

# Rules For Consumer Deposit Accounts

## Our Agreement

These Rules For Consumer 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 consumer deposit accounts. This agreement does not apply to commercial accounts. The Bank offers a variety of products and services, including checking, savings, money market, certificates of deposit (CDs), and electronic banking services. Any Terms and Charges Disclosure applicable to your account is also a part of the Agreement. By signing a contract to open any deposit account or by using a Bank product or service, you agree that these Rules, as amended from time to time, shall apply to all your deposit accounts. If there is a conflict between these Rules and something one of our employees says, the Bank will follow these Rules. These Bank Rules supersede and replace all prior Bank Rules.

## Governing laws and regulations

These Rules shall be governed by and interpreted according to federal law, and by applicable state law, clearing house rules, ACH rules and general commercial bank practices applicable to the services provided, to the extent not superseded by federal law. The applicable state law (to the extent not superseded by federal law) shall be the law of the state where the deposit account is opened, if opened in person. For deposit accounts opened by telephone or online, applicable New York law will govern to the extent not superseded by federal law.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.

## 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 that opens an account.

What this means to you: If you open a personal account, we will ask for your name, address, taxpayer identification number, date of birth, and other information that will allow us to identify you. Additionally, we will take certain steps to verify your identity, such as asking for your driver's license or other identifying documents or checking other sources.

Be assured that we recognize the importance of protecting your privacy and safeguarding the confidentiality of the information you provide to us.

## Definitions

**Available Balance** – The total funds available for use (withdrawal). This excludes funds from check deposits not yet made available and other credits not yet posted to this account.

**Ledger Balance** – The total of all items posted to your account including those not yet made available for use.

## Checking Accounts

### Types

The Bank offers interest bearing and non-interest bearing accounts to eligible consumers. See *Terms and Charges Disclosure* for details.

### 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.

### Signatures on checks or drafts

The Bank may, in its discretion, return unpaid a check or draft that does not bear a signature reflected on the Bank's records unless you have notified the Bank in advance you want the check or draft to be paid.

### Remotely created checks

If you authorize a third party (other than a "telemarketer" or person engaged in "telemarketing", as those terms are defined in Federal Trade Commission Telemarketing Sales Rule [16 CFR Part 310]) to create a "remotely created check" (as defined in Regulation CC [12 CFR Part 229]) drawn on your account, the Bank may pay it, although it does not bear your signature. While the Bank is authorized to honor such remotely created checks, the Bank is not required to do so and may refuse to honor any such remotely created checks at its discretion. The Bank may return such remotely created checks even if it has honored similar remotely created 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 remotely created checks drawn on your account. You are responsible for reviewing your statement in a timely fashion and reporting promptly to HSBC any claims of unauthorized remotely created checks.

### Overdrafts and overdraft fees

An overdraft occurs when you do not have enough money, or enough available money, in your account to cover a transaction. Your available balance is the amount of funds you have available in your 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. Through our standard overdraft practices, we may authorize and pay overdrafts for checks or preauthorized automatic bill payments. We do not authorize and pay overdrafts for Automated Teller Machine (ATM) or everyday debit card transactions for consumer checking accounts, other than for HSBC Private Banking clients\*\*. 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. We do not charge you an "overdraft fee" (which may also be referred to as "insufficient funds" or "unavailable funds" fee) for authorizing and paying an overdraft.

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 and to apply any later deposits (including direct deposits of social security or other government benefits) to those overdrafts 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, everyday or recurring debit card transactions, pre-authorized payments or transfers, ACH transactions, 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 ledger balance and available balance for purposes of making a decision to dishonor an item for insufficient or unavailable 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.

\*\*To become an HSBC Private Bank customer, you must be invited and reviewed on an individual basis. See your Relationship Manager for details.

## **Excessive Overdrafts**

We reserve the right to monitor your checking account for excessive overdraft use and we may take appropriate action to prevent excessive overdrafts from continuing, including account closure.

## **Payment of your items for your account**

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

Once all items have posted to your account, we start with the ledger balance at the beginning of the day and sort all posted transactions in the following order to determine your end of day ledger balance:

1. Add deposits and credits. (In addition to deposits and credits for the current day, certain electronic deposit and credit transactions that occur after the normal cutoff time, as detailed in the funds availability section below, may also be included, for purposes of the re-sort only).
2. Subtract outgoing wire transfers.
3. Subtract account withdrawals performed at the Wealth Center from lowest to highest dollar amount.
4. Subtract transactions that were authorized based on your available balance at the time you performed the transactions. Transactions will be sorted in lowest to highest dollar amount, regardless of the date the transaction was performed. Transactions include everyday debit card transactions, ATM withdrawals, and online transactions.
5. Subtract all other items in lowest to highest dollar amount.
6. Subtract fees resulting from current day activities (e.g., Monthly Maintenance Fee).

After determining your end of day 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 ledger balance to determine your available balance.

## **Stopping payment**

You can ask the Bank to stop payment on a check drawn on your account in person, by mail, by phone, or through online banking. 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 14 days. Your written stop payment request is good only for six 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 for each stop payment request.

## **Monthly Maintenance Fee (if applicable)**

For purposes of this disclosure, the month for qualifying deposit accounts is the calendar month prior to the assessment of the Monthly Maintenance Fee. Qualifying investment balances are determined on the last Business Day of the calendar month prior to the assessment of the Monthly Maintenance Fee. A calendar month is defined as the period of duration from the first date of one month to the last date of the same month (e.g., the duration from January 1 to January 31), and thus can be 28 (29 during a leap year), 30, or 31 days long. The Monthly Maintenance Fee will be assessed on the second Business Day following the first Friday of the next calendar month. If New Year's Day falls on a Friday, the assessment is delayed by one week.

## **Post-dated checks**

The Bank may pay a check before the date written on it and charge your account without being liable to you. The Bank can also refuse to 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 a check six months after its date. The Bank may pay it, however, and not be liable to you.

## **Interest bearing checking**

The Bank's interest bearing checking accounts are really savings accounts against which you can write checks. The Bank has the right to ask you for seven days advance notice of withdrawal. If the Bank does, the Bank will not be liable to you for dishonoring your checks during the seven-day notice period.

## **Recordcheck® service**

The Bank will keep a record of your cancelled checks instead of providing image copies of the front and back of cancelled checks with your statement. 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 years for accounts at our Washington State Wealth Centers). Copies of your checks are available during the foregoing period in accordance with the Terms and Charges Disclosure.

## **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. This fee is waived if the account is enrolled in eStatements through HSBC online banking. The Bank will hold copies of your checks for six years (seven years for accounts at our Washington State Wealth Centers). Copies of your checks are available during the foregoing period in accordance with the Terms and Charges Disclosure.

## **Important information about consumer 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 consumer 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 consumer 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 consumer 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 10 Business Days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 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 consumer checking account, please contact us at 1-800-975-HSBC (4722). You must contact us within 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 consumer 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 savings accounts that earn a preferred rate of interest as well as regular savings accounts. See your Terms and Charges Disclosure for details.

### **Payment of your items for your account**

We post transactions to your account throughout the day in the order that we receive them. We subtract the amount of any deposit not currently available (refer to the Funds Availability section for more information) and subtract holds from your ledger balance to determine your available balance.

### **Notice of withdrawal**

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 days' written notice prior to withdrawal or transfer of any funds in a savings account.

### **Not transferable**

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

## **Certificates of Deposit**

### **Types**

The Bank offers Certificates of Deposit ("CD") in various products and for various maturities. See your Terms and Charges Disclosure for details.

### **Automatic renewal**

If your CD account is set up to automatically renew, it will renew with the following terms, unless you tell us otherwise before the end of the grace period: (i) at the interest rate and Annual Percentage Yield (APY) in effect at maturity; and (ii) for the same term at which the account was opened, unless a different term was indicated in the most recent renewal instructions provided to the Bank (in which case it will renew for that term). . . 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

If you withdraw principal from your CD before the maturity date, you may be charged a penalty shown on your Terms and Charges Disclosure. The penalty may reduce principal if there is insufficient interest available.

In the past, the Bank has usually permitted CDs to be cashed in before the maturity date, but the Bank reserves the right not to do so in the future. For consumer accounts, the Bank may not assess a penalty if an owner of the account dies or is declared legally incompetent, but the Bank will require proof of death or incompetency before a withdrawal is allowed.

The Bank may, at its sole discretion, close a CD prior to maturity without penalty. In event the Bank closes a CD prior to the maturity date, it will credit the account for the amount of interest that would have been earned during the remaining term in accordance with the applicable Terms and Charges Disclosure.

## Not transferable

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

## Special Deposit Accounts

The Bank offers a number of special purpose accounts, as well as trust, custodial, and fiduciary accounts. A Bank representative can provide details.

### Uniform Transfer/Gifts to Minors Act (UTMA/UGMA)

The custodian of a Uniform Transfer/Gifts to Minors Act (UTMA/UGMA) savings account must agree to comply with all requirements of the UTMA or UGMA law applicable to the account. HSBC shall have no responsibility to ensure the custodian properly complies with these requirements. All funds deposited in the account irrevocably become the property of the minor, and the custodian is to manage the funds only for the use/benefit of the minor. The custodian is required to transfer the UTMA/UGMA account assets to the minor when he/she reaches the age of trust termination as established by State law, or to the minor's estate as appropriate. Only one custodian and one minor are allowed per account. The law imposes certain fiduciary and record keeping obligations on the custodian and requires that interest earnings be reported to the IRS under the minor's Social Security Number. The custodian agrees that HSBC may take action to restrict the account (including limiting access and transactions), and may also communicate with and accept account instructions from the minor once the minor reaches age of trust termination as established by State law. Consult your legal counsel if you have questions about your obligations as a custodian.

## Deposits

### How to deposit

You can make deposits in person or by mail. If you are a consumer, you can also use your HSBC Debit Mastercard® card or ATM card to make deposits at HSBC Automated Teller Machines (ATMs) and certain other electronic facilities. The Bank is not obligated to accept unwarranted substitute checks for deposit. For more information about electronic banking, refer to the Bank's electronic banking services disclosures for the services you are using. Note: HSBC no longer accepts traveler's checks for deposit.

### Direct deposit

You can arrange to have funds, such as your Social Security or other Federal payment(s) and your paychecks, 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. The Bank has the right to endorse items you deposit to your account. The Bank will chargeback to your account any item that is returned for any reason, including endorsement irregularity or forgery.

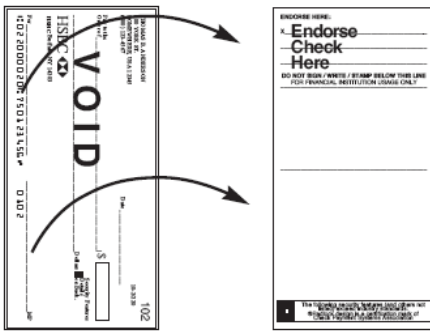
### Third party endorsements

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 ½" 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.

## 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 explains when and how deposits may be made to your certificate of deposit.

## Funds Availability

This disclosure applies to the Bank's consumer checking and savings accounts. The Bank's policy is to delay the availability of funds from your check deposits. During the delay, 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 length of delay 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 Wealth Center in person 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 10pm 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 10pm ET at an HSBC ATM on a Business Day that the Bank is open or you make a deposit on a 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 length of the delay 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 Representatives or at an ATM).
- Funds transfers between HSBC Bank USA, N.A. accounts in the same name, HSBC Global Money Account(s), and HSBC Global Transfers.
- Real-Time Payments the Bank receives for credit to your HSBC Bank USA, N.A. account through the RTP System will typically be available within thirty (30) seconds.

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 that are 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 the deposit in person to one of our employees using a special deposit slip available on request at any Wealth Center, funds from the following deposits are also available on the first Business Day after the day of your deposit:

- State and local government checks that are payable to you.
- Cashier's, certified, and Representative'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." The first \$225 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 on the second Business Day after the day of your deposit.

## 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 \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six 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 generally be available no later than 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, and Representative's checks and 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.

## Transaction Processing Times

The cut-off time for the following transaction types is 10pm ET. This cut-off time impacts the Business Day on which these transactions will be effective and reflect in your ledger balance.

Transaction Type Performed	Where Transaction is Performed
Deposit and Withdrawals	Proprietary HSBC ATMs
Mobile Check Deposits	HSBC Mobile Banking App
Internal Transfers	Telephone Initiated Transfers (automated or staff assisted) Proprietary HSBC ATMs HSBC Mobile Banking App Personal Internet Banking

Except as shown in the chart above, all checks received on a given Business Day up through 11pm PT will be posted for the same Business Day.

## Holds on other funds (check cashing)

If the Bank cashes a check for you that is drawn on another bank, the Bank may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be made available to you at the time funds from the check the Bank cashed would have been available 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 withdraw 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 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, \$225 of a deposit is available for withdrawal in cash on the first Business Day after the day of deposit. Any remaining funds will be available for withdrawal in cash on the following Business Day.

## 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.

## Withdrawals

### How to withdraw

You can withdraw from your checking account by presenting a signed check payable to yourself or to "cash." You can also withdraw from your 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.
- Another owner of a joint account or CD tells the Bank in writing 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.
- 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 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.

## 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. Consumers in the United States who electronically transfer funds to consumers or business recipients in foreign countries are sending a remittance transfer, which has the meaning given in Subpart B of Regulation E (12 CFR § 1005.30, et seq.). If your fund transfer is a remittance transfer, additional rules apply which will be provided in the disclosures the Bank will give you when you use that service.

### Automated clearing house

You agree that any rules or regulations of any automated clearing house ("ACH") used shall be fully applicable to and binding upon you and that transfers may not be initiated that violate the laws of the United States.

### Authorization to pay

Your instruction to transfer funds from your account to a third party is a Payment Order. 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

**Internet Banking:** The Internet Banking security procedures include encryption, a password and a security device or key that allows the Customer to transfer funds and conduct banking transactions as more specifically described in the Terms and Conditions for Personal Internet Banking and the Security Statement available online at [www.us.hsbc.com/1/2/home/personal-banking/pib/pib-tc](http://www.us.hsbc.com/1/2/home/personal-banking/pib/pib-tc).

**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

The Level Two Security Procedures may 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).

#### Acceptance of security procedures

By using any of the Level One Security Procedures, you have accepted 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 Internet Banking, or authenticated SWIFT, and you communicate a Payment Order to the Bank in writing, or use the telephone to transmit a Payment Order orally or 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 may be deemed commercially reasonable pursuant to Section 4A-202(c) of the Uniform Commercial Code unless remittance transfer rules apply. 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 unless remittance transfer rules apply.

## **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 transfer 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, advised to you at the time of the Payment Order, or listed in the Terms and Charges Disclosure 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 mail or by any other reasonable means.

## **Value dated payment orders**

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 Customer 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 unless consumer regulatory restrictions apply. The Bank will honor all requests received by the Bank's "cut-off time" on the Business Day prior to the value date. The Bank shall use reasonable efforts to act on a request received after the Bank's "cut-off time" on the Business Day prior to the value date, unless agreed otherwise in writing.

## **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 unless remittance transfer rules apply.

## **Risk of loss on remittance transfers**

If your transfer is a remittance transfer and your Payment Order includes an incorrect account number or recipient institution identifier, you could lose the transfer amount.

## **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 unless consumer regulatory restrictions apply. 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 unless consumer regulatory restrictions apply.

## **Notice of receipt of ACH payments, Real-Time Payments (RTP) and Wire Payments (collectively, "Funds Transfers")**

Under the funds-transfer system rules applicable to ACH and RTP payments credited to your HSBC consumer deposit account, the Bank is not required to give you next day notice of receipt of such payments. The posting of such payments to your consumer deposit account(s) will be reflected in the periodic statements HSBC provides you. Under the terms of this Agreement, the Bank will not be obligated to notify you each time you are the recipient or beneficiary of a wire payment, other than the posting of such wire payments to your consumer deposit account in 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.

## **Real Time Payments**



## Sending or Receiving RTP® Payments

The following additional terms apply to any real-time payments the Bank sends from, or receives for credit to, your HSBC account through the Real-Time Payments (“RTP”) System. The terms “Sender,” “Receiver,” “Sending Participant,” “Receiving Participant,” “RTP System,” “Payment,” “RTP Payment,” “Payment Instruction,” “Person,” and “Request for Return of Funds,” are used here as defined in the RTP System rules (“RTP Operating Rules”). In addition to the RTP Operating 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, and subject to the rights and obligations of consumers and financial institutions under the federal Electronic Fund Transfer Act, as summarized in HSBC’s Electronic Banking Services Information Statement.

The RTP System may be used only for eligible Payments between a Sender and Receiver whose accounts are located in the United States. RTP Payments that are permitted under the RTP Operating Rules and HSBC’s requirements are considered eligible payments for purposes of your Agreement with the Bank.

RTP Payments are typically completed within thirty (30) seconds of transmission of the RTP Payment by the Sender, unless the RTP Payment fails or is delayed due to a review by either the Receiving, or the Sending, Participant, such as for fraud, regulatory, or compliance purposes. Transaction limits imposed by the RTP System or Sending Participant may also prevent RTP Payments from being sent from or to your HSBC account. HSBC will notify you pursuant to NY-UCC 4-A-404 that you are the Receiver of a RTP Payment by posting the funds to your HSBC account statement.

RTP Payments are irrevocable and cannot be reversed by the Sender. If HSBC receives a request to return an RTP Payment previously credited to your HSBC account the Bank may attempt to contact you, but will have no liability for failing to do so. Any dispute between you and a Sender must be resolved directly between you and the Sender and HSBC will have no liability in connection therewith.

You are not obliged to accept a RTP Payment that is sent to you through the RTP System. If you want to reject one, please contact us at 1.800.975.HSBC (4722). The Bank will attempt to honor such requests, but will have no liability for failing to do so.

By receiving RTP Payments to, or sending RTP Payments from, your HSBC account through the RTP System, you agree that the RTP Operating Rules are applicable to and binding upon you. If you wish to return a Payment received through the RTP System, please contact us at 1.800.975.HSBC (4722).

HSBC may suspend or terminate your ability to send or receive RTP Payments at any time, including in the event HSBC reasonably suspects you have violated these terms or if you and/or your HSBC account become involved in legal proceedings as further set forth in these Rules.

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”).

## How to Send RTP Payments

You may send RTP Payments from your HSBC consumer deposit account by submitting a Payment Instruction through HSBC’s RTP Service located in the HSBC Mobile Banking App, or such other Digital Platforms as the Bank may make available from time to time. When you submit a Payment Instruction, you will be required to select the Receiver from your existing payees and the amount of your RTP Payment (the “Payment Amount”).

By submitting a Payment Instruction through HSBC’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 HSBC account, and that the Bank may deduct this amount immediately upon receipt of your Payment Instruction.

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

The RTP System has a network limit of \$100,000.00 per transaction. HSBC has established lower transaction and daily limits for its RTP Service and may block any attempted RTP Payment that exceeds the HSBC’s RTP Service limit(s). The Bank may adjust the above-described limits at any time in its sole discretion and will notify you in the event we lower the limits. For further information on RTP and the Bank’s current RTP Service limits visit: [us.hsbc.com/rtp](https://us.hsbc.com/rtp)

## 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 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 before sending a Payment through the RTP System, you may lose the full amount of your RTP Payment. By submitting a Payment Instruction through HSBC’s RTP Service, you irrevocably and unconditionally authorize HSBC to initiate a RTP Payment relying on the Receiver Address Information you provided.

RTP payments are not subject to purchase protection. When you send a RTP Payment, you cannot reverse, or dispute, it because you are dissatisfied with the goods or services provided by the Receiver, or because the Receiver failed to deliver goods or perform services, or because you wish to return purchased goods or cancel a pre-paid service.

If you wish to request the return of a Payment you authorized HSBC to send through the RTP System, please contact us at 1.800.975.HSBC (4722). HSBC 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 may attempt to contact you, but will have no liability for failing to do so.

## Fees

HSBC does not charge fees when you send RTP Payments from, or receive RTP Payments for credit to, your HSBC consumer deposit account. However, HSBC reserves the right to do so at a later time, in which case it will provide you with notice prior to charging any fees.

## Interest

### Rates

Interest rates, compounding periods, balance computation methods, and minimum balance requirements are explained in the Terms and Charges Disclosures.

### 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. We will not notify you of rate changes for variable rate accounts. The Bank may change the way the Bank calculates interest on 30 days advance notice.

## When your deposit begins to earn interest

Cash Deposits before the "cut-off time" at your Wealth Center (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. Wealth Center "cut-off time" is when it closes. For ATMs that accept deposits, the "cut-off time" is 10pm ET

## How Interest and APY Work

Annual Percentage Yield (APY) is based on principal and interest left on deposit for a full 365 day year with interest compounded at the same interest rate. Withdrawal of interest will result in a lower Annual Percentage Yield than stated.

For all accounts other than CD accounts, interest begins to accrue on the Business Day the Bank receives a cash deposit or the deposit of a non-cash item (e.g. checks). For CD accounts, interest begins to accrue on the Business Day the account is opened. If you close your account before interest is credited, you will receive the accrued interest.

Interest rates on joint accounts will be determined by the "primary" customer's proposition (Private Bank, Premier, Advance, etc.). The proposition of the "secondary" customer is not considered for pricing purposes even if it's higher than the primary. ("Primary" is the customer's name who is listed first on the account. "Secondary" is the customer's name who appears second, third or fourth on the account). Designation of primary customer is pursuant to account application.

We use the "Daily Balance" method to compute interest on your account. The Daily Balance method applies a daily periodic rate to the principal in the account each day.

## 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 checking, savings and CDs can be credited to another HSBC checking or savings account you specify. The Bank will only credit interest if the accrued interest to be credited is greater than or equal to half a cent, in which case we will round up to \$0.01. Accrued interest of less than half a cent will be rounded down to zero, using standard rounding rules.

## 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.

## Joint Accounts

This is a summary of some of the important legal rules governing your joint account. The law regarding joint deposits is very complicated, and this summary does not try to answer all the questions that could arise. The rules stated in this summary apply to accounts and CDs in the names of two or more persons or the survivor of them.

They do not apply to trust accounts, custodial accounts, "Totten Trust" accounts or any other account that is not a joint account with the right of survivorship.

### Joint ownership of account

All funds deposited in a joint account, including any interest earned, become the property of all joint tenants. Even if only one depositor puts in all the money or puts in more than the other(s), all money on deposit will be owned jointly.

### Right of survivorship

The Bank will assume that when you open a joint account you intend to create a right of survivorship, unless you establish the account under the Bank's procedures for Tenants in Common. A right to survivorship means that if one joint depositor dies, the money in the account belongs entirely to the surviving depositor(s).

### Tenants in common

A joint account may be held as Tenants in Common if when the account is opened the joint owners enter into the Bank's agreement for accounts held as Tenants in Common and designate the percentage of the funds to be paid to the survivor(s) on the death of a joint owner. Until the Bank receives notice of the death of a tenant, all funds in the account may be treated as the property of each of the tenants in common without any limitation.

### Withdrawals from joint account

While all the joint depositors named on the account are living, the Bank will honor checks, other Payment Orders and withdrawal requests made by any one of them, unless the Bank receives a written, signed notice from another joint depositor telling us not to. If the Bank receives such a notice, the Bank may require the signatures of all the joint depositors before the Bank allows any further withdrawals (of principal or interest) to be made from the account.

If the Bank honors a check, other Payment Order or withdrawal request made by a joint depositor before the Bank receives written notice from another joint depositor telling the Bank not to, the Bank has satisfied its obligation with respect to all money the Bank paid or delivered and is not liable to other joint depositors. (Although the joint depositors may be liable to each other for withdrawing more than their shares of the account, the Bank is not responsible for making sure a depositor does not withdraw more than his or her share.)

### Debts owed the Bank and legal process

If one joint depositor owes the Bank money and the debt becomes due, the Bank can use any money in the joint account to pay the debt. Further, if a depositor has an account, in that depositor's name solely, and that depositor owes the Bank money, you agree that any money held in a joint account with that depositor and you may also be used to pay the debt.

If one joint depositor has a judgment or other debt against him or her, the Bank may be required by legal process to pay out money from the joint account to satisfy that judgment or debt. The Bank is not responsible for determining or otherwise claiming funds in your account are exempt from the reach of a third party, unless otherwise expressly required by applicable law.

If one joint depositor overdraws the joint account, you agree that the Bank may use any funds in any other accounts of any joint depositor to pay the debt.

## **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 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 maintenance fees and service 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 products and services provided.

### **Reimbursement of Bank in the event of a dispute**

You agree to be liable to the Bank for any losses, costs, or expenses 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, another joint owner, 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 setoff against your accounts 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 one hundred eighty (180) 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 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 years. Copies of your statement are available by request during this six year period in accordance with the Terms and Charges Disclosure.

### **Change of address**

You (or an authorized person) must notify the Bank promptly of any change of your 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 at the address last recorded by the Bank.

### **Dormancy and abandoned property**

When an account is inactive the Bank follows special procedures, which may result in classifying your account as dormant and prohibiting access to your account until you contact the Bank in person or in writing. If you do not access your account for several years, certain state and/or federal laws compel us to treat your account as abandoned. If your account is considered abandoned, the Bank will be required to turn over (or escheat) the funds in your account to the applicable state (in general, the state of your last known address as shown on the Bank's records). Once we turn over the funds in your account (escheat) to the state, you will need to contact the state to recover your funds. Your account will also generally cease to accrue interest after the account has been escheated.

Actual requirements for deeming accounts to be abandoned property vary by state and by type of account. For example, there are specific abandoned property laws that apply to Certificate of Deposit accounts, including those that automatically renew, and provide when such accounts are deemed abandoned.

We encourage you to have regular contact with your account to avoid the risk that your funds may be transferred to a state as abandoned property. In this regard, we would recommend that you make contact with your account at least once per year. Note that automated transactions that you have previously set up on your account may not constitute contact by you under certain state laws, and therefore you should not assume that automated transactions will prevent the abandonment of your account.

At any time after the funds in your account have been turned over to the appropriate state as abandoned property, you may reclaim the funds from the state abandoned property administrator.

### **Taxpayer identification number**

Federal regulations require the Bank to record your taxpayer identification number (Social Security Number). If you do not give the Bank your number on or shortly after the day you opened your account, federal law requires the Bank to withhold a portion of the amount of interest paid on your account each time interest is credited.

### **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.

## **Power of attorney**

If the Bank receives a power of attorney authorization in a form the Bank determines complies with applicable state law, the Bank may allow the person who you choose ("your agent") to disburse the funds in your account without notifying you. The Bank may refuse to act on your agent's instructions if the Bank, in its sole discretion, deems them to be contrary to the express terms of the power of attorney on file. The Bank may at any time require your agent to attest that the power of attorney is still in full force and effect and to indemnify the Bank for relying in good faith thereon. The Bank is not required to seek the consent of the other persons named on your joint account before acting on your agent's instructions.

The Bank does not have to accept an out-of-state power of attorney or a power of attorney which does not comply with applicable state law.

## **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 ledger 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 a fee in accordance with the Terms and Charges Disclosure.

## **Service**

The Bank may terminate any 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 a fee in accordance with the Terms and Charges Disclosure.

## **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.

## **Internal accounting of balances**

For regulatory reporting and accounting purposes, your checking account may consist of two "sub-accounts" on the books of the Bank. In that event, one sub-account will be a checking account and the other a savings account. The two will be treated as a single account for customer use, and will not affect your Bank statement, your ledger 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.

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 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.

## **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. The foregoing limitation of liability will not apply where expressly prohibited by laws or regulations governing your account. You agree the Bank shall be liable only for damages which are the direct result of the Bank's 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.

## **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's sole discretion, in the Bank 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.

## Controlling Language

English is the controlling language of our relationship with you. As a courtesy, we may make some of our forms, disclosures and documents available in languages other than English. If there is any difference in meaning between the English and non-English version of any of our documents, the English version controls.

## Notices

We will send you any notices concerning your account or the Rules by:

- mail (to the last address we have for you in our records),
- electronically (if we have agreed on this method),
- a message on your account statement,
- a notice on our website (us.hsbc.com), or
- a posting in your Wealth Center.

Any notice we send you will take effect when it is sent or posted by us, unless a different effective date is specified in the notice. A notice from you will be considered received when received at the Bank's Customer Service Department and will take effect following the expiration of any notice period that may be specified in the Deposit Account Agreement.

## Changes to the rules

The Bank can change these Rules or impose other restrictions on your account, as the Bank in its discretion deems necessary or appropriate, in the course of its business at any time. You will be notified of any change in accordance with the Notices section of these Rules.

Changes to these Rules may be implemented immediately or as otherwise 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, may apply to your account. All such other terms and conditions remain in full force and effect and continue to govern your account except as stated in these Rules.

## Bank Secrecy Act - regulatory reporting requirements

As part of the Bank Secrecy Act recordkeeping requirements, the Bank is responsible for obtaining, verifying and recording 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 or Cashier's Checks in U.S. dollars 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.

## 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.