



# RULES FOR COMMERCIAL DEPOSIT ACCOUNTS

## Our Agreement

The Rules for Commercial Deposit Accounts (the "Rules") are part of the Agreement between you and HSBC Bank USA, National Association (the "Bank" or "HSBC"), and contain some of the terms and conditions for commercial deposit accounts. Any *Terms and Charges Disclosure* or similar fee schedule applicable to your account is also a part of the Agreement. By signing a contract to open any deposit account or by using any account related product or service, you agree that these Rules, as amended from time to time, shall apply to all your deposit accounts and that such accounts shall, to the extent legally permissible, be deemed to be "operational accounts" by the Bank for the purpose of meeting its liquidity coverage ratio requirements. If there is a conflict or discrepancy between these Rules and any communications by one of our employees, either verbally or in writing, these Rules shall govern.

## Governing Laws and Regulations

These Rules shall be governed by and interpreted according to U.S federal law, and by applicable New York state law including without limitation Articles 3, 4, and 4A of the NY Uniform Commercial Code (which are all incorporated herein by reference and made a part hereof), clearing house rules, (including without limitation, National Automated Clearing House Association (NACHA) rules and Real Time Payments ("RTP®") operating rules) and general commercial banking practices applicable to the services provided, to the extent not superseded by federal law. If these Rules conflict at any time with the applicable federal or state law or regulation, the Rules will be considered changed to the extent necessary to comply. The Bank's failure to enforce these Rules or waiver of any of the provisions of these Rules in any instance will not prevent the Bank from enforcing these Rules at any other time.

You agree to comply with, and assist the Bank in complying with, all laws applicable to the use of your account(s), including but not limited to all applicable sanctions, anti-bribery and anti-money laundering laws.

In providing our commercial deposit accounts under this Agreement, the Bank operates solely in a non-fiduciary and non-advisory capacity.

## Important Information About Procedures For Opening A New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account.

What this means to you: If you open an account, we will ask for your name, address, taxpayer identification number, and other information that will allow us to identify you and/or your beneficial owner(s). Additionally, we will take certain steps to verify your identity and/or the identity of your beneficial owner(s). Be assured that we recognize the importance of protecting your privacy and safeguarding the confidentiality of the information you provide to us.

## Checking Accounts

### Types

The Bank offers interest bearing and non-interest bearing checking accounts to eligible commercial customers. Depending on the type of checking account, other terms and conditions may apply. See the *Terms and Charges Disclosure* or similar fee schedule for details.

### Internal Accounting of Balances

This applies to checking accounts maintained on the Bank's Demand Deposit Account (DDA) system. Your checking account may consist of two (2) "sub-accounts" on the books of the Bank. In that event, one (1) sub-account will be a checking account and the other a savings account. The two (2) will be treated as a single account for customer use,

and will not affect your Bank statement, your account balance or the interest, fees, and features of your account. For interest bearing checking accounts, we will pay the same rate of interest on balances in both sub-accounts. For checking accounts maintained on the Bank's Wholesale Deposit Account (WDA) system, this does not apply. All deposits and other credits will be posted to, and checks and debits will be deducted from, the checking sub-account. Whenever the checking sub-account balance exceeds a "threshold amount" (which we may establish and change at our discretion), we may transfer funds above that amount to the savings sub-account. As these funds are needed to pay items presented against your checking account, the appropriate amount will be transferred back to the checking sub-account, up to six (6) times per statement period. If the sixth transfer is needed, the entire balance of the savings sub-account will be transferred into the checking sub-account. This process may be repeated each month. Although the Bank has no present intention to exercise this right, federal regulations require the Bank to reserve the right to require at least seven (7) days written notice prior to withdrawal or transfer of any funds in a savings account.

## **Writing Checks**

The Bank may require you to use the Bank's checks. Depending on style and number of checks you order and what kind of checking account you have, the Bank may charge a fee to your account for your checks. Should you elect not to use the Bank's style or designed checks, the checks must meet the bank's specifications and must comply with industry standards.

## **Signatures On Checks Or Drafts**

The Bank has no duty to visually inspect signatures on checks. The Bank may, in its discretion, return unpaid a check or draft that does not bear a signature reflected on the signature card unless you have notified the Bank in advance in written form acceptable to the Bank in its sole discretion, you want the check or draft to be paid. The Bank may construe the meaning as "or" of any symbol, mark or word (other than the word "and") used as a connective, or may imply the word "or" was meant to be inserted in the absence of any connective, on the payee line of any check containing multiple payees. In addition, the Bank may debit your checking and savings account(s) based on a single authorized signature regardless of the transaction amount, and any multiple-signature requirements or signing limits or restrictions that you may have shared with the Bank are for your internal use only, notwithstanding any communication or instruction to the Bank to the contrary.

## **Convenience Check Cashing Fee**

You agree that the Bank may impose a fee on the payee or other holder of a check or other item drawn against your account that is presented for payment in person at the Bank.

## **Remotely Created Checks**

A "remotely created payment order" is any payment instruction or order drawn on a person's deposit account that is created by the payee or the payee's agent and deposited into or cleared through the check clearing system. The term includes a "remotely created check," as defined in Regulation CC (12 CFR Part 229). The Bank may refuse to receive or process for deposit or collection any remotely created checks or payment orders, without cause or prior notice. If you deposit remotely created checks or payment orders into your commercial deposit account, you warrant and agree to the following for every remotely created check or payment order the Bank receives from you for deposit or collection: (a) you are not a "Telemarketer" or engaged in "Telemarketing" as those terms are defined in the Federal Trade Commission Telemarketing Sales Rule (16 CFR Part 310) ("TSR"); (b) you have received duly lawful, express and verifiable authorization to remotely create the check or payment order in the amount and to the payee that appears on the remotely created check or payment order; (c) you have and will maintain proof of the authorization for at least two (2) years from the date of the authorization and supply the Bank with evidence of such authorization upon request within five (5) business days; (d) you are identifying and will continue to identify any remotely created checks you present for deposit or collection by entering a "6" in the External Processing Code field of the MICR line in conformance with current X9 Standards and will hold the Bank harmless from any losses in the event you fail to do

so; (e) if a remotely created check or payment order is returned, you owe the Bank the amount of the remotely created check or payment order, regardless of when it is returned, and agree to hold the Bank harmless from any losses arising from this deficiency; (f) the Bank may take funds from your commercial deposit account to pay the amount you owe, and if there are insufficient funds in your commercial deposit account, you owe the Bank the remaining balance; (g) you are operating and will continue to operate in accordance with applicable laws and regulations regarding remotely created checks and payment orders, including but not limited to, Regulation CC, the New York Uniform Commercial Code, and TSR; and (h) the Bank has the right at any time to review the activity in your commercial deposit account and set limits on allowable unauthorized returns.

## **Facsimile Check Signatures**

If you: i) issue checks with your authorized person(s) facsimile signature(s) on them or engage a third party to do so on your behalf; or ii) authorize a third party over the phone or via the Internet to debit from your commercial deposit checking account the amount(s) of one or more “remotely created checks,” you or the third party create checks drawn on your commercial deposit checking account that the Bank may pay although such checks do not bear your original signature. While the Bank is authorized to honor such checks, the Bank is not required to do so and may refuse to honor any such checks that do not bear your original signature at its discretion. The Bank may, at its discretion, return such checks with facsimile signatures on them or remotely created checks even if the Bank has honored similar checks in the past. You agree that the Bank is not liable to you for any losses that may result from either honoring or dishonoring any such checks with facsimile signatures on them or remotely created checks drawn on your commercial deposit checking account. You are responsible for reviewing your periodic commercial deposit account statements in a timely fashion and reporting promptly to the Bank any claims of unauthorized checks with facsimile signatures on them or unauthorized remotely created checks being paid.

If you originate and/or deposit checks with facsimile signatures on them from or into your commercial deposit account, you affirm that such items are duly authorized in accordance with applicable law and that you will provide evidence of such authorization to the Bank upon request. In the event such items are not properly authorized or you are unable to provide proof of proper authorization, you agree to indemnify and hold the Bank harmless from any losses arising from this deficiency.

## **Overdrafts And Overdraft Fees**

An overdraft occurs when you do not have enough money (available balance) in your commercial deposit checking account to cover a transaction, but we pay it anyway. Your available balance is the amount of funds you have available in your commercial deposit checking account to spend without overdrawing your account. It includes all cleared and pending transactions (e.g. holds for debit card transactions that you have authorized that have not been presented to HSBC for payment). Keep in mind that any non-preauthorized transactions (e.g. checks) you initiated but have not yet been presented to HSBC for payment need to be subtracted from your available balance for you to know the exact amount of money you have to spend or withdraw. The available balance does not include the amount of deposits not currently available (Refer to the Funds Availability section for more information).

We may cover your overdrafts through our standard overdraft practices or through a Mastercard BusinessCard® agreement. Through our standard overdraft practices, we may at our discretion authorize and pay overdrafts for checks and overdrafts for preauthorized automatic bill payments. Under our standard overdraft practices, we will charge you the associated Insufficient Funds (NSF) or Unavailable Funds (UNA) fees listed on our Terms and Charges Disclosure or similar fee schedule when an overdraft occurs. We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction for any type of account. Any resulting negative balance regardless of cause must be repaid promptly. If we do not authorize and pay an overdraft, your transaction will be declined.

If you have a qualifying commercial deposit checking account, you can use the available balance on your qualifying Mastercard BusinessCard credit account with the Bank to fund any overdraft amount automatically. The Mastercard BusinessCard is subject to application and credit approval.

Your account may be debited on the day an item is presented, or at such earlier time as notification is received by the Bank by electronic or other means, that an item drawn on your account has been deposited for collection in another financial institution. You understand that the Bank reserves the right to pay items into overdraft, to impose overdraft fees as permitted by law, and to apply any later deposits to those overdrafts or overdraft fees, by way of setoff. An "item" includes checks, substitute checks, remotely created checks, withdrawal slips or other in-person transfers or withdrawals, service charges, electronic items or transactions, including withdrawals made from an automated teller machine, using debit card, pre-authorized payments or transfers, ACH transactions, facsimile or telephone initiated transfers, online banking transfers or bill payment instructions, and any other instruments or instructions for the payment, transfer or withdrawal of funds including an image or photocopy of any of these. A determination of your account balance for purposes of making a decision to dishonor an item for insufficiency of available funds may be made at any time between the receipt of such presentment or notice and the time of return of the item, and no more than one such determination need be made.

## **Daily Settlement Limits**

In the event that the Bank implements its resolution plan or other potential resolution scenario, the Bank could face significant liquidity pressures. Under such conditions, the Bank may discontinue or limit intraday credit, which helps facilitate payment and settlement activity or the Bank may require prefunding of certain payment transactions. It is important for you to consider the potential impact of such a resolution scenario, including the need to (1) maintain sufficient funds with the Bank to prefund your payment and settlement activity; and/or (2) establish relationships with alternative payment or settlement providers, as applicable, that may continue to extend intraday credit and process payment transactions without a pre-funding requirement in such a scenario.

## **Payment of Your Items For Your Account**

We post transactions to your account throughout the day in the order that we receive them.

Generally, for commercial deposit checking accounts (other than those commercial deposit checking accounts maintained on the Bank's Wholesale Deposit Account (WDA) system), at the end of the Business Day we will complete the following to determine your end of day bank/ledger balance:

1. Start with the bank/ledger balance in your account;
2. add deposits and credits to your account;
3. subtract fees resulting from prior day activities which were not charged on the current day (e.g., Chargeback Fee);
4. subtract outgoing wire transfers;
5. subtract account withdrawals performed in person at the Bank from lowest to highest dollar amount;
6. subtract from available balance transaction amounts that are authorized based on your available balance at the time you performed the transaction in lowest to highest dollar amount. Transactions include debit card transactions, Automated Teller Machine ("ATM") withdrawals, and online transactions. (Note: The amount authorized for debit card transactions might vary from the actual amount of the transaction that posts to your account at settlement.);
7. subtract all other items in lowest to highest dollar amount; and
8. subtract fees resulting from current day activities (e.g., Stop Payment Fee).

After completing the steps above to determine your end of day bank/ledger balance, we subtract the amount of any deposit not currently available (Refer to the Funds Availability section for more information) and subtract holds (e.g., debit card authorizations) from the end of day bank/ledger balance to determine your available balance, and whether or not an overdraft fee (including but not limited to NSF and UNA fees) is assessed.

For those deposit accounts maintained on the Bank's WDA system, the Bank will pay debit items upon presentment and in no particular size order.

## **Bill Payment Service**

The Bill Payment Service provides you with the ability to pay bills or to make payments to a business or other payee located in the United States of America only. Under this service, bill payments are sent by the Bank (or its agent) to payees, either electronically or by check. The Bank has sole discretion to determine how the payment will be sent. Electronic payments are sent by the Bank or its agent whenever possible, and when a bill payment is sent electronically or by check, your designated account will be debited on the business day that you select for that bill payment.

### **Prerequisites**

The Bill Payment Service requires all bill payments to be made from your commercial demand deposit account with the Bank. The Bill Payment Service may only be accessed via the Bank's on-line banking service, HSBCnet.

### **Customer Obligations.**

You agree not to use the Bill Payment Service to make any tax payment, any court-ordered or directed payments, or any payment to a payee that has a mailing address outside the United States of America.

You agree if you attempt such impermissible bill payments, the Bank and/or its agents will not be responsible for such bill payments.

### **Processing Schedule**

You will provide to the Bank data including, the names, addresses, phone numbers and account information (or other information advised from time to time) of those payees to whom you wish to make a payment ("Bill Payment Instruction")

When you initiate a Bill Payment Instruction, you authorize the Bank to charge your designated account and to remit funds to the payee electronically, provided that electronic payments are permitted and accepted by the payee. If the payee does not permit and accept electronic payments, then you agree those funds will be remitted by the Bank to the payee via a check issued by the Bank's agent, which is payable to the payee.

Bill payments scheduled before 1:00 PM Eastern Time, Monday through Friday (excluding Federal holidays), will be processed by the Bank on the same day. Bill payments scheduled after 1:00 PM Eastern Time will be processed by the Bank on the next business day.

You must select a bill payment process date which is at least five (5) business days before the actual due date of the payment that is set by the payee. You agree that the Bank is not responsible for any Bill Payment Instruction that is received or posted by the payee after the grace period, which could result in a late charge or penalty being assessed to you by the payee. In such event, you agree that you shall have the sole risk of incurring, and the sole responsibility for paying, any and all charges or penalties assessed by the payee. If a Bill Payment Instruction cannot be processed according to your instructions, you will receive a notification from the Bank via HSBCnet.

### **Recurring Bill Payments**

You may use the Bill Payment Service to authorize automatic recurring payments of recurring bills. These payments must be for the same amount each month and they will be paid on the same calendar day of each month or on the next business day if the regular payment day falls on a weekend or holiday.

### **Cancelling Bill Payments**

If the bill payment is a recurring payment set up via the Bill Payment Service, then you can cancel that bill payment through HSBCnet as long as the request is received by the Bank before the bill payment process date of the next recurring bill payment.

Once a recurring bill payment is cancelled, all future bill payments to that payee will be cancelled and you must reschedule future bill payments to that payee.

## **Stopping Check Payments**

You can request the Bank to stop payment on a check drawn on your account in person, by mail, by phone, or by using HSBCnet, the Bank's internet banking product. The Bank needs a reasonable amount of time to apply the stop payment request to your account and to verify that the check has not already been paid. You (or an authorized signer on your account) must give the Bank the account number, payee, date, exact amount of the check, and the correct

check number. Without completely accurate information on the amount of the check and the check number, the Bank cannot ensure a stop payment will occur. Your stop payment request takes effect when the Bank records it on your account. If you phone in your stop payment, you must confirm it in writing within fourteen (14) days. Your written stop payment request is good only for six (6) months unless you renew it in writing. Special procedures apply to a stop payment for a funds transfer. Please refer to the "Amendment and Cancellation" paragraph in the "**Funds Transfers**" section of these Rules. The Bank may charge you the fee shown on your *Terms and Charges Disclosure* or similar fee schedule for each stop payment request.

### **Post-Dated Checks**

The Bank may certify or pay a check before the date written on it and charge your account without being liable to you. The Bank can also refuse to certify or pay a post-dated check before its date. The Bank may dishonor and return unpaid other items drawn, accepted or made by you as a consequence of the Bank having certified or paid a post-dated item.

### **Checks More Than Six Months Old**

The Bank is not required to pay an uncertified check six (6) months after its date. The Bank may pay it, however, and will not be liable to you for doing so.

### **Interest Bearing Checking**

The Bank offers interest bearing checking accounts, and savings accounts against which checks may be written. The Bank has the right to ask you for seven (7) days advance notice of withdrawal. If the Bank does, the Bank will not be liable to you for dishonoring your checks during the seven (7) day notice period.

### **Earnings Credit Analyzed Accounts**

Positive earnings credit is the amount of credit earned depending on the positive investable balance maintained throughout the cycle, which will be applied toward the payment of service expense. Negative investable balance is the total of all days with a negative available balance, averaged over the total number of days in the current analysis period; reserves are not deducted from this balance.

### **Recordcheck® Service**

By choosing this service that does not provide image copies of the front of cancelled items with your statement, you have instructed the Bank to hold copies of the cancelled items for you in accordance with the applicable terms of service. If you need a copy of a cancelled check, the Bank will mail it to you. A reconstruction fee may apply if you request a total reconstruction (copies of all checks and/or statements) for one or more statements. The Bank will hold copies of your checks for six (6) years (seven (7) years for accounts at our Washington State branches). Copies of your checks are available during the foregoing period in accordance with the *Terms and Charges Disclosure* or similar fee schedule.

### **Image Statement Service**

By choosing this service that provides image copies of the front and back of cancelled items with your statement, you have instructed the Bank to hold copies of the cancelled items for you in accordance with the applicable terms of service. If you need a copy of a cancelled check, the Bank will mail it to you. A reconstruction fee may apply if you request a total reconstruction (copies of all checks and/or statements) for one or more statements. The Bank will hold copies of your checks for six years (seven (7) years for accounts at our Washington State branches). Copies of your checks are available during the foregoing period in accordance with the *Terms and Charges Disclosure* or similar fee schedule.

### **Important Information About Checking Accounts Receiving Paid Checks With Statements - Substitute Checks And Your Rights**

**What is a substitute check?** To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front

and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you may have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

**What are my rights regarding substitute checks?** In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your checking account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your checking account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within ten (10) Business Days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than forty-five (45) calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

**How do I make a claim for a refund?** If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your checking account, please contact us at 1-800-975-HSBC (4722) or contact your HSBC Relationship Manager or Client Services Representative. You must contact us within forty (40) calendar days of the date that we mailed, or made available to you, the substitute check in question or the account statement showing that the substitute check was posted to your checking account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include -

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check: identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the check.

## **Substitute Check Deposit Or Encashment Limitations**

The Bank is not obligated to accept unwarranted substitute checks for deposit or to cash a substitute check over the counter.

## **Savings Accounts**

### **Types**

The Bank offers a variety of savings accounts that earn a preferred rate of interest as well as regular savings accounts. See your *Terms and Charges Disclosure*, other savings account terms and conditions or similar fee schedule for details.

### **Notice Of Withdrawal**

The Bank has the right to ask you for seven (7) days advance notice of withdrawal.

## Not Transferable

Savings accounts are not transferable except on the Bank's books.

## Payment of Your Items For Your Account

We post transactions to your account throughout the day in the order that we receive them.

Generally, for commercial savings accounts, at the end of the Business Day we will complete the following to determine your end of day bank/ledger balance:

1. Start with the bank/ledger balance in your account.
2. Add deposits and credits to your account
3. Subtract account withdrawals performed at the branch and transaction amounts that were authorized based on your available balance at the time you performed the transaction. Transactions will post in lowest to highest dollar amount, transactions include ATM withdrawals, and online transactions.
4. Subtract all other items in lowest to highest dollar amount
5. Subtract fees

After completing the steps above to determine your end of day bank/ledger balance, we subtract the amount of any deposit not currently available (Refer to the Funds Availability section for more information) and subtract holds from the end of day bank/ledger balance to determine your available balance.

## Certificates of Deposit

### Types

The Bank offers Certificates of Deposit ("CD") accounts maintained on the Bank's Time Deposit Account (TDA) system in various maturities, including but not limited to seven (7) days to ten (10) years. See your *Terms and Charges Disclosure* or similar fee schedule for details.

### Automatic renewal

Unless you specify otherwise, the Bank will automatically renew CDs at the Bank's then current rate and subject to the terms described in the then current *Terms and Charges Disclosure* or similar fee schedule. If you do not want the Bank to renew your CD, notify the Bank before the maturity date. The Bank can refuse to renew your CD. If this happens, the Bank will send a notice before the maturity date.

### Early Withdrawal Penalty

The Bank may permit CD's to be cashed in before the maturity date, but reserves the right not to do so. If you withdraw principal from your CD before the maturity date, you may be charged a penalty shown on your *Terms and Charges Disclosure* or similar fee schedule. The penalty may reduce principal if there is insufficient interest available.

## Not Transferable

Certificates of Deposit are not transferable except on the Bank's books.

## Deposits

### How To Deposit

You can make deposits in person or by mail. If you are a qualifying business, you can also use your Debit MasterCard® or ATM card to make deposits at certain HSBC ATMs and certain other electronic facilities. The Bank is not obligated to accept unwarranted substitute checks for deposit, and the Bank does not accept traveler's checks for deposit, payment or encashment. You may deposit (negotiate) domestic U.S. postal money orders in person, or by mail from locations within in the U.S. The Bank reserves the right at its discretion to: i) return traveler's checks; and ii)



domestic U.S. postal money orders mailed from locations outside the U.S.; and the Bank will not be liable for any loss or delay in the return of any such traveler's checks and/or domestic U.S. postal money orders mailed from locations outside the U.S.

## Direct Deposit

You can arrange to have funds, directly deposited into your checking or savings account.

## Endorsing Checks

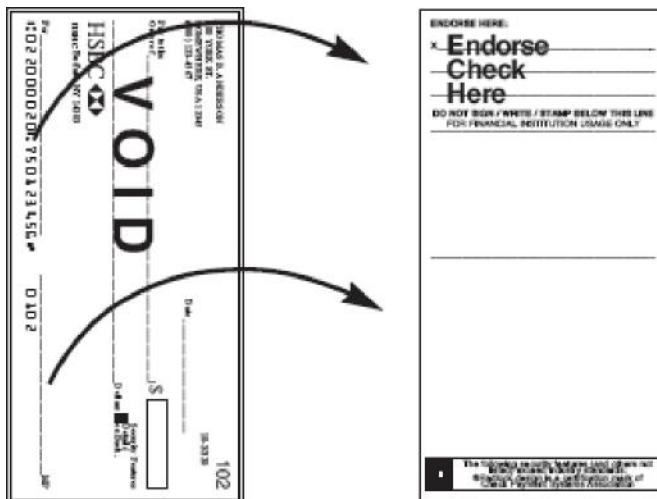
Be sure to endorse all checks and other items exactly as they are made out. If any check or other item deposited into your account(s) does not have your endorsement the Bank has the right to endorse the items or treat them as if you had endorsed them. The Bank will chargeback to your account any item that is returned for any reason, including endorsement irregularity or forgery. Any check or other item deposited into your account(s) that appears to contain your stamped or facsimile endorsement will be treated as if you had actually endorsed it. The Bank is not legally bound by any conditional or restrictive endorsement on any check or other item that you cash or deposit, or any endorsement noted to be "without recourse".

## Third Party Endorsements

We may require that checks and other items you want to deposit or cash be endorsed by all parties to whom the items are payable. We may require verification of any endorsement through either an endorsement guarantee or personal identification. If you deposit items which bear the endorsement of more than one person or of persons who are not signers on the account, we may refuse the item or may require you to have their endorsement guaranteed before we accept an item. We may accept for deposit checks payable to any signer on your account when endorsed by any other signer.

## Responsibility For The Back Of A Check

The diagram below shows where you should place your endorsement on the back of your check. The endorsement area is limited to the area 1 1/2" from the trailing edge of the check, which is at the top in the diagram.



You are responsible for any loss resulting from your improper endorsement of a check if it causes a bank endorsement to be illegible.

## Final Payment Of Items

The Bank chooses the method of obtaining final payment of a deposited check, draft, note, acceptance or other instrument ("item") and may use other banks in the process. The Bank is not responsible for actions taken by other banks, nor for the loss or destruction of any item in the possession of other banks or in transit. Any bank may refuse to honor a deposited item or may honor one refused by another bank.

## Verifying Deposits

The Bank will verify that the figure on your deposit ticket agrees with the amount of your deposit. If there is a discrepancy, the Bank will adjust your account for the amount of the difference without notifying you unless otherwise agreed.

The Bank has no duty to honor and may disregard any information on a check other than the paying bank's and payee's names, the amount (the Bank may rely solely upon either the numeric amount or the amount in words, if contradictory) and any MICR encoded information.

## Return Of Deposited Item (Chargeback)

If you deposit an item to your account and it is returned unpaid, returned as an administrative return, or is lost or destroyed, the Bank will charge the amount of the item back to your account. The Bank may charge your account the fee shown on your Terms and Charges Disclosure.

## Certificates Of Deposit

Your *Terms and Charges Disclosure* or similar fee schedule explains when and how deposits may be made to your certificates of deposit.

## Funds Availability

The Bank's policy is to make funds from your deposits quickly available to you according to a schedule which is based on the type of deposit made (Cash, Wire Funds Transfer, Check) where the check is drawn, where the deposit is made, and the type of account as set forth herein. The types of accounts that this section applies to are: Interest Bearing Checking Accounts and Savings, Certificate of Deposit ("Savings") and Non-Interest Bearing Checking Accounts. Until funds are available according to the schedule, you may not withdraw the funds in cash, and the Bank may choose not to use the funds to pay checks you have written or other withdrawals or transfers you have authorized.

## Determining The Availability Of A Deposit

The day of availability is counted in Business Days from the day of your deposit. Every day is a Business Day except Saturdays, Sundays, and federal holidays. If you make a deposit at a branch on a Business Day the Bank is open, the Bank will consider that day to be the day of your deposit. If you make a deposit before 10 PM. ET at any HSBC ATM on a Business Day that the Bank is open, the Bank will consider that day to be the day of your deposit. However, if you make a deposit after 10 PM ET at an HSBC ATM on a Business Day that the Bank is open or you make a deposit on the day the Bank is not open, the Bank will consider that deposit to be made on the next Business Day the Bank is open.

The day of availability varies depending on the type of deposit and is explained below.

## Same Day Availability

Funds from the following deposits will be available to you on the same Calendar Day\* the Bank receives the deposit:

- Cash (deposited in person with one of our tellers or at an ATM).
- Funds transfers between HSBC Bank USA, N.A. accounts in the same name
- Real-Time Payments the Bank receives for credit to your HSBC Bank USA, N.A. account through the RTP System, which are typically available in real time.

Funds from the following deposits are available to you on the same Business Day the Bank receives the deposit:

- Electronic Direct Deposits.
- Wire Transfers.

\* Every day is a Calendar Day. If the Bank receives the deposit after 12am (Midnight) ET, the deposit will be considered received the next Calendar Day.

## **NEXT DAY AVAILABILITY**

Funds from the following deposits are available to you on the first Business Day after the day of your deposit:

- U.S. Treasury checks payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.
- Checks drawn on HSBC Bank USA, N.A.

If you make a deposit in person to one of our employees using a special deposit slip available on request at any branch, funds from the following deposits are available on the first Business Day after the day of your deposit:

- State and local government checks payable to you.
- Cashier's, certified, and teller's checks payable to you.
- If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second Business Day after the day the Bank receives your deposit.

## **Other Check Deposits**

Check deposits other than those identified in this disclosure are considered "Other Check Deposits." At least, the first \$200 of your "Other Check Deposits" will be available on the first Business Day after the day of your deposit. The remaining balance of your "Other Check Deposits" will be available in accordance with the special funds availability schedule set forth below, based on account type and account location.

## **Longer Delays May Apply**

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- The Bank believes a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six (6) months.
- There is an emergency, such as a failure of communications or computer equipment.

The Bank will notify you if the Bank delays your ability to withdraw funds for any of these reasons, and the Bank will tell you when the funds will be available. They will be available generally by the sixth Business Day after the day of your deposit.

## **Special Rules for New Accounts**

If you are a new customer, the following special rules may apply during the first 30 days your account is open:

- Funds from deposits of cashier's, certified, teller's check, and federal, state and local government checks will be available on the first Business Day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you and deposited in person to an employee of the Bank (and you may have to use a special deposit slip). If your deposit does not meet these conditions, funds from your deposit of these checks will be available to you no later than the fifth Business Day after the day of your deposit.

Funds from "Other Check Deposits," as described above, will be available to you no later than the fifth Business Day after the day of your deposit.

## **Holds On Other Funds (Check Cashing)**

If the Bank cashes a check for you drawn on another bank, the Bank may withhold the availability of a corresponding amount of funds already in your account. Those funds will be made available to you at the time the funds from the check cashed would have been available to you if you had deposited it. Holds On Other Funds (Other Account)

If the Bank accepts for deposit a check that is drawn on another bank, the Bank may make funds from the deposit available for withdrawal immediately but delay your ability to withdrawal a corresponding amount of funds that you have on deposit in another account with the Bank. The funds in the other account would then not be available until the time periods that are described in this disclosure for the type of check you deposited.

## Foreign Checks

The Bank may refuse to accept or may delay availability on checks drawn on banks outside the United States (including checks drawn upon foreign HSBC affiliates) and on checks drawn in foreign currencies, convert the foreign check to USD and deposit as cash or handle such checks on a collection basis. Regardless of whether your foreign check is converted or processed on a collection basis, you understand and agree that you bear all exchange risk in the event of a returned item. If you want to avoid the exchange risk of a returned item, you can request that the item be processed on a collection basis for the applicable fee.

If a check drawn on a bank outside of the United States uses a dollar sign (“\$”) but does not indicate the check is drawn in U.S. Dollars, it will be processed as a check drawn in the currency of the country where the bank is located, e.g., a check drawn on a Canadian bank. You will bear the costs associated with any adjustments that must be made if the check should have indicated it was drawn in U.S. Dollars including exchange rate adjustments and fees assessed against the Bank by third parties related to the adjustment. You can avoid this risk by making sure that the issuer of the item clearly identifies checks payable in U.S. Dollars.

## Cash Withdrawal Limitation

We place certain limitations on withdrawals in cash. In general, \$200 of a check deposit is available for withdrawal in cash on the first Business Day after the day of deposit.

## Chargeback Right

The Bank’s funds availability policy does not affect your obligation to repay the Bank for checks that you deposit which are returned unpaid, nor does it limit the Bank’s right to charge back your account or to obtain reimbursement for any check that is not finally paid for any reason.

## Locating The Check Routing Number To Determine Availability

The routing number is printed along the bottom of the check. See the business check illustrations below for the highlighted location of the routing number. The first four (4) digits represent the geographic location of the bank and determine when funds become available. See schedules listed below to determine your availability.

### Business Check:

The illustration shows a business check with the following fields: "Name of Company Address, City State" (top left), "DATE" (top right), "PAY TO THE ORDER OF" (middle left), "DOLLARS" (middle right), "BANK NAME AND LOCATION" (bottom left), and "FOR" (bottom left). The routing number "123456789" is highlighted in a box at the bottom center, with an arrow pointing to it from the label "Routing number" below the check.

Some checks are marked "payable through" and have a four or nine (9) digit number nearby. For these checks, use the four (4) digit number (or the first four (4) digits of the nine (9) digit number), not the routing number on the bottom of the check, to determine when these checks are available. See schedules listed below to determine your availability. If you have questions, please contact your local branch or account officer.

**Special Funds Availability Schedules Based On Account Type And Account Location**  
**Interest Bearing Checking Accounts (Including IOLA And NOW Checking) And Savings Accounts**

If you have an interest bearing checking account or savings account, funds from your deposits will be made available to you according to the following schedule that corresponds to where you make your deposit.

**For Deposits Made In California**

At least 93% of funds from deposits of checks in which the first four (4) digits of the routing number are 1210 1211 1212 1213 1214 1220  
1221 1222 1223 1224 3210 3211  
3212 3213 3214 3220 3221 3222  
3223 3224

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**For Deposits Made In Downstate New York, Connecticut, Delaware, New Jersey, and Pennsylvania (Downstate New York includes deposits made in the five (5) boroughs of New York, Long Island and Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester Counties.)**

At least 93% of funds from deposits of checks in which the first four (4) digits of the routing number are  
0110 0111 0112 0113 0114 0115  
0116 0117 0118 0119 0210 0211  
0212 0213 0214 0219 0220 0223  
0260 0280 0310 0311 0312 0313  
0319 0360 0410 0412 0420 0430  
0432 0433 0434 0440 0510 0514  
0519 0520 0521 0522 0530 0531  
0539 0540 0550 0560 0570 0610  
0620 0630 0640 0650 0660 0710  
0720 0730 0740 0750 0810 0820  
0830 0840 0910 0920 0921 0960  
1010 1020 1030 1039 1040 1110  
1130 1140 1210 1220 1230 1240  
1250 2110 2111 2112 2113 2114  
2115 2116 2117 2118 2119 2210  
2211 2212 2213 2214 2219 2220  
2223 2260 2280 2310 2311 2312  
2313 2319 2360 2410 2412 2420  
2430 2432 2433 2434 2440 2510  
2514 2519 2520 2521 2522 2530  
2531 2539 2540 2550 2560 2570  
2610 2620 2630 2640 2650 2660  
2710 2720 2730 2740 2750 2810  
2820 2830 2840 2910 2920 2921  
2960 3010 3020 3030 3039 3040  
3110 3130 3140 3210 3220 3230  
3240 3250

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**For Deposits Made In Upstate New York**

At least 93% of funds from deposits of checks in which the first four (4) digits of the routing number are

0110 0111 0112 0113 0114 0115  
0116 0117 0118 0119 0210 0211  
0212 0213 0214 0219 0220 0223  
0260 0280 0310 0311 0312 0313  
0319 0360 0410 0412 0420 0430  
0432 0433 0434 0440 0510 0514  
0519 0520 0521 0522 0530 0531  
0539 0540 0550 0560 0570 0610  
0620 0630 0640 0650 0660 0710  
0720 0730 0740 0750 0810 0820  
0830 0840 0910 0960 1010 1020  
1210 1220 1230 1240 1250 2110  
2111 2112 2113 2114 2115 2116  
2117 2118 2119 2210 2211 2212  
2213 2214 2219 2220 2223 2260  
2280 2310 2311 2312 2313 2319  
2360 2410 2412 2420 2430 2432  
2433 2434 2440 2510 2514 2519  
2520 2521 2522 2530 2531 2539  
2540 2550 2560 2570 2610 2620  
2630 2640 2650 2660 2710 2720  
2730 2740 2750 2810 2820 2830  
2840 2910 2960 3010 3020 3030  
3039 3040 3110 3120 3130 3140  
3210 3220 3230 3240 3250

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**For Deposits Made In District of Columbia, Maryland and Virginia**

At least 93% of funds from deposits of checks in which the first four (4) digits of the routing number are

0110 0111 0112 0113 0114 0115  
0116 0117 0118 0119 0210 0211  
0212 0213 0214 0219 0220 0223  
0260 0280 0310 0311 0312 0313  
0319 0360 0410 0412 0420 0430  
0432 0433 0434 0440 0510 0514  
0519 0520 0521 0522 0530 0531  
0539 0540 0550 0560 0570 0610  
0611 0612 0613 0620 0630 0640

0650 0660 0710 0711 0712 0719  
0720 0730 0740 0750 0810 0820  
0830 0840 0910 0920 0921 0960  
1010 1020 1030 1039 1040 1110  
1120 1130 1140 1210 1220 1230  
1240 1250 2110 2111 2112 2113  
2114 2115 2116 2117 2118 2119  
2210 2211 2212 2213 2214 2219  
2220 2223 2260 2280 2310 2311  
2312 2313 2319 2360 2410 2412  
2420 2430 2432 2433 2434 2440  
2510 2514 2519 2520 2521 2522  
2530 2531 2539 2540 2550 2560  
2570 2610 2611 2612 2613 2620  
2630 2640 2650 2660 2710 2711  
2712 2719 2720 2730 2740 2750  
2810 2820 2830 2840 2910 2920  
2921 2960 3010 3020 3030 3039  
3040 3110 3120 3130 3140 3210  
3220 3230 3240 3250

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**For Deposits Made In Florida**

At least 93% of funds from deposits of checks in which the first four (4) digits of the routing number are

0110 0210 0212 0220 0260 0280  
0310 0360 0410 0420 0430 0440  
0510 0519 0520 0530 0539 0610  
0620 0630 0631 0632 0640 0650  
0660 0670 0710 0720 0730 0740  
0750 0810 0820 0830 0840 0910  
0920 0921 0960 1010 1020 1030  
1039 1040 1110 1130 1140 1210  
1220 1230 1240 1250 2110 2210  
2212 2220 2260 2280 2310 2360  
2410 2420 2430 2440 2510 2519  
2520 2530 2539 2610 2620 2630  
2631 2632 2640 2650 2660 2670  
2710 2720 2730 2740 2750 2810  
2820 2830 2840 2910 2920 2921  
2960 3010 3020 3030 3039 3040  
3110 3130 3140 3210 3220 3230  
3240 3250

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**For Deposits Made In Washington State**

At least 93% of funds from deposits of checks in which the first four (4) digits of the routing number are

1230 1231 1232 1233 1250 1251  
1252 3230 3231 3232 3233 3250  
3251 3252

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**Non-Interest Bearing Checking Accounts**

If you have a non-interest bearing checking account (including, but not limited to, Escrow Disbursement, HSBC Commercial Checking Account, Corporate Analyzed Account, Fusion First Account, Fusion Smart Account, HSBC Fusion Analyzed and Business Checking Account) funds from your check deposits will be made available to you according to the following schedule, which is based on where the check is drawn, where the deposit is made, and the type of account as set forth below.

**For Deposits Made In California**

At least 93% of funds from deposits of checks in which the first four (4) digits of the

routing number are 1210 1211 1212 1213 1214 1220  
1221 1222 1223 1224 3210 3211  
3212 3213 3214 3220 3221 3222  
3223 3224

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**For Deposits Made In Downstate New York, New Jersey, Connecticut, Delaware and Pennsylvania (Downstate New York includes deposits made in the five boroughs of New York, Long Island and Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester Counties.)**

At least 93% of funds from deposits of checks in which the first four (4) digits of the

routing number are 0210 0212 0214 0219 0260 0280  
2210 2212 2214 2219 2260 2280

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**For Deposits Made In Upstate New York**

At least 93% of funds from deposits of checks in which the first four (4) digits of the

routing number are 0213 0220 0223 0410 2213 2220  
2223 2410

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

**For Deposits Made In District of Columbia, Maryland and Virginia**

Funds from deposits of checks drawn on all routing numbers, with the exception of those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.



### **For Deposits Made In Florida**

Funds from deposits of checks drawn on all routing numbers, with the exception of those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

### **For Deposits Made In Washington State**

At least 93% of funds from deposits of checks in which the first four (4) digits of the routing number are 1230 1231 1232 1233 1250 1251  
1252 3230 3231 3232 3233 3250  
3251 3252

are available to you no later than the next Business Day after the day of your deposit.

All funds from deposits of checks drawn on all other routing numbers with the exception of those listed above and those checks in the *NEXT DAY AVAILABILITY* section, are available to you no later than the second Business Day after the day of deposit.

## **Withdrawals**

### **How To Withdraw**

You can withdraw from your checking account by presenting a signed check payable to your organization or to "cash." You can also withdraw from your organization's checking or savings account in person or by mail with a signed withdrawal order. In addition, you can withdraw interest credited, during the current term or at maturity, on CDs in person, by mail or through other electronic facilities. You can withdraw or transfer funds at our HSBC ATMs and other electronic facilities on your checking or savings account. A withdrawal is deemed to be made when recorded on the books of the Bank which is not necessarily the date that the account holder initiated the transaction.

### **Authorized Individuals**

The Bank is authorized to rely upon any document provided by you to the Bank which indicates the person(s) authorized to act on your behalf.

### **Reasons The Bank May Refuse Your Withdrawal Request**

The Bank may refuse to allow a withdrawal from any account in certain cases including, but not limited to, the following cases:

- The Bank decides to require seven (7) days advance written notice and the Bank has not received that notice.
- The withdrawal would consist of money deposited in the form of a check (or money order) that is not available for withdrawal.
- An authorized signer on the account tells the Bank not to allow a withdrawal.
- A court orders the Bank not to allow a withdrawal.
- The withdrawal would consist of money the Bank has taken to pay an overdue debt to the Bank.
- The withdrawal would consist of money the Bank has been ordered to pay or hold for someone else.
- In the case of a Sole Proprietor, an account or CD owner dies, and the Bank has not received all documents required by law.
- The Bank has not received any documents or identification required for access to the account.
- The account or CD is pledged as collateral.
- The account is subject to a Deposit Account Control Agreement or other security agreement.
- The account or CD has not matured.
- Endorsement irregularity or possible forgery.
- There is a dispute regarding the authority of an authorized person to transact business on the account.

### **Transfer Limits (Savings, Including Money Market Accounts)**

Only six preauthorized, automatic, computer or telephone transfers can be made from your savings account to another account in any calendar month. If permitted by your account, checks, drafts, debit card transactions, or similar orders made payable to a third party are included in this limit of six. If you exceed this limit, the Bank may be required to close your account or convert your account to a checking account.

## Funds Transfers

You may transfer funds from your account or receive funds into your account by funds transfer. Service fees may apply to your funds transfers and there are limitations on transfers from certain types of accounts.

## RTP Payments

The following additional terms apply to any real-time payments the Bank sends from, receives for credit to your commercial deposit account through the Real-Time Payments ("RTP") System. The terms "Sender," "Receiver," "Sending Participant" (the sending financial institution), and "Receiving Participant" (the receiving financial institution), "Person," "RTP System," "Payment," "RTP Payment," "Payment Instruction," "Request for Payment" and "Request for Return of Funds." are used here as defined in the system rules governing RTP payments ("RTP Operating Rules"). In addition to the RTP Rules, RTP payments will be governed by the laws of the state of New York, including Article 4A of New York's Uniform Commercial Code.

The RTP System may be used only for eligible Payments between a Sender and Receiver whose deposit accounts are located in the United States. RTP Payments that are permitted under the RTP Operating Rules, and meet the other applicable terms and conditions governing your commercial deposit account and ancillary services implemented in connection therewith, are considered eligible payments for purposes of your Agreement with the Bank.

RTP Payments are typically completed in real time upon the successful transmission of the RTP Payment unless the RTP Payment fails or is delayed or rejected due to a review by either the Receiving, or the Sending, Participant, such as for fraud, regulatory, or compliance purposes and in cases where the RTP Payment is destined for a non-existent or closed account. Transaction limits imposed by the RTP System or Sending Participant may also prevent RTP Payments from being sent from or to your commercial deposit account.

The RTP System is typically available 24 hours a day, 7 days a week, including weekends and state and federal holidays. However, the Bank's RTP Service may be unavailable from time to time, due to scheduled or unscheduled maintenance.

You agree that the RTP Operating Rules and RTP-related terms and conditions herein are applicable to and binding upon you by: (i) sending a RTP Payment from or receiving a RTP Payment to your commercial deposit account through the RTP System, or (ii) following your receipt of a Request for Return of Funds from the Sender of an RTP Payment that you have received, not instructing the Bank to return, or consenting to return, the RTP Payment. If you wish to return a Payment received through the RTP System, please contact the Bank.

Any dispute between you and a Sender must be resolved directly between you and the Sender. The Bank has no responsibility for, and shall not be liable to you in connection with, any dispute between you and a Sender.

The Bank may suspend or terminate your ability to send or receive RTP Payments at any time, including in the event the Bank reasonably suspects you have violated these terms or if you and/or your commercial deposit account become involved in legal proceedings. The Bank is under no obligation to honor, in whole or in part, any Payment Instruction that could violate applicable law, including, without limitation, requirements of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and the Financial Crimes Enforcement Network ("FinCEN").

## Receiving RTP Payments

RTP Payments are final and irrevocable and cannot be reversed by the Sender. However, as set forth in “Requests for Return of Funds” below, a Sender may make a Request for Return of Funds sent through the RTP System.

You may request upon seven (7) calendar days advance written notice to the Bank that all RTP Payments destined to your commercial deposit account(s) at the Bank be automatically rejected and returned to the originator of such RTP Payments, and the Bank shall use reasonable efforts to promptly act upon such instructions but the Bank shall have no liability for not effecting such a request within the seven (7) calendar day notice period.

## Sending RTP Payments

If enabled, you may send RTP Payments from your commercial deposit account by submitting a Payment Instruction through the Bank’s RTP Service located on HSBNet or such other Digital Platforms as the Bank may make available from time to time. Sending RTP Payments may be subject to any additional rules disclosed to you at or before the time of sending the RTP Payment(s). When you submit a Payment Instruction, you will be required to provide the routing transit and account number (or if the RTP network and Bank system allow, an alias) for the Receiver and the amount of your RTP Payment (the “Payment Amount”).

By submitting a Payment Instruction through the Bank’s RTP Service, you represent and warrant that your Payment Instruction complies with these Rules, that you irrevocably and unconditionally authorize the Bank to deduct the Payment Amount from your commercial deposit account, and that the Bank may deduct this amount immediately upon receipt of your Payment Instruction.

You may not send RTP Payments through the Bank’s RTP Service that exceed the RTP Network limit published by The Clearing House in a single transaction from your commercial deposit account. The Bank may establish a lower transaction limit for you and may block any attempted RTP Payment that exceeds the limit. The Bank may adjust your limit at any time in its sole discretion and will notify you in the event of any adjustments to the limits.

## Risk of Loss

Because RTP Payments are irrevocable and cannot be reversed by the Sender, you should only send RTP Payments to Receivers you know. If you receive a Request for Payment through the RTP System, you should always verify that the request relates to a Payment you were expecting to make to the Person who requested payment. If a Request for Payment you receive through the RTP System does not relate to a Payment you were expecting to make to the Person who made the request, please contact the Bank immediately.

If you send a Payment through the RTP System to a Person that you do not know, or you do not verify the identity and legitimacy of Persons who contact you through the RTP System and request payment, you may lose the full amount of your RTP Payment. By submitting a Payment Instruction through the Bank’s RTP Service, you irrevocably and unconditionally authorize the Bank to initiate a RTP Payment relying on the Receiver the routing transit and account number (or if the RTP network and Bank system allow, an alias) you provided.

## Requests for Return of Funds

The RTP System allows Senders to submit a Request for Return of Funds, but the Receiver is not obligated to comply. This could include circumstances in which the Receiver was credited an incorrect amount because the Sender entered an incorrect amount in the Payment Instruction, or a RTP Payment was sent to someone other than intended Receiver because the Sender incorrectly entered the Receiver’s routing transit and account number, or because the routing transit and account number (or if the RTP network and Bank system allow, an alias) provided by the Sender

was associated with someone other than the intended Receiver. If you wish to submit a Request for Return of Funds, please contact the Bank. The Bank cannot guarantee that the funds will be returned in whole or in part and shall have no obligation to make any effort to recover such funds beyond the transmission of the Request for Return of Funds. A Sender may also request that you return funds you received through the RTP System. If HSBC receives such a Request for Return of Funds, the Bank will attempt to contact you, but will have no liability for failing to do so.

## **Requests for Payment**

If enabled, you may use the Bank's RTP Service to submit a Request for Payment, subject to the following terms:

You may only submit Requests for Payment to Persons who: (i) are known to you; and (ii) would reasonably expect to receive a Request for Payment from you.

By submitting a Request for Payment, you represent and warrant that the request is not fraudulent, abusive, unlawful or otherwise inconsistent with the RTP Operating Rules.

You acknowledge and agree that the Bank does not guarantee that the Sender will send payment in response to, or otherwise accept, your Request for Payment.

You acknowledge and agree that the Bank may suspend or terminate your ability to submit a Request for Payment or your access to the Bank's RTP Service in the event that the Bank reasonably suspects you have failed to comply with these Rules in conjunction with a Request for Payment.

## **Fees**

Except as otherwise agreed in writing, the Bank may charge your account for the fees and charges for processing RTP Payments listed in the Terms and Charges Disclosure or other similar fee schedule as the fee for RTP Payment, or as set forth in any other applicable rules, disclosures, receipts, or terms and conditions.

## **Authorization To Pay**

Your instruction to transfer funds from your account to a third party is a "Payment Order". You certify that each payment Order you submit to the Bank is solely for business or commercial purposes and not for any personal, consumer, family or household purposes. The Bank is authorized, at its option, to charge your account in the amount of any Payment Order and to execute a Payment Order, even if the Payment Order conflicts with any other instructions received by the Bank from you or results in an overdraft or payment to or for the benefit of a person authorized by you to sign checks or transfer funds for you. If there are not sufficient available funds in your account, the Bank may, without prior notice or demand, charge any account maintained by you with the Bank or setoff against any amount the Bank owes you in order to obtain payment of your obligations.

## **Security Procedures**

The following Security Procedures are offered by the Bank to each customer for the purpose of verifying the authenticity of a Payment Order or a communication amending or cancelling a Payment Order. The Security Procedures are not used to detect an error in the transmission or content of the Payment Order.

### **Level One Security Procedures**

HSBCnet and HSBC Connect: HSBCnet and HSBC Connect are HSBC Group's secured delivery channels. HSBCnet and HSBC Connect's encryption systems encipher information transmitted from the customer's computer to the Bank. In general, the procedure includes access controls such as an identification code and a confidential password that allows the customer to access the funds transfer system and also includes encryption of a Payment Order during the process of transmission to the Bank. The procedure is more specifically described in the HSBCnet and HSBC Connect customer guides that are available from the Bank.

Authenticated "SWIFT®": The security procedure for authenticating Payment Orders sent through SWIFT is explained in the SWIFT Handbook. Authenticator keys are provided to the customer by the Bank.

## **Level Two Security Procedures**

Level Two Security Procedures may be agreed between eligible customers and the Bank subject to a separate authorization and indemnification agreement and will involve the use of a call-back procedure by the Bank and/or the use of an identification code by the customer (or their authorized users). If the Bank agrees to accept a Payment Order by means other than through HSBCnet, HSBC Connect, or SWIFT, and the Customer communicates a Payment Order to the Bank in writing including via an emailed PDF or telephone facsimile, the Customer has rejected the Level One Security Procedures offered by the Bank and has chosen the Level Two Security Procedures generally described herein, as specified in the separate authorization and indemnification agreement entered into by the Customer and the Bank. Call Back Security Procedures may be used for the purpose of verifying that a Payment Order or other Instructions amending or cancelling a Payment Order were authorized and issued by the Customer.

## **Acceptance Of Security Procedures**

By using any of the Level One Security Procedures, you have accepted as commercially reasonable pursuant to Section 4A-202(c) of the New York Uniform Commercial Code that security procedure as described above or as modified from time to time by the Bank. The Level One Security Procedure will be used for the purpose of verifying that a Payment Order or a communication amending or cancelling a Payment Order was issued by you. If the Bank accepts a Payment Order by means other than through HSBCnet, HSBC Connect, or SWIFT, and you communicate a Payment Order to the Bank in writing, or use the telephone to transmit a Payment Order by fax, you have rejected the Level One Security Procedures offered by the Bank and have chosen Level Two Security Procedures generally described previously, as such procedure may be modified from time to time by the Bank.

This Security Procedure will be used for the purpose of verifying a Payment Order or a communication amending or cancelling a Payment Order issued by you. You acknowledge that the Level Two Security Procedure is commercially reasonable pursuant to Section 4A-202(c) of the New York Uniform Commercial Code.

Whenever a Level Two Security Procedure is used, you agree to be bound by any Payment Order, whether or not authorized, issued in your name and accepted by the Bank in compliance with such procedure.

## **Confidentiality Of Security Procedures**

You and the Bank agree to keep the Security Procedures confidential and shall not reveal them to any person other than authorized users having "a need to know."

## **Authorized Users**

Unless otherwise specified by you in writing, the individuals authorized by you to sign checks on your account are also authorized to issue Payment Orders, cancel and amend Payment Orders, and designate the persons and telephone numbers for use with the security procedure you have chosen.

## **Funds Transfers Fees**

Except as otherwise agreed in writing, the Bank may charge your account for the fees and charges for processing Payment Orders and issuing advices relating to Payment Orders, that may be provided to you at the time of the Payment Order upon request, or listed in the *Terms and Charges Disclosure* or similar fee schedule as the fee for Funds Transfer, or as set forth in any other applicable rules, disclosures, receipts, or terms.

## **Acceptance Of A Payment Order**

A Payment Order must be received by the Bank's "cut-off time" on a Business Day for action on the date of receipt. Instructions received for value on a non-Business Day will be processed on the next Business Day. A Payment Order is

not accepted until the Bank executes it. The Bank reserves the right to reject or delay the execution of a Payment Order under certain circumstances including, but not limited to, the following: (a) if the instructions are incomplete or ambiguous; (b) if there is an insufficient balance of available funds in the account; (c) if any party in the payment order is under restraint or under a regulatory sanction; (d) if a routing system is down and no suitable alternative system is available; or (e) if the Bank believes that the Payment Order may have not in fact been authorized by you.

### **Method Of Execution**

If a Payment Order does not indicate it requires expeditious processing via wire or phone, the Bank may transmit the Payment Order by any reasonable means. Value Dated Payment Orders may be executed by the Bank on the date of receipt, if received prior to the Bank's "cut-off time", unless a future value date is stated in the Payment Order instruction.

### **Amendment And Cancellation**

Instructions requesting cancellation or amendment of a Payment Order must be transmitted to the Bank using the same level of Security Procedure as used for the original Payment Order. The Bank will honor all such properly transmitted requests received and accepted by the Bank's "cut-off time" of 4:00 PM (Eastern Time) on the Business Day prior to the value date, unless agreed with you otherwise in writing. The Bank shall have no obligation to act if the amendment or cancellation instructions are not transmitted to the Bank using the same or higher level of Security Procedures used by the customer for the original Payment Order. If amendment or cancellation instructions are transmitted to the Bank using an appropriate Security Procedure, and are received and accepted after the Bank's cut-off time on the business day prior to the value date, the Bank shall use reasonable efforts to act on such instructions but the Bank shall have no liability if such amendment or cancellation is not effected.

### **Reliance On Identifying Number**

If a Payment Order identifies an intermediary bank, the beneficiary's bank or the beneficiary by name and an account or other identifying number, the Bank may act solely on the basis of such number.

### **Routing Of A Payment Order**

You are responsible for full routing instructions. You agree that in executing any Payment Order the Bank may make use of any correspondents, intermediary banks, agents, sub-agents, funds-transfer and communications systems that the Bank deems reasonable under the circumstances. If a Payment Order designates an intermediary bank and/or funds-transfer system, you agree that, where appropriate, the Bank may select a different intermediary bank and/or funds-transfer system on your behalf and the Bank shall have no liability with respect to such selection. To the fullest extent permitted by law, correspondents, agents, sub-agents, systems or intermediary banks shall be deemed to be your agents and the Bank shall not be under any liability for any errors, negligence, suspension or default of any of them, all such risks being borne by you.

With respect to Payment Orders involving transfers between accounts denominated in different currencies, the Bank may route the payment through an intermediary bank (which may be a member of the HSBC Group). The intermediary bank may (but is not obliged to) convert the payment from the currency of your account to the currency of the account of the beneficiary. If such conversion is made, it will be at a rate (chosen by the intermediary) which will be the prevailing market rate plus a margin.

### **Automated Clearing House (ACH)**

You agree that any rules or regulations of any ACH used to process your funds transfers, including the authorization, notice and disclosure requirements for debiting the account of a third party, shall be fully applicable to and binding upon you and that transfers may not be initiated that violate the laws of the United States. Funds transfers processed through ACH services may only be made pursuant to the applicable terms agreed between you and the Bank.

## **Notice Of Receipt Of ACH Payments, Real Time Payments (RTP) and Wire Payments (collectively, "Funds Transfers")**

Under the operating rules that are applicable to ACH payment transactions involving your commercial deposit account, the Bank is not required to give next day notice to you of receipt of an ACH or a RTP. The posting of such payments to your commercial deposit account(s) will be reflected in the periodic statements the Bank provides to you. The Bank will also not be obligated to notify you each time you are the recipient or beneficiary of an RTP or wire payment, other than to include the posting of such Funds Transfers into your commercial deposit account and on your next periodic statement.

### **Provisional Credit**

Credit given by the Bank to you with respect to an ACH credit entry is provisional until the Bank receives final settlement for such entry through a Federal Reserve Bank. If the Bank does not receive such final settlement, you are hereby notified and agree that the Bank is entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you shall not be deemed to have paid you the amount of such entry.

### **Rejection of ACH Entries**

The Bank may reject any ACH entry that does not comply with applicable laws, regulations or rules, or the Bank's requirements as communicated to you. The Bank shall promptly notify you in the event of an ACH entry being rejected, and no later than the business day such entry would otherwise have been transmitted by the Bank to the ACH in the case of an ACH entry rejection due to insufficient available funds, or in the case of an ACH entry received for credit to an Account maintained with the Bank (an "On-Us Entry") on its effective date. The Bank shall have no liability to you for any ACH entry rejection or the fact that notice thereof is not provided by the Bank to you at an earlier time than stated herein.

### **Cancellation or Amendment of ACH Entries**

You have no right to cancel or amend any ACH entry after its receipt by the Bank. The Bank shall use reasonable efforts to act on a Customer's request to cancel an ACH entry, including each On-Us Entry received prior to the Bank's processing of such ACH entries. The Bank, however, shall have no liability if your request to cancel or amend an ACH entry is not effected by the Bank for any reason whatsoever.

### **ACH Return Items**

Unless otherwise instructed by you and agreed by the Bank, the Bank will debit or credit your Account(s) for items returned through an ACH and forward to you notification thereof. You agree that the rate of return items will not exceed industry standards for such ACH transaction type.

### **ACH Transactions – Direct Payments, Direct Debits**

Where the Bank enables an approved customer to initiate debit/credit instructions for settlement through an ACH using HSBCnet, instructions provided by the customer in a timely manner will be processed electronically by the Bank through an ACH in accordance with the Bank's ACH deadlines. The approved customer represents to the Bank and agrees that each ACH debit and/or credit instruction the customer provides the Bank has been properly authorized by the person whose account is affected in accordance with the National Automated Clearing House Association ("NACHA") Operating Rules and the Electronic Payments Network Operating Rules, and that the authorization is operative through the scheduled date of transmittal of the debit or credit by the Bank.

### **NACHA rules violations**

If a NACHA Operating Rules violation results in a fine being assessed, the Bank has the right to collect the fine by debiting your account. You are accountable and liable for any ACH transaction originated by you that violates the provisions of the NACHA Operating Rules.

### **Daily Settlement Limits (ACH Credit Limit)**

For all ACH related services, excluding ACH - Prefund Credit Origination, you may qualify for an ACH daily settlement credit limit set by the Bank and the total dollar amount of ACH entries submitted to the Bank on any one business day, shall not exceed such ACH credit limit, which may be changed from time to time by the Bank at its discretion, upon periodic review. A "business day" is a day that the Bank is open and operating except for Saturdays, Sundays, and Federal Holidays.

If ACH entries exceed the credit limit, you agree that all ACH transactions submitted for that day may not be processed. If a 'do not process' decision is made by the Bank, you will be notified and may be responsible for re-submitting the ACH transactions.

You authorize the Bank to obtain a credit report on you and verify other financial information with third parties to establish your credit-worthiness in connection with the ACH Service. This information will be used by the Bank to establish the daily

ACH credit limit and you authorize the Bank to report such information for lawful purposes. The total dollar amount of any one business day of ACH entries for each ACH Service shall not exceed the daily credit limit for such ACH Service.

### **ACH Direct Debits - Choice of Law; Debit Authorization**

The Bank may accept on your behalf, direct debit payments to your Account(s) which have been transmitted through one or more Automated Clearing Houses and which are not subject to the U.S. Electronic Funds Transfer Act. Your rights and obligations with respect to such ACH direct debit payments shall be governed by the applicable laws of the State of New York.

You must obtain, retain, and agree to provide the Bank or any receiving bank, upon request, copies of authorizations for direct debits you have obtained in accordance with applicable operating rules and any applicable requirements of Regulation E.

### **ACH Prefund Credit Origination**

Where you do not qualify for an ACH daily settlement credit limit, the processing of ACH credits by the Bank shall be subject to the following pre-requisites. You agree:

- (a) to initiate only ACH credit instructions;
- (b) that the designated settlement account cannot be either a controlled disbursement account or a commercial deposit account that is participating in a service that facilitates the automatic transfer of funds out of such account on a daily basis; and
- (c) that funds to settle the ACH transactions will be held in the designated settlement account on the day prior to settlement and will be deemed unavailable for other transaction purpose.

### **Interest Rates**

Interest rates, compounding periods, balance computation methods, and minimum balance requirements are explained in the *Terms and Charges Disclosures*, similar fee schedule or other applicable terms and conditions.

### **Changes**

The Bank may change the interest rate on deposit accounts, solely at the Bank's discretion, at any time. The Bank will not change the rate on a fixed-rate CD during its term. Current rates are available at your nearest HSBC branch or from your HSBC Relationship Manager or Client Services Representative.

### **When Your Deposit Begins To Earn Interest**

Cash Deposits before the "cut-off time" at your branch (or at an HSBC ATM or electronic banking facility) begins earning interest the same day. Cash Deposits after the "cut-off time" or on a Saturday, Sunday or Federal holiday, begins earning interest the next Business Day.

NOTE:

- 1. Branch "cut-off time" is when it closes
- 2. For ATMs that accept deposits, the "cut-off time" is 10 PM E.T.

### **How Interest Is Paid**

The Bank credits interest to your deposit account monthly, quarterly, semi-annually, annually or at maturity, depending on what kind of deposit account you have. Credited interest will show on your statement. Interest on savings and CDs can be credited to another qualified HSBC checking or savings account you specify.

### **Interest On Certificates Of Deposit**

A CD does not earn interest after the maturity date. However, you will earn interest from the original maturity date on the renewed principal amount if you renew your CD within the grace period as defined in the *Terms and Charges Disclosure* and the renewal date is back dated to the original maturity date.

### **Annual Interest Earned**



If required by IRS regulations based on the interest earned on your deposit accounts on an annual basis, a combined year-end statement will be sent to you by the Bank.

## **More About Your Account**

### **Standard Of Care**

You agree the standard of ordinary care and good faith which the Bank will use in handling your account is to be measured against the practice of other commercial banks similar to HSBC Bank USA, N.A. in size.

### **Balance Information**

Balances may change frequently throughout a Business Day. You hereby waive any claim against the Bank based on representations made by the Bank, either orally or in writing, to you, or your authorized person, or to any other party, regarding balance information.

### **Fees**

You agree to pay and to have your account charged for all related fees incurred by you including, but not limited to, all usual and customary fees that the Bank may, from time to time, charge for any related products and services provided. See your *Terms and Charges Disclosure*, a similar fee schedule or other applicable terms and conditions, for details.

### **Reimbursement Of Bank In The Event Of A Dispute**

You agree to be liable to the Bank for any losses, costs, or expenses (including, without limitation, attorney's fees and court costs) the Bank incurs as a result of any dispute involving your account. You authorize the Bank to deduct any such losses, costs, or expenses from your account without prior notice to you. This obligation includes disputes between you and the Bank involving the account and situations where the Bank becomes involved in disputes between you and an authorized person, or a third party claiming an interest in the account.

### **Lien And Setoff**

You give the Bank a continuing lien on any account or other personal property of yours which is in the possession or control of either the Bank or any of the Bank's affiliates, including, but not limited to, Bank deposits and securities. This lien shall be in the amount of any and all liabilities and obligations that you may owe to the Bank or any of the Bank's affiliates whether such liabilities and obligations exist now or are incurred in the future. You agree that the Bank and its affiliates may offset against your account(s) whether by setoff, recoupment, or by other means available under any applicable law, and may sell your personal property which is not an account, by public or private sale at its discretion, and use the funds in such account or the proceeds of such sale to satisfy such liabilities or obligations whether or not such liabilities or obligations are then in default or subject to a contingency to the fullest extent permitted by applicable law.

### **Periodic Statements And Advices**

Upon receipt of your monthly or periodic statement (which may include a record of transactions and images of cancelled items) or advices, you shall exercise reasonable care and promptness in examining the statement or advice. By using a product or service that does not return copies of cancelled items, you agree that the Bank will hold copies of the cancelled items for you in accordance with the applicable terms of service. You acknowledge that copies of cancelled items held for you are available at the same time as your statement is first mailed, or made available to you, by the Bank. You agree that you cannot make any claim against the Bank arising from your account unless you promptly review your statement, and notify the Bank of any errors, forgeries, or alterations within sixty (60)

days from the date the Bank first mailed, or made available to you, your statement or advice. However, if the error involves an electronic service, refer to the Bank's electronic banking services disclosures for the services you are using. If you cannot balance your statement and do not bring it to the Bank's attention before you receive your next statement, the Bank may charge you an hourly reconciliation fee to locate the error. The Bank may stop sending account statements if you stop using your account or have not given the Bank your current address. If the post office returns as "undeliverable" any statement that the Bank sent you, and if you do not provide the Bank with a correct mailing address, the Bank will retain only images of the statements and enclosures, not the original items, for six (6) years. Copies of your statement are available by request during this six (6) year period in accordance with the Terms and Charges Disclosure or similar fee schedule.

## **Change Of Address**

You (or an authorized person) must notify the Bank promptly of any change of your postal or email address. The Bank may require written notice or written confirmation of this change. All statements and advices will be sent to you by ordinary mail or email, as applicable, at the address last recorded by the Bank.

## **Dormancy And Abandoned Property**

When an account is inactive the Bank follows special procedures.

An account is considered inactive when there is no customer initiated activity AND the Bank does not receive anything in writing from you that indicates that you knew your account exists for at least one (1) year.

When an account subsequently remains inactive the Bank may try to contact you to reactivate the account before your account is classified as dormant. If your account is considered dormant, the Bank may prohibit access to your account until you contact the Bank in person or in writing.

If your account remains inactive and unclaimed by you for the time period required by law, it may then be deemed abandoned. If your account is considered abandoned, the Bank may cease to pay interest on the account, may close the account, and, if required, turn the funds over to the appropriate state abandoned property administrator. The Bank is required to comply with the abandoned property laws of the state of the depositor's last known address on the Bank's records. If the address is outside of the United States, Virginia law will govern.

Consecutive inactivity periods for determining actual requirements to turn funds over to a state vary by the abandoned property laws of the individual states, and by type of account.

There are specific abandoned property laws regarding measurement of inactivity for Certificate of Deposit accounts including rules addressing accounts that automatically renew.

We encourage you to make sure your accounts remain active so you have full use of your accounts and avoid the potential of having your funds transferred to the state as unclaimed property.

At any time after the funds in the abandoned account have been turned over to the appropriate state, the depositor (or other person entitled to the funds) may reclaim this money from the state abandoned property administrator.

## **Tax Forms**

If you are a U.S. person for U.S. tax purposes, U.S. Federal regulations require the Bank to obtain from you a completed IRS Form W-9 (or substitute form) containing your taxpayer identification number (Employer Identification Number or Social Security Number) and required certifications. If you are not a U.S. person, you must provide the Bank with a completed appropriate IRS Form W-8 and any other documentation requested by the Bank. If you do not give the Bank a valid Form W-9, W-8 or other requested documentation, the Bank may not be able to open your account. If your account is opened and the IRS subsequently notifies the Bank to withhold tax, or if your Form W-8 expires or becomes invalid due to a change in your tax status and is not replaced with a valid tax form or if withholding is otherwise required, the Bank will be required to withhold as tax a portion of the amount of interest or other income or proceeds paid into on your account whenever such amount is credited to your account.

## Currency Transaction Reporting

Federal regulations require the Bank to disclose certain transactions involving your account. The Bank may request information from you and disclose information about your account whenever the Bank believes it is necessary or appropriate to comply with those federal regulations. Until you provide sufficient information, the Bank may hold your account or refuse any transaction.

## Information Processing And Sharing

The Bank and the other members of the HSBC Group will process, transfer and disclose customer information in connection with the following purposes ("Purposes"): (a) for the provision of services and to approve, manage, administer or effect any transactions that you request or authorize, (b) meeting compliance obligations (including compliance with law, international guidance and internal policies and procedures), (c) conducting financial crime risk management activity, (d) collecting any amounts due from you, (e) conducting credit checks and obtaining or providing credit references, (f) enforcing or defending our rights, or those of a member of the HSBC Group, (g) for our internal operational requirements or those of the HSBC Group (including credit and risk management, system or product development and planning, insurance, audit and administrative purposes), and (h) maintaining the HSBC Group's overall relationship with you.

By establishing and maintaining a commercial deposit account at the Bank and implementing any related Services, you agree that the Bank may also, as necessary and appropriate for the Purposes, transfer and disclose any customer information to the following recipients globally (who may also process, transfer and disclose such customer information for the Purposes): (a) any member of the HSBC Group; (b) any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers); (c) in response to any requests from any governmental authorities; (d) persons acting on behalf of the customer, infrastructure providers, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, and companies in which you have an interest in securities (where such securities are held by the Bank for the customer); (e) any party to a transaction acquiring interest in or assuming risk in or in connection with your commercial deposit account(s) and related services; and (f) other financial institutions, credit reference agencies or credit bureaus, for the purposes of obtaining or providing credit references;

As the term is used herein, "customer information" also includes information on other persons or entities you provide, or which is provided on your behalf, to any member of the HSBC Group in connection with the provision of commercial deposit accounts and any related services to you. Such persons or entities include, but are not limited to, guarantors, officers or directors, beneficial owners, payees, and representatives or agents. You will ensure that such persons or entities have been advised of and agree to this processing and sharing of such customer information.

## Financial Crime Risk Management Activity

The Bank and the other members of the HSBC Group may take any action they consider appropriate in their sole and absolute discretion, to meet compliance obligations in connection with the detection, investigation and prevention of financial crime. Such action may include, but is not limited to: (a) screening, intercepting and investigating any instruction, communication, drawdown request, applications for accounts and/or services, or any payment sent to or by you, or on your behalf, (b) investigating the source of or intended recipient of funds, (c) combining customer information with other related information in the possession of the HSBC Group, (d) sharing customer information with other members of the HSBC Group and with, or at the direction of, government authorities, and/or (e) making further inquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your identity and status.

Neither the Bank nor any other member of the HSBC Group will be liable to you or any third party for any loss incurred by you or a third party in connection with the delaying, blocking or refusing of any payment or the provision of all or part of any services or otherwise as a result of financial crime risk management activity.

If there is a conflict or inconsistency between these provisions and any other agreement between you and the Bank or another member of the HSBC Group, these provisions will prevail, and these provisions will continue to apply, even after any termination by the Bank or another member of the HSBC Group of any services to you or the closure of any of your accounts.

## **Account Closing**

You can close your account at any time by notifying the Bank during normal business hours. The Bank also has the right to close your account at any time for any reason or no reason. If your account is closed, you remain responsible for any transactions you previously arranged for, including those that arrive after your account is closed and any which the Bank returns unpaid. If the Bank exercises its right to close your account, the Bank will send your final collected account balance, if applicable, and a final statement or notice to your most recent address as reflected in the Bank's records. The Bank may return unpaid any items presented on your account after it is closed.

The Bank may charge you fees shown on the Terms and Charges Disclosure or similar fee schedule.

## **Service**

The Bank may terminate any account related service at any time without notice. If you wish to terminate a service, you shall give the Bank prior written notice of your intention to terminate. Termination by you shall become effective no sooner than five (5) Business Days after the Bank's receipt of the termination notice. The Bank may complete all requests and instructions accepted on the day termination is to become effective.

## **Legal Proceedings**

Unless the Bank receives an order from a court of competent jurisdiction that directs the Bank not to act, the Bank will comply with legal proceedings in any jurisdiction in which the Bank has offices even if the legal proceeding occurs in a jurisdiction where you are not located.

You agree that if you and/or your account become involved in legal proceedings and the Bank receives a legal document or other notice that the Bank believes requires it to supply information on your account, to restrict your account or to pay money from your account, the Bank is authorized to do so regardless of whether you appeared in those proceedings and regardless of whether those proceedings occurred within the jurisdiction where you and/or your account are located. If this occurs, use of your account or services that access your account may become restricted and the Bank may charge you the fee shown on your Terms and Charges Disclosure or similar fee schedule.

## **Limitation Of Claims**

You agree to make any claim or bring any legal action relating to the Bank's handling of your account, in writing, within one (1) year of the date the problem occurred, unless these Rules or applicable law or regulation require earlier action by you. You agree that if the problem involves a series of events, such as a number of forgeries over a period of time, then the date the first event occurred shall be the date by which the period to make any claim or bring any legal action shall begin to run.

## **Limitation Of Liability**

THE BANK ASSUMES NO LIABILITY FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE TO YOU INCLUDING LOST PROFITS WHETHER OR NOT THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. You agree the Bank shall be liable only for damages which are the direct result of the Bank's gross negligence or willful misconduct. If the Bank's conduct results in an inappropriate delay of transfer or withdrawal, the Bank's liability, as liquidated damages and not as a penalty, shall be an amount equal to the interest, at the Federal Funds rate, payable on the amount of the funds which were directed by you to be transferred in the Payment Order for the period of delay.

## **Mandatory, Binding, Individual Arbitration Of Disputes**

This section is an agreement to arbitrate disputes that may arise as a result of the Agreement or the Rules, or that relate in any way to any of your deposit accounts with the Bank ("Arbitration Agreement"). Read this Arbitration Agreement carefully. This Arbitration Agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1-16 (the "FAA"). If a dispute arises that is covered by this Arbitration Agreement, you will be required to resolve the dispute through binding, individual arbitration if you or we request arbitration as set forth herein. This means that you will not be able to have the dispute settled by trial or

before a jury or to participate in a class action in court, or any class action or consolidated arbitration. Other rights that you would have if you went to court may not be available at all or may be significantly limited in arbitration, including your right to appeal.

In consideration for the Bank's willingness to provide you with a deposit account or accounts as set forth in the Agreement and the Rules, you and the Bank agree as follows.

Any claim, dispute or controversy ("Claim") by either you or the Bank against the other arising from or relating in any way to the Agreement, the Rules, or any deposit account with the Bank, except for the validity, scope or enforceability of this Arbitration Agreement, shall, at the demand of any party, be resolved by binding, individual arbitration. However, the Bank will not demand arbitration pursuant to this Arbitration Agreement in connection with any individual Claim that you properly file and pursue in a small-claims court of your state or municipality, so long as the Claim is pending only in that court. Binding arbitration will occur before the American Arbitration Association ("AAA") pursuant to the AAA Commercial Arbitration Rules and Mediation Procedures in effect at the time the Claim is filed (the "Arbitration Rules"). If AAA is unable or unwilling to administer the arbitration, then binding arbitration will occur before such other arbitration service provider as may be approved by the parties or directed by a court pursuant to the FAA. The arbitrator must be a retired judge or an attorney in good standing with at least ten (10) years of experience. Any arbitration proceeding will take place at a location within the federal judicial district that includes the most recent

U.S. Mail address the Bank has on file for you at the time the Claim is filed or at any other mutually acceptable location. Any party to the arbitration proceeding may request that judgment be entered upon the arbitration award in any court having jurisdiction over the arbitration award, and such judgment may be enforced by any court having jurisdiction over that judgment.

A demand for arbitration under this Arbitration Agreement may be made either before or after a lawsuit or other legal proceeding begins. However, any demand for arbitration that is made after a lawsuit or other legal proceeding has begun must be made within 90 days following the service of a complaint, third-party complaint, cross-claim or counterclaim or any answer thereto or any amendment to any of the above.

This agreement to arbitrate Claims includes all controversies and claims of any kind between you and the Bank relating in any way to the Agreement, the Rules, or any deposit account with the Bank, including without limitation application for any deposit account or advertising of any deposit account. It also includes any disputes you have with the Bank's parents, subsidiaries, affiliates, agents, contractors, employees, officers or assignees, as well as any other person with whom you deal in regard to any deposit account with the Bank. The Claims covered by this Arbitration agreement include claims under any legal or equitable theory whatsoever, including without limitation claims based in tort, fraud, statutes or regulations of any kind.

NO ARBITRATOR OR COURT MAY ORDER, PERMIT OR CERTIFY A CLASS ACTION, REPRESENTATIVE ACTION, PRIVATE ATTORNEY GENERAL LITIGATION OR CONSOLIDATED ARBITRATION IN CONNECTION WITH THIS ARBITRATION AGREEMENT. NO ARBITRATOR OR COURT MAY ORDER OR PERMIT A JOINDER OF PARTIES IN CONNECTION WITH THIS ARBITRATION AGREEMENT (EXCEPT FOR JOINDER OF ANY JOINT APPLICANT OR JOINT OWNER OF THE DEPOSIT ACCOUNT AT ISSUE IN THE DISPUTE) UNLESS BOTH YOU AND WE CONSENT TO SUCH JOINDER IN WRITING. BY ACCEPTING THIS ARBITRATION AGREEMENT, YOU AGREE TO WAIVE THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION, REPRESENTATIVE ACTION, PRIVATE ATTORNEY-GENERAL LITIGATION OR CONSOLIDATED ARBITRATION RELATED TO THE AGREEMENT, THE RULES, OR ANY DEPOSIT ACCOUNT WITH THE BANK.

The arbitrator will be required to follow relevant law and applicable judicial precedent to arrive at a decision and shall be empowered to grant whatever relief would be available in court. Where authorized by applicable law, the arbitrator's award may include attorneys' fees. In addition, the arbitrator's award may include other expenses, including, but not limited to, witness and/or expert fees and expenses, at the discretion of the arbitrator, applicable law or pursuant to the Arbitration Rules. You and the Bank both agree that the transactions and relationships subject to this Arbitration Agreement involve interstate commerce and that this Arbitration Agreement shall be governed by and enforceable under the Federal Arbitration Act.

Notwithstanding anything else in the Agreement, the cost of any arbitration proceeding shall be divided as follows:

If you initiate arbitration, you will be responsible for paying one half of the filing fee, when the demand for arbitration is made.

If the Bank initiates arbitration, the Bank will be responsible for paying all arbitration costs.

Additionally, if you believe the cost of arbitration may be too burdensome, you may seek a waiver of the filing fee under the applicable Arbitration Rules. If you seek, but do not qualify for such a waiver, the Bank also will consider a written request from you to advance all or part of the filing fee.

The arbitrator's decision shall become final and binding after thirty (30) days unless any party to the arbitration takes an appeal from the decision by making a written request to the American Arbitration Association. The appeal panel, which will consist of three arbitrators, will consider all factual and legal issues anew, will conduct the appeal in the same manner as the initial arbitration, and will make decisions based on the vote of the majority. We will advance any fees and costs required by the American Arbitration Association to commence any appeal. The appeal panel's decision shall be final and binding.

In the event of a conflict between the Arbitration Rules and this Arbitration Agreement, this Arbitration Agreement shall govern.

Notwithstanding anything else in the Agreement, the Rules or this Arbitration Agreement, this Arbitration Agreement shall not apply to any Claims as to which limitations on class actions or class action or consolidated arbitration are not permitted by applicable law. However, if any other provision of this Arbitration Agreement should be found invalid or unenforceable such a determination shall not affect the enforceability of the remaining provisions which shall remain and continue in full force and effect.

You may contact the American Arbitration Association to obtain information about arbitration, arbitration procedures and fees by calling the telephone number or going to the Internet website indicated below:

American Arbitration Association  
335 Madison Avenue (10th Floor)  
New York, NY 10017-4605  
800-778-7879  
[www.adr.org](http://www.adr.org)

## **Cooperation With Investigation**

You agree, in the event of any claim arising from your account to cooperate and assist both the Bank and any law enforcement authorities in connection with any investigation and prosecution of any suspected wrongdoer. You understand and agree that failure to cooperate may result, in the Bank (at its sole discretion) dishonoring any claim which you have made.

## **Indemnity Against Actions Of Authorized Persons**

In order to induce the Bank to honor requests for services, including but not limited to those enumerated above, you hereby agree to indemnify and hold the Bank, its successors, assigns, correspondents, directors, officers, employees and agents harmless for all losses, costs, damages, expenses (including attorney's fees) and liability for any claim or demand occasioned by or action brought by virtue of any misconduct, negligence, action or omission on the part of any individual who has been listed as a person authorized to act on your behalf in any document provided by you to the Bank.

## **Force Majeure**

The Bank shall not be liable for any loss or damage to you caused by the Bank's failure to provide any service requested by you resulting from an act of God, fire, catastrophe, electrical, mechanical or computer failure, telecommunications failure or failure of any agent or correspondent or any other cause beyond the Bank's control, provided it exercises such diligence as the circumstances may require.

## **Notices**

Any notice we send you will take effect when it is electronically or personally delivered to you or mailed to the last

address we have for you in our records. A notice from you will be considered received when received by the Bank's relevant customer service team and will take effect following the expiration of any notice period that may be specified in any applicable agreement.

## **Changes To The Rules**

The Bank can change these Rules or impose other restrictions on your account, as the Bank deems necessary or appropriate, in the course of its business at any time.

Before the change goes into effect you will be notified:

- either by mail (to the last address we have for you in our records),
- electronically (to the last email address we have for your authorized person(s) in our records)
- by notice on our website ([us.hsbc.com](http://us.hsbc.com)), or
- by a posting in your branch.

Changes to these Rules which are required by law may be implemented immediately or as required by law.

## **Severability**

If any provision(s) of these Rules shall be held to be illegal or unenforceable, the validity of the remaining portions of these Rules shall not be affected.

## **Waiver**

No waiver of any term, provision, or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, will be deemed, or shall constitute, a waiver of any other provision hereof, whether or not similar, nor will such waiver constitute a continuing waiver, and no waiver shall be binding unless executed in writing by the party making the waiver.

## **Quality Control**

You agree that our supervisory personnel may listen to and record telephone calls between you and our representatives in order to evaluate the quality of our service to you and to other customers.

## **Other Terms And Conditions**

Other terms and conditions, not stated herein, but provided to you in writing, may apply to your account and supplement this Agreement. All such other terms and conditions remain in full force and effect and continue to govern your account except as stated in these Rules. The foregoing statement is not intended to act as a waiver of, or exclude any rights available under, federal or applicable state law, including but not limited to those set out in the New York Uniform Commercial Code.

## **Bank Secrecy Act - Regulatory**

### **Reporting Requirements**

As part of the Bank Secrecy Act recordkeeping requirements, the Bank is responsible to obtain, verify and record customer information for certain transactions and report this information to U.S. Government agencies. The information obtained includes, but is not limited to:

- Name and home address (photo identification required) for an individual or Business name and business address.
- Social Security or taxpayer identification number.
- Date of birth for an individual.
- Occupation.
- Information for anyone on whose behalf you are conducting transactions.

The above information may be required when conducting certain cash transactions, including, but not limited to:

### **Currency Transaction Reports**

If you make cash withdrawals, cash deposits, currency exchanges or other payments or transfers with cash, exceeding \$10,000, the Bank is required to complete a Currency Transaction Report.

### **Monetary Instrument Reports**

The Bank reserves the right to obtain identification and additional information from customers who purchase U.S. Dollar Drafts (Cashier's Checks) or Foreign Drafts for any amount.

### **Structuring Transactions**

Any person who conducts or assists in transactions designed to evade U.S. Government reporting requirements,

which may include splitting transactions into smaller amounts, can be subject to criminal penalties, including fines, imprisonment or both.

The Bank complies with recording and recordkeeping requirements under the Bank Secrecy Act including monitoring accounts on a periodic basis for compliance.

The Bank reserves the right to close any account that attempts to avoid these requirements.

## **Bearer Shares**

If you, or a shareholder owning or entitled to any of your issued share capital (whether direct or indirect, legal or beneficial) is a company incorporated in a country that permits the issuance of Bearer Shares, we may request further information and/or assurances from you in order to determine whether we will be in a position to maintain your accounts. You agree to tell us immediately if your company, or any such shareholder in your company, has issued Bearer Shares, or converted any shares to Bearer Shares. You also confirm that you are not prevented by law or regulation from complying with this provision. As used in this provision, the term "Bearer Shares" means shares issued by a company which assigns ownership to whomever has possession of the physical share certificates.

## **Tax Compliance**

You are solely responsible for understanding and complying with your tax and other filing obligations with respect to your U.S. and non-U.S. accounts in all countries in which those obligations may arise. You should consult a tax adviser for more information. You acknowledge and agree that, in order to comply with United States tax laws, the Bank may (i) disclose information about you and your account (including transactional information) to the United States Internal Revenue Service ("IRS"); (ii) request certain documentation (including IRS Forms W-8 or W-9) and additional information from you with respect to your account; (iii) withhold U.S. tax from your account or from payments made to you or your account; and (iv) close your account if you have not provided requested documentation or information.

## **Prohibited Transactions**

The Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA) prohibits any person engaged in the business of betting or wagering from knowingly accepting any payment in connection with the participation of another person in unlawful Internet gambling (a "restricted transaction"). You acknowledge and agree that you are prohibited from processing a restricted transaction through your account or banking relationship with HSBC. Your participation, or attempted participation, in any restricted transaction through your account or banking relationship with HSBC may result in the termination of your banking relationship with HSBC and/or the closure of your account.

## **Waiver Of Trial By Jury**

YOU AND THE BANK AGREE TO WAIVE THE RIGHT TO TRIAL BEFORE A JURY IN ANY ACTION FOR ANY CLAIMS THAT MAY ARISE FROM OR RELATE TO YOUR DEPOSIT ACCOUNT INCLUDING, BUT NOT LIMITED TO, CONTRACT, NEGLIGENCE, USE, ATTORNEYS IN-FACT, RESTRAINT AND EXECUTION.