

HSBC Securities (USA) Inc. maintains a Contingency Planning Policy and Corporate Business Resumption Plan to document its business resumption strategy and crisis management procedures. As part of the Policy /Plan, there are several Management Committees, including a Contingency Planning Committee, consisting of senior executives, who will act as an Emergency Management team in the event of a disaster.

The institution maintains backup data centers and a business resumption site in geographically dispersed zones from our primary data centers and business location. The Plan focuses on the recoverability of mission critical businesses and applications.

The Plan has been developed to prepare for, and recover from, a firm-only business disruption, a disruption to a single building, a disruption to a business district and a city-wide business disruption. It is the intention of HSBC Securities (USA) Inc. to manage the risk exposure of the institution, during the aforementioned disruptions, with a recovery time no greater than six hours. In the event of a regional disruption, processes have been implemented to ensure that key product clearance and settlement capabilities are available in remote locations with separate staff.

Outages involving Retail Branch locations are largely addressed through the routing of telephone calls to other staffed areas, including the Brokerage Division Customer Service. Retail customers have access to all other HSBC Retail Branch locations should their preferred site(s) be unavailable. Location information is available via **us.hsbc.com** or by contacting the Brokerage Division Customer Service at 1-800-662-3343.

Each individual business maintains a documented business resumption plan, that is relevant to the recoverability of that particular unit. Additionally, the Information Technology Department maintains a separate recovery plan that addresses application recovery procedures and testing for all critical applications.

All business units are required, by Corporate Policy, to test their ability to recover their functions at the business resumption site, at a minimum, on an annual basis. Testing is also performed with critical Third Party Service Providers and Exchanges.

HSBC Securities (USA) Inc. is constantly working to improve our capabilities to ensure that our customers continue to receive the service they expect. The plans in place today are designed to mitigate the risks that have been identified through examination of historical events, as well as hypothetical scenarios. However, it is not possible to identify every type of event that might result in a service disruption, nor can we control all of the external sources of information and support needed to run our business (e.g., utilities, telecommunications, mail services, etc.).

The HSBC Securities (USA) Inc. Corporate Business Resumption Plan is subject to modification. Updated Plan disclosures may be obtained by requesting a written copy of the Plan disclosure by mail.