

## Additional terms applicable to PBLU French Branch

### **1. Applicability, interpretation and precedence**

Unless otherwise agreed with you in writing, the General Terms and Conditions (the **Terms**) of the Bank shall apply, as amended and supplemented by these terms (the **Supplement**) to services provided, by HSBC Private Bank (Luxembourg) S.A. (the **Bank** or **PBLU**) and, where appropriate, by HSBC Private Bank (Luxembourg) S.A. French Branch (**PBLU French Branch**) (together, the **PBLU France Services**).

In case of conflicts or inconsistencies between the Terms and this Supplement, this Supplement shall prevail.

Where this Supplement applies:

- i. capitalised terms used in this Supplement shall have the meanings given to them in the Terms, unless otherwise defined herein; and
- ii. the following terms shall have the following meanings:

**"ACPR"** means the French *Autorité de contrôle prudentiel et de résolution*;

**"AMF"** means the French *Autorité des marchés financiers*;

**"Applicable Law"** means Luxembourg law as well as, where applicable, the French Rules and any other mandatory French law provisions;

**"French Rules"** means any applicable French laws, rules and regulations (including for the avoidance of doubt, those implementing MiFID) as well as any decisions, instructions, notices, guidelines, positions or recommendations published by any French competent authority, including the ACPR and/or the AMF, as from time to time in force, inasmuch as they apply to the provision of the PBLU France Services by the Bank and/or the PBLU French Branch;

**"Global Effective Rate"** (*taux effectif global*) has the meaning given to it in article L. 313-4 of the French Monetary and Financial Code (*Code monétaire et financier*);

**"Investment Advice"** has the meaning given to it in article D. 321-1 of the French Monetary and Financial Code, that is providing personal recommendations to a client, either upon its request or at the initiative of the investment firm, in respect of one or more transactions relating to financial instruments or one or several units referred to in article L. 229-7 of the French Environment Code (*Code de l'environnement*); and

**"Usury Rate"** has the meaning given to it in article L. 313-5 of the French Monetary and Financial Code, that is an applicable Global Effective Rate which exceeds, at the time a relevant credit is granted, by more than one third the effective average interest rate used during the previous quarter by credit institutions for transactions on the same kind and involving similar risks.



## **2. Capacity and status of the Bank and PBLU French Branch**

HSBC Private Bank (Luxembourg) S.A. is authorised as a credit institution and subject to the prudential supervision of the *Commission de Surveillance du Secteur Financier* in Luxembourg (**CSSF**) and is allowed to conduct business into France both on a cross border basis and through its French branch.

HSBC Private Bank (Luxembourg) S.A., French branch has its registered address at 38 avenue Kléber, 75116 Paris.

In addition to being primarily supervised by the CSSF in Luxembourg, PBLU French Branch is also subject to the AMF's and the ACPR's supervision.

The contact address of the ACPR is, as of the date of this Supplement, the following:

*Autorité de contrôle prudentiel et de résolution  
4, place de Budapest  
CS 92459  
75436, Paris Cedex 09  
France*

The contact address of the AMF is, as of the date of this Supplement, the following:

*Autorité des marchés financiers  
17, place de la Bourse  
75082, Paris Cedex 02  
France*

## **3. Your client classification**

Unless notified otherwise to you in writing, the client classification notified to you by the Bank in accordance with Clause 55 (*client categorisation*) of the Terms shall apply for the purposes of this Supplement.

## **4. Services and activities of PBLU French Branch**

PBLU French Branch may provide you with the following services:

- (a) Ad-hoc Investment Advice

In principle, PBLU French Branch only provides ongoing Investment Advice to clients having entered into a separate agreement governing investment advisory services. Nevertheless, upon your request, PBLU French Branch may, but is not obliged to, provide you with ad-hoc Investment Advice, i.e. on a transaction-by-transaction basis.

Where PBLU French Branch provides you with such ad-hoc Investment Advice, PBLU French Branch will provide you with non-independent advice (as opposed to independent advice), which means that PBLU French Branch will advise and make a recommendation to you that is based on, and takes into account, limited types of financial instruments, or financial instruments issued by one company or a limited number of companies, and which may have been issued by an entity affiliated with the Bank or which has close legal or economic links to the Bank. PBLU French Branch advice will not be based on every equivalent product within a given product category.

**HSBC Private Bank (Luxembourg) S.A.**

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PBLU French Branch will take the steps required under French Rules to ensure that the advice given is suitable to you, to enable PBLU French Branch to act in your best interests.

It is important that you provide PBLU French Branch with accurate and up-to-date information, in accordance with Clause 5 c) (*client's duty to provide information and other related duties*) to enable us to assess whether the transaction in relation to which the advice is provided is suitable for you. PBLU French Branch is entitled to rely on the information that you have supplied to PBLU French Branch and you represent and warrant that such information is true and accurate for the purposes of any such suitability assessment, unless PBLU French Branch is aware or ought to be aware that this information is clearly out of date, inaccurate or incomplete. If you do not provide PBLU French Branch with the necessary information, PBLU French Branch will not be able to provide you with Investment Advice.

(b) Non-advised transactions

A non-advised transaction is a transaction relating to an investment which PBLU French Branch has not recommended to you. When you wish to conduct a non-advised transaction with respect to a non-complex financial instrument, PBLU French Branch is not formally required to assess whether such transaction is relevant to you and, as a consequence, you will not benefit from the protection of MiFID and of the relevant provisions of French Rules on suitability and appropriateness. Where a non-advised transaction relates to a complex product, PBLU French Branch could, based on the information on your knowledge and experience in the investment field relevant to such complex product you will have previously provided to PBLU French Branch, consider that such product is not appropriate and take one of the following actions:

- accept your order but warn you that such product is likely not to be suitable and that you may expose yourself to risks that you may not be able to assess the impact given your knowledge and experience; or
- refuse to execute your order if PBLU French Branch considers it is not in your interest.

For the purposes of this section 4(b), non-complex products should be understood to be:

- shares in companies, bonds or other debt instruments admitted to trading on a regulated market, an equivalent third country market or a multilateral trading facility;
- money market instruments (excluding those money market instruments that embed a derivative or incorporate a structure which makes it difficult for you to understand the risk involved);
- shares or units of undertakings for the collective investment in transferable securities (**UCITS**) (excluding structured UCITS);
- structured deposits (excluding those structured deposits that incorporate a structure which makes it difficult for you to understand the risk of return or the cost of exiting the product before term); or
- products, other than (a) securities giving the right to acquire or sell any transferable security or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures or (b) derivative instruments, which satisfy the following criteria:
  - o there are frequent opportunities to dispose of, redeem, or otherwise realise the relevant instrument at prices that are publicly available to market

participants and that are either market prices or prices made available, or validated, by valuation systems independent of the issuer;

- the relevant instrument does not involve any actual or potential liability for the client that exceeds the cost of acquiring the instrument;
- the relevant instrument does not incorporate a clause, condition or trigger that could fundamentally alter the nature or risk of the investment or pay out profile, such as investments that incorporate a right to convert the instrument into a different investment;
- the relevant instrument does not include any explicit or implicit exit charges that have the effect of making the investment illiquid even though there are technically frequent opportunities to dispose of, redeem or otherwise realise it;
- adequately comprehensive information on the relevant instrument's characteristics is publicly available and is likely to be readily understood so as to enable the average retail client to make an informed judgement as to whether to enter into a transaction in that instrument.

Complex financial instruments are, notably, derivatives instruments or transactions which embed a derivative, alternative investment funds or private equity funds.

The services PBLU French Branch provides you pursuant to the section 4 of this Supplement form a single service and therefore should not be considered as a package for the purposes of French Rules.

## **5. Fees, retrocessions and inducements**

You will be responsible for PBLU French Branch's fees, in amounts as agreed between PBLU French Branch and you or as notified by PBLU French Branch to you from time to time. PBLU French Branch shall provide you in good time with appropriate information as regards all costs and related charges (including our fees) in accordance with Applicable Law.

Notwithstanding the above, for non-advised transactions, fees will be charged by the Bank in accordance with the Terms.

PBLU French Branch may only pay or accept fees, commissions and non-monetary benefits to or from third parties as long as they are designated to enhance the quality of its service to you and do not impair its ability to act in your best interests.

Details of the nature and amount of any such fees, commissions and non-monetary benefits shall be disclosed to you in accordance with French Rules.

## **6. Communications between PBLU French Branch and clients**

Communications to PBLU French Branch can be addressed as follows:

HSBC Private Bank (Luxembourg) SA, French Branch  
38 avenue Kléber  
75116 Paris



## 7. Complaints by clients

Below are details of PBLU French Branch's complaints handling process which collects feedback on client dissatisfaction in order to respond and find appropriate, personalized solutions.

### Your contacts:

Your private banker is there to listen to you when the quality of our services does not match your expectations.

In the event of disagreement with the response or proposed solution, the client will need to contact the Head of PBLU French Branch:

- **by post:**

Head of PBLU French Branch  
HSBC Private Bank (Luxembourg) SA, French Branch  
38 avenue Kléber  
75116 Paris  
France

- **by Internet:** [www.hsbc.lu](http://www.hsbc.lu) ; link on "How to raise a complaint"

- **or by phone,** toll-free  (1) (2):

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

Any response from PBLU French Branch shall be provided to the client in paper format or, where appropriate, on another durable medium.

Communication between PBLU French Branch and the client concerning a complaint is carried out in French or English.

### **7.1 Different means of mediation**

In the event of a dispute relating to a financial instrument, you have the choice, at your sole discretion, to address, for all or part of the dispute, either to the Ombudsman of the French Banking Federation or to the mediator of the Autorité des Marchés Financiers, this choice being final.

Once the customer has referred the matter to one of the two ombudsmen, he may no longer refer the other mediator, pursuant to Article L.612-2 of the Consumer Code.

#### **a) Ombudsman of the French Banking Federation**

You can contact the Fédération Bancaire Française Ombudsman for free:

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- if the answer provided by the bank is not considered as appropriate;
- or if a written complaint sent to the bank is not answered within a 2 months delay.

**b)** The Consumer Ombudsman may be contacted:

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

Le médiateur auprès de la FBF  
CS 151  
75422 Paris Cedex 09

**- or online on the consumer ombudsman's website**

<https://lemediateur.fbf.fr>

The consumer ombudsman may be called on by any client of the Bank who is a consumer client, not acting for professional purposes, for individual complaints such as:

- services provided and the execution of contracts entered into in the context of banking transactions (accounts, means of payment, loans, etc.) and related transactions (etc.);
- distribution of insurance products.

Disputes relating to the following are excluded:

- management of insurance contracts, since these come under the jurisdiction of the Insurance Ombudsman whose contact details are below:

*La Médiation de l'Assurance*  
TSA 50110  
75441 Paris Cedex 09  
Website: [www.mediation-assurance.org](http://www.mediation-assurance.org)

In the event of a disagreement relating to a financial instrument, you have the choice, at your convenience, of contacting, for part of the dispute or the entire dispute, either the Consumer Ombudsman or the Ombudsman of the French Financial Markets Authority.

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

The AMF Ombudsman may be contacted:

- by post at the following address:

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

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

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

## **7.2 Handling of complaints – Commitments to deadlines**

This complaints handling process includes the systematic recording of the complaint, as well as a commitment to acknowledge receipt within 48 hours and respond within 10 business days, except (a) in complex cases requiring in-depth research, where the Bank undertakes to respond within a period not exceeding 2 months and (b) complaints relating to a payment service as described below.

Furthermore, if the Bank is unable to fully satisfy the client's request, the Bank shall indicate the means of redress available to the client.

### Complaints relating to a payment service provided by the PBLU French Branch

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

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

## **8. Investor protection scheme for PBLU French Branch clients**

PBLU French Branch clients are covered by the Luxembourg investor compensation scheme. For further information, please refer to clause 19.b. (*Deposit guarantee scheme and investor compensation, Investor Protection Scheme*) of the Terms.

## **9. Authorised overdrafts**

The term of overdrafts referred to in clause 24 (Interest) of the Terms shall not exceed a month.

The Bank shall provide you in advance with a detailed fee schedule showing the applicable Global Effective Rate to authorised overdrafts and the Bank shall notify you in advance in case of any change to this Global Effective Rate. In any event, the applicable Global Effective Rate shall not be a Usury Rate. Information on the applicable Usury Rate may be found on the Banque de France website at the following address:

<https://www.banque-france.fr/statistiques/parution-reference-name/taux-dusure>.

## **10. Professional secrecy**

In order for PBLU French Branch to provide you with its services, PBLU French Branch needs to have access to information relating to you held by the Bank (such as personal identification data and details (e.g. name, address, place of incorporation, identity of legal representatives, tax domicile, KYC documentation, etc.), as well as data relating to your business affairs (e.g. data generated by the Bank in the context of the services provided to you, business contacts, portfolio positions, transactional data etc.)) (the Information). You hereby authorize the Bank to share with PBLU French Branch the Information in order to allow PBLU French Branch to provide its services to you.

## **11. Additional amendments to the Terms**

The Terms shall be amended as follows:

- Paragraph 2 of clause 4(a)(i) (*Communications between the Bank and the Client – Communication from the Bank – Correspondence addressed to the Client*) of the Terms shall be amended to read as follows:

*“The client may communicate with the Bank in one of the following two languages: English and French. The client acknowledges that certain documents or information of general nature such as research papers, prospectus, product sheets, etc. may not be available in the communication language agreed with the Bank but may only be available in English. Paragraph 4 of clause 4(a)(ii) (*Communications between the Bank and the Client – Communication from the Bank – Banking statements and other documents addressed to the client*) of the Terms shall be amended to read as follows:*

*“If the Bank receives no written objection within thirty (30) days of the date on which the mails, documents and account statements are dispatched or made available, the transactions mentioned therein are deemed to have been approved and ratified by the client subject to clause 6 below. This time limit shall not apply if the complaint concerns a Bank error. In the case of a payment transaction debited from the client’s account, the provisions of clause 45 shall apply.”*

- Clauses 7 last bullet point and 8(a) of the Terms shall be deleted in their entirety.
- Clause 23 (*Legal actions against the Bank*) of the Terms shall be deleted in its entirety and replaced with the following clause:

*“Legal action against the Bank for breach of contract is statute-barred after a period of five (5) years. The limitation period starts to run on the date on which the client knew or should have known the facts for which the Bank is to be held liable.”*

## **12. Governing law and jurisdiction**

Clause 22 (*Governing law and jurisdiction*) of the Terms shall be replaced in its entirety with the following:

*“All relations between the client and the Bank shall be governed by and construed exclusively in accordance with Luxembourg law, without prejudice however to the application of any French requirements that remain applicable pursuant to the French Consumer Code.*





*For all disputes between the client and the Bank arising out of or in connection with this agreement, the client may bring proceedings before the Courts of Luxembourg or France, and the Bank must bring proceedings before the French Courts."*