

SCHEDULE - PROVISION OF LOCAL BRANCH SERVICES

ITALY



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PREAMBLE

The purpose of this schedule (the “**Provision of Local Branch Services**” or “**Local Branch Schedule**”) is to define the conditions under which the Bank, acting through its Local Branch provides the Local Branch Services to its clients.

For the purposes of this Local Branch Schedule:

- (i) the Local Branch is the Milan branch of the Bank whose registered office is located at Via San Protaso 3, 20121 Milan, registered with the Companies Register of Milan under number, Fiscal Code and VAT Number 10470920967, and
- (ii) the Local Branch Services are:
 - Reception and Transmission of Orders (RTO);
 - Execution of Orders;
 - Dealing on Own Account;

The Parties may agree separately to apply the Local Branch Schedule to some other services. The Client agrees that the Local Branch will not provide it with Investment Advice unless specifically requested.

The Client understands and agrees that the services of Reception and Transmission of Orders (RTO), Execution of Orders, Dealing on Own Account and Investment Advice (if requested), will be always provided by the Local Branch and therefore be subject to the provision indicated under this Local Branch Schedule, unless the Client expresses by its written preference that such Services are provided by the Head Office.

For the sake of clarity, each time that the Local Branch Services are provided, the Agreement will apply as amended under Local Branch Schedule and any provision of the present Agreement which is not supplemented or supplement as per this Local Branch Schedule will be applicable as provided under the Agreement, therefore in case of conflict between the Agreement and this Local Branch Schedule, the latter shall prevail.

ARTICLE 1 - DEFINITIONS

In this Local Branch Schedule, the terms listed below have the following meaning:

Consob

The Italian *Commissione nazionale per le società e la Borsa*.

Dealing on Own Account

Within the meaning of art.1 paragraph 5(a) and 5-bis of the Italian Consolidated Law on Finance, dealing on own account is carried by an investment services provider that enters into transactions in one or more financial instruments against its proprietary capital.

Execution of Orders

Within the meaning of art. 1 paragraph 5(b) and 5-septies.1 of the Italian Consolidated Law on Finance, orders are executed by an investment services provider that enters into agreements with third parties to purchase or sell one or more financial instruments on behalf of a client, including the conclusion of any agreements to underwrite or sell and purchase financial instruments issued by an investment company or a credit institution upon the relevant issuance.

Reception and Transmission of Orders

Within the meaning of art. 1 paragraph 5(e) and 5-sexies of the Italian Consolidated Law on Finance, the reception and transmission of orders includes the activity of bringing two or more clients together in order to allow the conclusion of a transaction between them.

Investment Advice

Within the meaning of art. 1 paragraph 5(f) and 5-septies of the Italian Consolidated Law on Finance, the investment advice includes the activity to provide the client with personal recommendations.

Intermediaries Regulation

Regulation providing implementing provisions of the Italian Consolidated Law on intermediaries adopted by Consob with resolution no. 20307 of 15 February 2018.

Italian Consolidated Law on Finance

Italian Legislative Decree no. 58 of 24 February 1998.

Working Day

Any day during which the Bank's premises are open in Paris, London and Milan for business, as the case may require.

All terms not defined herein have the same meaning indicated in art. 1 of the Agreement, unless otherwise defined under this Local Branch Schedule, provided that the references made thereunder to the provisions of the Monetary and Financial Code shall be read as made to the corresponding provisions of the Italian Consolidated Law on Finance, the Intermediaries Regulation and any other corresponding Italian law provisions as the case may be, as amended from time to time.

Any reference to the "Bank" in the Agreement shall be intended to include "Local Branch".

ARTICLE 2 – PROVISION OF LOCAL BRANCH SERVICES

2.1. The Client is identified either as a Professional Client in compliance with art. 6, paragraph 2-*quinquies* letter a) and paragraph 2-*sexies* letter a) of the Consolidated Law on Finance and its relevant implementing regulations, or an Eligible Counterparty in compliance with art. 6, paragraph 2-*quater*, letter d) of the Italian Consolidated Law on Finance and its relevant implementing regulations and the rules of conduct applied by the Local Branch will be graded accordingly.

Professional Client

Eligible Counterparty

2.2. The Local Branch Services are provided by the Local Branch under the conditions set out in the Agreement, taking into account the specific provisions applicable to them according to art. 2.3 of this Local Branch Schedule.

The services are in any case provided in accordance with the legislative and regulatory provisions in force in Italy, in particular those laid down in the Italian Civil Code, the Italian Consolidated Law on Finance and the Intermediaries Regulation.

2.3. The provision of the Local Branch Services is subject to the application of the following provisions:

- **Execution of Orders and Reception and Transmission of Orders services**

In relation to the application of art. 3.4 of the Agreement, for the purposes of this Local Branch Schedule, the Local Branch may not proceed with the referred assessment of the Client only in case the Transaction or the service in question: (a) relates to a non-complex Financial Instrument, as defined under art. 43 of the Intermediaries Regulation; (b) the service is provided at the initiative of the Client; and (c) the Bank complies with the rules on conflicts of interest. The Client also acknowledges that the failure to perform the assessment leads to a reduction of protection vis-à-vis the client in relation to conduct business rules applicable for the provision of the relevant services by the Bank.

- **Reception and transmission of the client's orders**

For the purposes of this local Branch Schedule and the provision of the Local Branch Services:

- title of art. 5.1 of the Agreement shall be read as "*Conditions for the Reception of Orders*";
- title of art. 5.2 of the Agreement shall be read as: "*Reception of Orders*";
- article 5.3.2 and 5.3.3 shall be read as follows:

"5.3.2. Under the conditions provided in clause 3.4 of this Agreement, the involvement of the Bank in the reception and transmission of Orders shall not involve any appreciation on its part of the opportunity or suitability of the Transaction which shall be at the sole responsibility of the Client.

5.3.3. The Bank recommends that the Client seek information about the operating conditions and mechanisms of Markets on which its Orders will be transmitted and in particular the inherent risks of Transactions carried out on these Markets, considering, in particular, their speculative nature or possible lack of liquidity."; and

- title of art. 5.4 of the Agreement shall be read as: "*Order received on the Internet*".

- **Execution of Orders on behalf of third parties**

For the purposes of this Local Branch Schedule and the provision of Local Branch Services the heading shall be read as Execution of Orders and articles 6.4.1 and 6.4.2 shall be read as follows:

"6.4.1. The Bank shall keep the Client informed of any difficulties in the execution and execution of an Order as soon as it becomes aware of the same."

"6.4.4. If the execution of an Order has not been completed, the Bank shall make its best efforts to contact the Client for the purposes of informing it thereof and indicating alternative means for execution of its Orders."

- **Investment Advice**

For the purposes of this Local Branch Schedule and the provision of Local Branch Services articles par. 8.1 and 8.2 will not apply and shall be replaced by the following:

"The Client has been duly informed regarding the fact and duly acknowledges that:

(a) the investment advisory provided by the Local Branch is provided upon request and it is exclusively non-independent and is provided on a free of charge basis without any additional costs or charges;

(b) the investment advisory provided by the Local Branch is based on a restricted market analysis. Therefore, although the Italian branch assesses the suitability of the advice provided and identifies the Customer's investment goals and needs, it only offers investment advice on limited types of

*financial instruments and does not review the entire marketplace before making recommendations. A list of manufacturers/issuers is available on Client request.
(c) the periodic assessment of the suitability of the recommended financial instruments shall not be provided to the Client”.*

- **Competent supervisory authorities**

In addition to the information set out under art. 12.2.1 of the Agreement, the Local Branch is also subject to the local supervision of the Bank of Italy (address: 91, Via Nazionale, 00184, Rome, Italy) and, having regard to the transparency and fairness of behaviour in the provision of investment services and activities in Italy, to the local supervision of Consob (address: 3, Via Giovanni Battista Martini, 00198, Rome, Italy).

- **Communications**

The Client accepts and agrees that a new clause 12.10.5 will be added after clause 12.10.4 as follows:

“Without prejudice to the unilateral amendments procedure under clause 12.10.4 of the Agreement, the Parties are entitled to mutually agree any amendments to the Agreement to the extent that such amendments are agreed by both Parties in written form via certified email, fax or courier. In such a case, the validity date of the amendments shall be mutually agreed by the Parties.”

- **Term and termination of the Agreement**

The Client accepts and agrees that the last paragraph of art. 12.12.2 of the Agreement shall not apply.

- **Professional secrecy**

In relation to the application of Art. 12.4.1., 1 and 2 paragraph, the Local Branch ensures the application of the duty of confidentiality in the provision of the Local Branch Services, subject to the necessary disclosures to any competent judicial and supervisory authority.

- **Personal data**

All personal data is collected, processed and stored in accordance with *HSBC Privacy Notice* available for consultation at the following address <https://www.business.hsbc.it/en-gb/it/generic/connected-parties> and available upon request at the HSBC branch in Italy or from your usual contact.

- **Record-keeping obligations**

The Client acknowledges that in relation to the provision of art. 12.8.2. of the Agreement the extension of the record-keeping obligations referred thereunder can also be requested by Consob according to art. 94, para. 2 of the Intermediaries Regulation.

- **Complaints**

In relation to the provision of the Local Branch Services, the Client may submit its complaint or request to the Compliant Officer, at the following address: HSBC Continental Europe, Italy, Via San Protaso 3, 20121 Milan or the following email addresses hsbcitaly@actaliscertymail.it or italycomplaints@hsbc.com. A copy of the Bank’s internal complaint handling procedures, detailing the procedures in place to process complaints, shall be sent to the Client upon request and is available on the website: <https://www.business.hsbc.it/en-gb/it/generic/transparency-section>.

- **Signature of the Agreement**

The Agreement and this Local Branch Schedule shall be executed in written form in accordance with the requirements set out under art. 23 of the Italian Consolidated Law on Finance and art. 37 of the Intermediaries Regulation and notwithstanding the provision of the second sub-paragraph of art. 12.12.1 of the Agreement.

- **Applicable law and jurisdiction**

This Local Branch Schedule is subject to Italian law.

In case of any dispute regarding the validity, interpretation or enforceability of this Local Branch Schedule, the Tribunal of Milan shall have exclusive jurisdiction.

Any of the Parties must in any case ensure compliance with the provisions of art. 5, para.1-bis of Italian Legislative Decree no. 28/2010 requiring the execution of a prior compulsory mediation proceeding.

- **Effective Date**

This Local Branch Schedule becomes effective upon the date of its signature by the Client (if classified as Professional Client) or from its receipt by the Client (if classified as Eligible Counterparty).

The Local Branch Schedule may be signed either by electronic signature or in original with handwritten signature.

If signed by electronic signature, the signature must be either an advanced electronic signature (AES) or a qualified signature (QED) pursuant to the EU Regulation No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC, as amended from time to time, and shall have the same legal effect, validity and enforceability as if signed by handwritten signature to the extent and as provided for in any applicable law. For the record, and as required for the reciprocal performance, the Local Branch and the Customer enter into one digital copy of the Local Branch Schedule.

For any general communication in relation to the services provided in light of this Local Branch Schedule, the Client may contact its usual HSBC Continental Europe, Local Branch representative. The communications between the Client and the Bank may also be in Italian. The Client can also send a mail to HSBC Continental Europe, Local Branch Via San Protaso 3, 20121 Milan or an email at: hsbc.milan@hsbc.com.

SIGNATORIES

HSBC Continental Europe, Italy

Client

LEI : F0HUI1NY1AZMJMD8LP67

LEI :

Name :

Name :

Title :

Title :

Signature :

Signature :

Name :

Name :

Title :

Title :

Signature :

Signature :

Pursuant to art. 1341 and 1342 of the Italian Civil Code, the Client confirms that he has carefully valuated and he approves and subscribes the contents of the following articles of the Agreement: **5.1.4, 5.2.2, 5.3.2, 5.4.2, 6.6.2, 12.1, 12.2.2, 12.2.3, 12.2.4, 12.2.6, 12.3.6**

and

the following articles of the Schedule 2: **6.3, 6.15, 7.2, from 11.1 to 11.1.9, from 12.2 to 12.3 and 13.**

Client

LEI :

Name :

Title :

Signature :

Name :

Title :

Signature :