**  
Immeuble Cœur Défense  
110 Esplanade du Général de Gaulle  
92400 Courbevoie

**HSBC Assurances Vie (France)**  
Immeuble Cœur Défense  
110 Esplanade du Général de Gaulle  
92400 Courbevoie

### **HSBC Factoring (France)**

This Data Protection Policy is subject to change, and the latest applicable version is available at the following address: <https://www.hsbc.fr/1/2/hsbc-france/charte-de-protection-des-donnees>.

### **APPENDIX: FOR WHAT PURPOSES DO WE USE YOUR DATA?**

1. **Security and continuation of our activities:** we take steps to facilitate the continuation of our activities and to ensure the security of the data we hold (including physical security measures) in order to fulfil our legal obligations and to define and put into practice our internal risk strategy in line with our legitimate interest. We also put in place security measures to protect our staff and premises (including a video surveillance device and tracking any incivilities).

2. **Risk management:** we use your personal data to measure, detect and reduce the likelihood (i) of the occurrence of a financial loss, (ii) harm to our reputation, (iii) the commission of an offence, (iv) a compliance problem or (v) loss problem for a client. This includes credit, commercial, operational and insurance risks (involving the collection and use of health data). Depending on the products and services you receive, your data may be used to detect any risk of market abuse.

We also use them to fulfil our legal obligations and if we have a legitimate interest.

3. **Online banking, mobile applications and other online product platforms:** when you use HSBC's online platforms and mobile applications, we use your data to make them available to you. These platforms may also allow you to communicate with HSBC.  
The legal basis for the use of your personal data for this purpose is contractual.

4. **Improvement of products and services:** we will use the analysis of your data to identify possible improvements to our products and services (in particular, their efficiency and profitability).

The legal basis for processing your data for this purpose is our legitimate interest.

5. **Data analysis:** we may use your data for analysis to identify opportunities to promote our products and services to current or potential customers. This may include analysing a client's transaction history to provide tailored and customised products and services.

This use of the data is based on our legitimate interest.

6. **Marketing:** we use your data to provide information about HSBC products and services and the products and services of our partners and other third parties. This use of your data is based on our legitimate interest.
7. **Protection of our rights:** we may use your data to protect our rights, including in the defence or protection of legal rights and interests (by recovering amounts owed, assigning receivables, defending our rights intellectual property), lawsuits, claims management or litigation, corporate restructuring or other mergers or acquisitions. We will use them on the basis of our legitimate interests.
8. **Assistance in banking operations:** we use your data to enable and simplify the provision of our banking products and services in accordance with applicable laws and regulations and the rights and interests of our clients. We use them in the provision of administrative services, accounting, business management and IT infrastructure and to evaluate the effectiveness of these services in accordance with applicable regulations and laws and the rights and interests of our clients.  
This processing may be based on our legitimate interest, a legal obligation and/or the performance of any contract with you.
9. **Compliance with laws and regulations:** we ensure compliance with all applicable laws and regulations.  
This processing may be based on the respect of a legal obligation, the public interest or our legitimate interest.
10. **Prevention and detection of crime:** we use your personal data to take action to prevent crimes and other offences, including monitoring and fraud risk management, client controls, name and transaction filtering, and potential risk presented by a client. This risk assessment processing is based on compliance with our legal obligations, the public interest and/or our legitimate interest. We may also share your data with the relevant judicial authorities and any other third parties if expressly permitted by law for the purposes of crime prevention or detection. In addition, we may, in conjunction with other financial institutions, take steps to facilitate the prevention of financial crime and risk management if the public interest so requires or if HSBC has a legitimate interest in doing so.

We remain liable to use your personal data for the purposes described above even if you exercise your right to restriction or opposition. This could include:

- Filtering, blocking and analysing payments, instructions or communications that you send or receive;
- The control of the payee of a payment or the issuer of a payment to you;
- The cross-referencing of your personal data that we hold with data held by other HSBC entities;
- The verification that the identity of the persons or companies to whom you make payments or who makes payments to you is accurate and that these persons or companies are not subject to sanctions.

11. **Cookies:** when you use online applications, we will ask you to consent to the use of "cookies". The legal basis for processing your data for this purpose is your consent.

**HSBC Private Banking**

HSBC Continental Europe – Registered office: 38 avenue Kléber - 75116 Paris - France

Tel +33 (0) 1 49 52 20 00

Public limited company with capital of 491,155,980 euros registered with the Paris trade and companies register under SIREN number 775 670 284

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[www.hsbcprivatebankfrance.com](http://www.hsbcprivatebankfrance.com)