

General Terms and Conditions for the Operation of Customer Bank Accounts, Bank Deposits, Electronic Banking and Other Banking Services for Legal Entities

Information booklet for legal entities.



Publication date: February 2024

Terms stipulated in the booklet may be changed.

For up-to-date and detailed information please refer to www.business.hsbc.am or call us at +374 60 655 200.

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Terms and Conditions

General Terms and Conditions for the Operation of Customer Bank Accounts, Bank Deposits, Electronic Banking and Other Banking Services

General Provisions

1. The General Terms and Conditions for the Operation of Customer Bank Accounts, Bank Deposits, Electronic Banking and Other Banking services (General Terms and Conditions) set forth herein, govern banking transactions between HSBC Bank Armenia cjsc (the Bank, including its successors and assigns) and the legal entity (the Customer, "You", "Your" pronouns refer to the Customer) signing the bank account opening form and such other sample document as may be designed by the Bank for a specific type of service rendered by the Bank. Furthermore, the services defined in these General Terms and Conditions are only provided to the Customers that comply with the following criteria:

a) companies, that have AMD 600.000.000 and more annual turnover based on their financial accounts or other verifiable data for the last financial year (VAT reports; corporate income tax report; etc.); and/or

b) companies, that are borrowers of the Bank; and/or

c) companies, that are related¹ to the companies mentioned in the sub-clauses a) and/or b) of this clause

d) companies, that satisfy to the economic, strategic, as well as requirements of "Know Your Customer".

2. Signature of the Customer under the bank account opening form or other sample document designed by the Bank for specific services shall constitute an acceptance of these General Terms and Conditions herein and other rules and conditions set by the Bank for services, as may be unilaterally amended by the Bank from time to time by notifying the Customer in accordance with the Law or in the manner agreed between the Bank and the Customer and/or through placing a notification on the Bank's web-site or at the premises of the Bank.

3. The sample bank account opening form,

transaction forms and other similar sample documents may be amended by the Bank from time to time. These General Terms and Conditions are deemed to be primary and all the sample forms, documents for dealings on the bank accounts, services, and other mandatory procedures and conditions approved (to be approved) by the Bank shall be applicable as far as they do not contradict these General Terms and Conditions unless such forms, documents, mandatory procedures and conditions provide otherwise.

4. The Bank is entitled to refuse acceptance of documents presented by the Customer for conducting any transaction if the form of such documents (and also the content) differs from the one approved by the Bank or the document has no proper verification acceptable to the Bank.

5. Commission fee will be charged by the Bank for the services rendered to the Customer in accordance with the Bank's Tariff of Charges (for legal entities). The Tariff of Charges is available for the Customers at the Bank's premises and the Bank's web-site (www.hsbc.am). The Tariff of Charges may be amended unilaterally by the Bank by notifying the Customers thereon on the Bank's web-site or at the premises of the Bank. All the charges defined under the Tariff of Charges will be levied in Armenian Drams (AMD). The fees defined under the Tariff of Charges are normally charged from the bank account of the respective transaction, and in case of foreign currency bank account the Bank shall be entitled to convert the respective amount of the foreign currency into AMD at the average rate published by the Central Bank for that currency or the Bank's respective exchange rate and apply the respective charge.

6. The Bank reserves the right to charge from the Customer the expenses of deliveries related to the services.

7. The Bank shall implement duly filed authentic instructions for implementation of transactions and operations presented by or on behalf of the Customer. The Customer shall be liable for any risk, possible losses and expenses resulting from

¹ For the purposes of this point the companies shall be considered as related based on the criteria set forth in article 8 of RA Law "On Banks and Banking activities".

implementation of instructions, and such loss and expenses shall not be subject to compensation by the Bank, nor any of its employees or agents. The Bank shall not be liable for requiring additional information by beneficiary or intermediary bank related to the amount to be transferred in accordance with respective instruction presented by the Customer or for suspending the transfer, and the possible losses and expenses of the Customer resulted thereof

8. All bank account balances and expected funds, deposits, accrued and future interest, banknotes denominated in any currency, securities, bills, gold and other valuables of the Customer held with the Bank shall be deemed to be a security against the liability of the Customer to the Bank which arose with respect to bank account maintenance by the Bank or for any other reason whatsoever (including with respect to interest, commission fees and other charges) and the Bank shall have the right of pledge with respect to the latter. The Customer hereby provides their consent to the Bank to make a set off against liabilities which arose for any of the reasons described above without any acceptance by the Customer and without compiling any additional document, and for that purpose to hold/block the Customer's account(s).

9. The Customer shall not be entitled without the prior written approval of the Bank to assign to other persons any present or future right towards the Bank with respect to any services rendered by the Bank.

10. The Customer shall not be entitled, except with the prior written approval of the Bank, to pledge any expected or current funds or any other valuables held with the Bank.

11. The Bank shall not be held liable for any loss, damage or delay resulting from any actions by state bodies or from force majeure circumstances, including equipment default or any interruption of electricity supply.

12. Any failure or delay by the bank in exercising protection of its interests in its relations with the Customers may not be viewed as a waiver thereof. The rights stipulated hereunder are cumulative and not exclusive of any other rights provided by the law.

13. These General Terms and Conditions are made and construed in accordance with the legislation of RoA. Any relations with respect to

the services stipulated herein and not regulated under these General Terms and Conditions will be subject to the legislation of RoA and where no respective provisions are stipulated under the legislation – to the business practice. Any disputes arising between the Bank and the Customer are subject to the jurisdiction of the courts of RoA. The Armenian version of the General Terms and Conditions prevails over the English version.

14. The Bank in accordance with the legislation of RoA shall be entitled to provide without prior notice to the Customer information about the Customer to other banks, credit organizations and credit bureaus at the latter's demand or at its own initiative.

15. The Customer undertakes to provide the required information in form required by the Bank, with appropriate certification if necessary and to inform the Bank in case of any change in the information provided and to provide respective documentation in this regard. The Customer authorizes the Bank to use and process the data of the Customer for the purpose of rendering services. The Customer authorizes the Bank to use and process the data of the Customer for the purpose of rendering services. The Bank shall be entitled to use the Customer's electronic mail address, mobile phone number and other communication details for the purpose of sending to the Customer informative and advertising materials related to the services rendered by the Bank. The Customer hereby agrees, that for the purpose of processing the Customer's data the Bank may use the services of HSBC Group member or other companies and shall be entitled to transfer to the latter's such data. The Customer's data shall be protected in accordance with privacy and security procedures of HSBC Group irrespective of whether such data is processed in or outside the territory of the Republic of Armenia and may be used only according to the instructions of the Bank. The Bank shall be liable for any losses incurred by the Customer if such losses result from negligence/breach of data protection privacy and security standards by these companies.

The Customer hereby agrees, that the Bank shall be entitled to collect the Customer's data and provide to HSBC Group member companies and foreign competent authorities for the purpose of ensuring financial crime risk management activity and tax compliance obligations. The procedure and terms of collection and usage of subject information is stipulated in a document " Collec-

tion and use of Customer information (Financial crime risk management and tax compliance) - terms and conditions", which is attached to these General Terms and Conditions and makes inseparable part thereof.

16. The Customer authorizes the Bank without prior notice to the Customer and at its sole discretion to provide its data to the companies cooperating with the Bank as well as organizations within HSBC Group for offering services to the Customers, improving the services provided to the Customers or other purposes.

17. According to Bank's principles, internal regulations and Law of RoA "Combating money laundering and terrorism financing" the circulation of proceeds of criminal activity through banks is forbidden. In view of the above provisions of the Law and pursuant to requirements of money laundering legislation/regulations and internationally accepted practice, where any suspicions arise the Bank reserves the right to make any inquiry at its sole discretion on the source of any funds credited to, being credited by/in the name of the Customer, as well as on any amount being debited from the customer's account or from the name of the Customer. Respectively, the Bank may request to submit sufficient evidences of the lawful origin of funds. The Bank shall be entitled to block the questioned funds and/or suspend the use and/or disposal and/or possession of funds during such time until presentation of sufficient evidence. The Customer agrees to indemnify the Bank against any losses and claims in connection with the above. The Customer acknowledges and agrees that the Bank is obliged to comply with the requirements of the laws and other legal acts, as well as those of law-enforcement bodies which refer to the prevention of terrorism financing. Neither the Bank, nor any other company acting as a counterparty of the Bank, is liable for any direct or indirect loss incurred by any person (including the loss of anticipated income or interest payment) if such loss resulted fully or partially from fulfillment by the Bank of the requirements related to combating money laundering and terrorism financing. Pursuant to Bank's internal regulations and/or legal acts of RoA on preventing money laundering and terrorism financing, the Bank shall be entitled to reject the processing of the transaction of the Customer or the establishment of business

relationships or terminate the existing relationships with the Customer.

18. Where any suspicions arise as to the authenticity of any documents, as well as Powers of Attorney (including certified by Notary Public) issued by the Customers in favour of third parties presented to the Bank for transacting with the Bank and/or receiving other services rendered by the Bank, the Bank shall be entitled to send such documents/Powers of Attorney to the respective.

19. The procedure of communication and implementation of transactions through Internet, telephone/facsimile is stipulated in separate documents/procedures agreed between the Bank and the Customer, which shall be applied in addition to these General Terms and Conditions.

20. In case if the Customer is in breach of any of the terms of these General Terms and Conditions or any existing contractual obligations with the Bank, the Bank is entitled to unilaterally cease the business relationships with the Customer, terminate the respective agreements and close the Customer account(s) held with the Bank by further informing the Customer.

21. If you, or a shareholder owning or entitled to 10% or more of your issued share capital (whether direct or indirect, legal or beneficial) is a company incorporated in a country that permits the issuance of Bearer Shares², you confirm, and also confirm on behalf of any such shareholder in your company, that neither you nor such shareholder has issued any Bearer Shares and agree that neither you nor such shareholder will issue or convert any of your shares, or such shareholder's shares (as the case may be) to Bearer Shares without obtaining our prior written consent. You agree to tell us immediately if your company or any such shareholder in your company has issued Bearer Shares. You also confirm that you are not prevented by law or regulation from complying with this section.

22. By signing these General Terms and Conditions and/or the bank account opening form, You give your consent to the Bank to provide required information on opening or closing bank accounts with the Bank, as well as other information as stipulated by the law or legal acts to RA tax authorities in cases and in accordance with RA legal acts.

² "Bearer Shares" are shares issued by a company which assigns ownership to whomever has possession of the physical share certificates.

Bank Account

1. These conditions apply to all bank accounts of the Customer with the Bank irrespective of the currency and type of the bank account. The list of documents required for opening a bank account by the Customer is defined by the Bank and may be amended from time to time. Time periods for implementation of transactions are defined by the Bank unless otherwise provided under these General Terms and Conditions, other documents approved by the Bank or legal acts.

2. For specific types of bank accounts, the Bank may at its discretion provide the Customer a cheque book. The Customer shall exercise due care when drawing any cheque and shall be bound by the conditions as may be amended by the Bank from time to time.

3. The Bank will provide to the Customer statement for bank accounts in the manner and frequency agreed with the Customer. Information reflected in the statement shall be deemed to be a valid notice of transactions conducted on the bank account. It is the responsibility of the Customer to check the accuracy of the statement and notify the Bank of any errors therein within 30 days of the date of such statement. The Bank shall not be held liable for any losses incurred by the Customer due to errors, theft, loss or for disclosure of information which may arise in connection with the postal delivery of the statements.

4. The Bank shall be entitled without further authorization of the Customer or prior notification to the Customer to debit from the bank account all taxes subject to levy by the Bank in accordance with the legislation of RoA.

5. Customer account(s) with the Bank which are held with less than AMD 5 000 000 in aggregate average quarterly balance at any given time within 3 uninterrupted months may be closed at unilateral decision of the Bank.

Customer account(s) with the Bank which are held with zero balance at any given time within 3 uninterrupted months may be closed at unilateral decision of the Bank.

Customer account(s) with no customer generated transactions within 12 uninterrupted months may be closed at unilateral decision of the Bank.

In this context the service charges and other mandatory fees charged by the Bank are not

considered to be customer generated transactions.

The Customer agrees that in case an instruction is not presented to the Bank to transfer the monies available in the accounts at the moment of closure to other bank accounts, those monies shall be received in cash.

6. Deposits and withdrawals may be made at the Bank subject to availability of satisfactory evidence of identity and authorities of the Customer's representative acceptable to the Bank.:

7. Conversion from one currency to another shall be made at the Bank's respective exchange rate as regularly defined by the Bank. By giving a respective instruction to the Bank for effecting a transfer from a bank account in one currency to a bank account in another currency, the Customer undertakes and confirms that he/she agrees to the conversion of currency at the exchange rate defined by the Bank.

8. The Customer agrees that the Bank is entitled to make a currency conversion transaction at the exchange rate defined by itself in order to credit the Customer's respective bank account with amounts transferred/paid in favour of the Customer in other currency.

9. The Bank is authorized to debit the bank account of the Customer for all cheques, payment instructions duly signed in accordance with the current signing authority provided to the Bank on signature card or other forms accepted by Bank.

10. The Customer agrees to indemnify the Bank against any expenses and losses incurred by the Bank with respect to implementation of Customer's instructions and the Bank shall be entitled to debit the Customer's bank accounts with any such amounts.

11. The Bank shall accept the payment instructions on the days and at the time defined by itself. The payment instructions received on any other day and at other time during the day shall be deemed to be received on the next working day following the day of receipt. For processing the payment instructions, the Bank shall be entitled to request from the Customer additional information/approval related to the instruction and shall process the Customer instruction only upon receipt of such information/approval. If it is not possible to receive the additional information/approval from the Customer the Bank reserves the right to decline to process the Customer

instruction. The Customer shall be advised on non-acceptance of the payment instruction verbally and/or in writing. The bank is not obliged to notify the Customer on receipt of payment instruction on payment of funds to the Customer.

12. Acting only as the Customer's collection agent, the Bank may agree to accept, but without assuming any responsibility for their payment, cheques, bank drafts, and similar payment instruments drawn or endorsed in favour of the Customer for deposit to bank account provided they are made out in favour of the Customer or endorsed to their order. For this purpose, the Bank's offices, correspondents or other agents appointed by the Bank shall be deemed to be the Customer's agents.

13. The Bank or its agents shall not be held liable for the loss, damage or dishonor of a cheque or other instrument or for the failure to credit, late payment or presentation, validity, any delay in crediting the bank account or non-payment and return of cheques, payment instructions, bank drafts or other instruments through the fault of the Customer. The Bank or its agents shall not be held liable for any loss of the Customer due to suspending the transfer of funds or freezing the funds transferred based on the Customer's payment instructions in accordance with the legislation of foreign states. The Bank or its agents shall process all transactions on best effort basis in compliance with local regulations.

14. Proceeds of cheques or other instruments shall be available for withdrawal by the Customer within one month after collection of the amounts of cheques or other instruments by the Bank.

15. The rate of interest payable on respective bank account shall be displayed at the Bank's branches, the Bank's web-site and/or publicized in any other way and may equal 0% (the term deposit accounts are regulated separately based on respective agreement). Interest accrued on any bank account are paid in Armenian Drams or in the currency of the bank account.

16. The Bank shall have the right at any time to use the funds available on the bank accounts of the Customer with the Bank (irrespective of the currency) for the satisfaction of any indebtedness of the Customer to the Bank irrespective of currency and its legal ground, as well as charge/record the amount of Customer's indebtedness from/on respective bank account of the Customer. For the purposes of such charge, the Bank

is authorized, if necessary, to exchange various currencies available on different bank accounts of the Customer at the exchange rate defined by the Bank for the respective currency and charge the respective amount. The Customer hereby agrees, that for the purpose of satisfaction of any indebtedness of the Customer to the Bank (irrespective of the currency and its legal ground) the Bank may request other banks operating in territory of the Republic of Armenia to debit the amounts of Customer indebtedness from the Customer bank accounts with those banks and transfer these amounts to the Bank.

17. In the event of dissolution, insolvency or bankruptcy (or other analogous, event or proceedings) of the Customer the Bank shall not be liable for any dealings on the bank account unless and until the Bank has received written notice of the same together with other satisfactory documentary evidence as determined by the Bank. In case of receiving a valid notice, the Bank shall suspend all dealings on the bank account until a duly authorized representative has been suitably empowered to deal with the bank account.

18. The Customer may close the bank account by giving prior written notice at any time to the Bank after payment of all money due to the Bank at the time of such closing of the bank account. The Bank may terminate or suspend the transactions with the bank account in the manner stipulated in the RoA legislation and legal acts, based on the decisions of RoA competent authorities without sending a prior notice to the Customer or presenting a justification. The Bank shall have the right to close the bank account of the Customer at its discretion, if the legal acts or conditions set forth herein have been breached by the latter.

19. Any written demand or communication of the Bank shall be made in the manner and based on contact details agreed with the Customer. In case of sending notifications via post or document delivery service the Customer will be deemed to be duly advised. The Customer's failure to receive the Bank's notification shall not be qualified as non-performance or improper performance of notification obligations of the Bank. If the Customer is not available at the address mentioned by himself/herself, the Customer herewith agrees and instructs the Bank to pass the information sent to that address via post mail to third parties at that address and also undertakes not to make claims against the Bank in this regard. The Cus-

customer shall advise the Bank without delay of any change in address, residency status, and/or in the information and documents submitted to the Bank. If the Customer fails to advise the Bank on any such change the Bank shall not be liable for any loss incurred by the Customer as a result of making transactions with bank account based on the documents/information available at the Bank.

Bank Deposit

The conditions set forth herein govern the relations between the Bank and the Customer signing any sample bank deposit (hereinafter also the Term Deposit) opening form approved by the Bank in addition to the provisions related to bank accounts. The rate of interest payable on bank deposits shall be displayed at the Bank's branches, at the Bank's web-site and/or in any other way. The interest rate defined by the Bank at the moment of opening of a term deposit shall remain unchanged during the entire period of the deposit agreement unless provided otherwise for particular types of deposits. Any interest payable on the deposit shall be paid in Armenian Drams or in the currency of the deposit. The interest on the Term Deposit is payable upon the maturity or as otherwise agreed. The Bank shall accrue interests on the Term Deposit from the day of its crediting at the Bank until the day preceding the Deposit payment to the Customer. Interest is calculated daily on the basis on 365/366 days calendar year.

1. Interest paid to customer/depositor against the Term Deposit is subject to tax according to legislative regulations of RA.

2. The Term Deposits placed by the Customer/Depositor shall be repaid upon their maturity and are paid to the same account where initially debited. If the respective account is closed, then the Deposits are paid to another account of the Customer in the same currency as the Deposit.

3. A premature withdrawal of the Deposit may be made only at the consent of the Bank.

4. In case of early termination of the Term Deposit agreement at the demand of the Customer or due to other reason beyond the control of the Bank the interest payable to the customer shall be calculated as follows:

1. In case of Standard Time deposit at one hundredth portion of the Term Deposit interest.
2. In case of Term deposit with interim interest repayment
 - Where the Term Deposit is withdrawn earlier than after one month, the interest payable to the Customer shall be calculated at one hundredth portion of the Term Deposit interest,

- Where the Term Deposit is withdrawn after one month, the interest payable to the Customer shall be calculated at the rate applicable to one-month deposits effective at the moment of such withdrawal. The difference between paid interest and recalculated interest is subject to deduction from the principle amount of term deposit.

5. Term deposit placement instructions can be submitted both in hard copy at the Bank's Branches and via HSBCNet system (Bank's Online Banking system).

Term deposit placement instructions submitted via HSBCNet system's "Priority Payment" instruction shall include the following data and terms:

- The amount and the currency of the Deposit
- Annual interest rate
- Term of the Deposit
- Deposit type (Standard Time Deposit or Time Deposit with interim interest payments)
- Deposit renewal option after maturity of the specified period (no renewal, only deposit amount renewal or deposit amount and accrued and paid interest renewal)
- Deposit interest payment currency (in the currency of the Deposit or in AMD) and account number of the Customer. (either deposit currency account or AMD account)

Term deposit amendment and withdrawal instructions submitted via HSBCNet system's "Message Centre-Create new request" instruction shall include the following data and terms:

- Term Deposit account number
- Term Deposit amount and currency
- Deposit payment account and interest payment account

If any term or data as stipulated above is missing or incorrect, the Bank has the right to reject the application. If the deposit placement instruction is presented in compliance with the above-mentioned terms, the Bank shall open the requested Term Deposit within 1 Banking day.

The deposit agreement will be signed after dispatching the deposit placement instruction and its confirmation by the Bank.

Electronic Banking Services

1. The conditions set forth herein govern all transactions effected by the ATM Card (the Card) issued by the Bank to the Customer.

2. The Card shall be provided to the Customer after acceptance of the terms specified herein and submission of the ATM Card order form by the Customer. For the purpose of providing ATM Card, the person(s) mentioned in the Customer's application (hereinafter referred as the Authorized Cardholder/Cardholders) is/are authorized to receive the Card(s) on behalf of the Customer, which will allow the Authorized Cardholder/Cardholders to make encashment of the funds available on the Customer's bank account and other transactions provided for the Card. Each Authorized Cardholder is entitled to apply to the Bank to cancel the Card issued on his/her name in accordance with the terms defined in the Customer's Card application.

3. The Authorized Cardholder shall dispose the funds available in the Customer's bank account by the Card in accordance with these General Terms and Conditions, as well as the overdraft funds provided by the Bank (if applicable).

4. The transactions made by the Card shall only be carried out by use of Personal Identity Number (PIN), which is considered as proper authorization of ATM Card transactions.

5. The transactions processed by the use of the Card shall be reflected in the bank account statement provided by the Bank to the Customer, which shall be provided to the Customer in accordance with the application - instruction on communication order between the Bank and the Customer. The transactions made by the Card through the bank account shall be carried out in accordance with "Bank Account" section of these General Terms and Conditions. The Card shall remain the property of the Bank, and the Customer shall surrender the Card to the Bank immediately upon request. The Bank may withdraw at any time all rights and privileges of the Customer pertaining to the Card. The Bank's record of transactions processed by the use of the Card shall be deemed to be a documentary evidence of the transactions.

6. The Cardholder may perform the following transactions by the use of his/her Card - encashment, transfers to the accounts maintained by the Bank, as well as the following activities

- checking the account balance, PIN changes, printing of statements on preceding several transactions and checking of account turnover.

7. The Bank shall debit the Customer's bank account with the amount of any encashment or transfer effected by use of the Card. Transactions in foreign currencies shall be effected at the exchange rate as determined by the Banks involved in the transaction (including intermediary banks) on the day of such transaction.

8. The Bank shall debit the Customer's bank account with all expenses related to the issuance, maintenance of the Card, as well as fees related to Additional Card and, if necessary, any replacement thereof.

9. The Bank may charge commission for encashment through ATMs, the amount of which shall be defined by the Bank in its Tariff of Charges.

10. The ownership of the Card belongs to the Bank and shall be returned to the Bank at the latter's request. The Customer agrees that the Bank shall have a right to cancel the Card at any time with a further notification to the Customer. In such cases the Cardholder shall return the Card to the Bank for destruction or destroy the Card himself/herself following the Bank's instructions.

11. The Customer shall bear all risks related to the Card and PIN, and the Bank shall bear no liability whatsoever for any loss/damage arising from the use of the Card and PIN however caused unless the cause is the result of an act or error of the Bank.

12. The Customer shall at all times remain liable for any transactions made by use of the Card and shall indemnify the Bank for all loss/damage however caused by unauthorized use of the Card or PIN. The Customer shall promptly advise the Bank on termination of employment relationship/agreement with the Authorized Cardholder (Cardholders), as well as on any other circumstance which may restrict the implementation of transactions through the Card by the Authorized Cardholder/ Cardholders. The Bank shall bear no liability whatsoever for any loss/damage arising from the use of the Card in cases when the Customer fails to provide the above-mentioned information to the Bank.

13. The Card shall be provided to the Cardholder for indefinite term. The Card shall be reissued after making the payments stipulated in the Bank's Tariff of Charges.

14. The Customer shall exercise due care to prevent the Card and details of the PIN being lost or stolen and shall notify the Bank immediately and confirm any loss or theft. The Bank cannot be held responsible in case of a lost or stolen card/PIN is used prior to receipt of notice of loss. The Bank's ATM or PIN use security rules are available in Security rules for using ATM and Credit Cards section and in branches.

15. In case of detecting unauthorized transactions by the Card or Additional Card the Cardholder/Customer shall be obliged to immediately notify the Bank thereon.

16. The disputes and investigations related to ATM Card transactions shall be handled in accordance with the Bank's Security Rules on ATM or Credit Card use.

17. The Customer/Authorized Cardholder shall not provide the Card and the PIN to any other persons and shall always follow the Bank's Cards' Security Rules.

18. The Bank shall not be liable for any loss or damage of the Customer/Cardholder arising directly or indirectly from any malfunction/failure of the Card or ATM, temporary insufficiency of funds in such machines or other similar reason (irrespective of the fact which bank appears to be the owner or lessee of the subject ATM).

19. The Card shall be immediately returned to the Bank in the event of the Authorized Cardholder's death, closure of the Customer's bank account, termination of activities with the Customer, insolvency or bankruptcy (or other analogous event or proceedings) of the Customer.

20. Use of the Card in cases of making any change to these General Terms and Conditions will constitute acceptance without reservation by the Customer/Cardholder of such change.

Appendix 1

Capitalised terms used in these Terms shall have the following meanings, unless the context otherwise requires:

Definitions

“Authorities” means any judicial, administrative or regulatory body, any government, or public or government agency, instrumentality or authority, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any agents thereof, having jurisdiction over any part of HSBC Group.

“Compliance Obligations” means obligations of any member of the HSBC Group to comply with:

- a) any applicable local or foreign statute, law, regulation, ordinance, rule, judgment, decree, voluntary code, directive, sanctions regime, court order, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to HSBC or a member of the HSBC Group (“Laws”), or international guidance and internal policies or procedures,
- b) any valid demand from Authorities or reporting, regulatory trade reporting, disclosure or other obligations under Laws, and
- c) Laws requiring HSBC to verify the identity of our Customers.

“Connected Person” means a person or entity whose information (including Personal Data or Tax Information) is provided by, or on behalf of, the Customer to any member of the HSBC Group or otherwise received by any member of the HSBC Group in connection with the provision of the Services. In relation to the Customer, a Connected Person may include, but is not limited to, any guarantor of the Customer, a director or officer of a company, partners or members of a partnership, any “substantial owner”, “controlling person”, or beneficial owner, trustee, settler or protector of a trust, account holder of a designated account, payee of a designated payment, representative, agent or nominee of the Customer, or any other persons or entities having a relationship to the Customer that is relevant to its banking relationship with the HSBC Group.

“Controlling Persons” generally means individuals who exercise control over an entity (for a trust, these are the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and any other individual who exercises ultimate effective control over the trust, and in the case of a legal entity other than a trust, such term means persons in equivalent or similar positions of control).

“Customer Information” means Personal Data, confidential information, and/or Tax Information of either the Customer or a Connected Person (including accompanying statements, waivers and consents).

“Financial Crime” means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or violations, or attempts to circumvent or violate any Laws or regulations relating to these matters.

“HSBC” means HSBC Bank Armenia cjsc.

“HSBC Group” means HSBC Holdings plc, and/or any of, its affiliates, subsidiaries, associated entities and any of their branches and offices, and **“any member of the HSBC Group”** has the same meaning.

“Loss” means any claim, charge, cost (including, but not limited to, any legal or other professional cost), damages, debt, expense, tax, liability, obligation, allegation, suit, action, demand, cause of action, proceeding or judgment, however calculated or caused, and whether direct or indirect, consequential, punitive or incidental.

“Personal Data” means any data relating to an individual (and corporate entities, in those countries where data privacy law applies to corporates), from which the individual can be identified, including, without limitation, sensitive personal data, name(s), residential address(es), contact information, age, date of birth, place of birth, nationality, citizenship, personal and marital status.

“Services” means, without limitation,

- a) the opening, maintaining and closing of the Customer’s bank accounts,
- b) the provision of credit facilities and other banking products and services to the Customer (including, for example, securities dealing, investment advisory, broker, agency, custodian, clearing or technology procuring services), processing applications, ancillary credit assessment and product eligibility assessment, and
- c) the maintenance of HSBC’s overall relationship with the Customer, including marketing or promoting financial services or related products to the Customer, market research, insurance, audit and administrative purposes.

“Substantial Owners” means any individuals entitled to more than 10% of the profits of or with an interest of more than 10% in an entity either directly or indirectly.

“Tax Authorities” means foreign tax, revenue, fiscal or monetary authorities.

“Tax Information” means any documentation or information (and accompanying statements, waivers and consents) relating, directly or indirectly, to the tax status of a Customer (regardless of whether that Customer is an individual or a business, non-profit or other corporate entity) and any owner, “controlling person”, “substantial owner” or beneficial owner of a Customer, that HSBC considers, acting reasonably, is needed to comply (or demonstrate compliance, or avoid non-compliance) with any HSBC Group member’s obligations to any Tax Authority.

“Tax Certification Forms” means any forms or other documentation as may be issued or required by a Tax Authority or by HSBC from time to time to confirm the tax status of an account holder or the Connected Person of an entity.

Reference to the singular includes the plural (and vice versa).

1. Collection, Processing and Sharing of Customer Information

These Terms explain how HSBC will use information about the Customer and Connected Persons. By using the Services, the Customer agrees that HSBC and members of the HSBC Group shall use Customer Information in accordance with these Terms.

Customer Information will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- HSBC is legally required to disclose;
- HSBC has a public duty to disclose;
- HSBC's or a third party's legitimate business purposes require disclosure;
- the disclosure is made with Customer consent; or
- it is disclosed as set out in the following Terms

In accordance with Customer consent set out herein Customer information may be provided only to foreign Authorities in the manner specified in these Terms. Notwithstanding the provisions of these Terms, Customer information may be provided to the Authorities of the Republic of Armenia only in cases and in accordance with procedure stipulated in the legislation of the Republic of Armenia.

Collection

1.1. HSBC and other members of the HSBC Group may collect, use and share Customer Information (including relevant information about the Customer, the Customer's transactions, the Customer's use of HSBC's products and services, and the Customer's relationships with the HSBC Group). Customer Information may be requested from the Customer (or a person acting on the Customer's behalf), or may also be collected by or on behalf of HSBC, or members of the HSBC Group, from other sources (including from publically available information), generated or combined with other information available to HSBC or any member of the HSBC Group.

Processing

1.2. HSBC and/or members of the HSBC Group will process, transfer and disclose Customer Information in connection with the following

Purposes:

- a) providing Services and for any transactions requested or authorised by the Customer,
- b) meeting Compliance Obligations,
- c) conducting Financial Crime Risk Management Activity,
- d) collecting any amounts due from the Customer,
- e) conducting credit checks and obtaining or providing credit references,
- f) enforcing or defending HSBC's, or a member of the HSBC Group's, rights,
- g) for internal operational requirements of HSBC or the HSBC Group (including, without limitation, credit and risk management, system or product development and planning, insurance, audit and administrative purposes),
- h) maintaining HSBC's overall relationship with the Customer (including marketing or promoting financial services or related products to the Customer and market research), (the "Purposes").

Sharing

1.3. By using the Services, the Customer agrees that HSBC may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information to the following recipients (who may also process, transfer and disclose such Customer Information for the Purposes):

- a) any member of the HSBC Group;
- b) any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);
- c) in response to any requests from any foreign Authorities;

d) anyone acting on behalf of the Customer, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which the Customer has an interest in securities (where such securities are held by HSBC for the Customer);

e) any party acquiring an interest in or assuming risk in or in connection with the Services;

f) other financial institutions, credit reference agencies or credit bureaus, for obtaining or providing credit references;

g) any third party fund manager who provides asset management services to the Customer;

h) any introducing broker to whom HSBC provides introductions or referrals;

i) in connection with any HSBC business transfer, disposal, merger or acquisition, wherever located, including in jurisdictions which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Services are supplied.

Customer Obligations

1.4. The Customer agrees to inform HSBC promptly, and in any event, within 30 days in writing if there are any changes to Customer Information supplied to HSBC or a member of the HSBC Group from time to time, and to respond to any request from, HSBC, or a member of the HSBC Group.

1.5. The Customer confirms that every Connected Person/person whose information (including Personal Data or Tax Information) they have provided to HSBC or a member of the HSBC Group has been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Terms. The Customer shall advise Connected Persons/such persons that they may have rights of access to, and correction of, their Personal Data.

1.6. Where:

- Customer fails to provide Customer Information that HSBC reasonably requests, or

- Customer withholds or withdraws any consents which HSBC may need to process, transfer or disclose Customer Information for the Purposes, or
- HSBC or a member of the HSBC Group has suspicions regarding the possible commission of Financial Crime or a Customer presents a potential Financial Crime risk to a member of the HSBC Group,

HSBC may:

a) be unable to provide new, or continue to provide all or part of the, Services to the Customer and reserves the right to terminate its business relationship with the Customer;

b) take actions necessary for HSBC or a member of the HSBC Group to meet the Compliance Obligations; and/or

c) block, transfer or close Customer account(s).

In addition, the failure of a Customer to supply their or their Connected Person's, Tax Information and accompanying statements, waivers and consents, may result in HSBC making its own decision with respect to the Customer's status, including whether to report such Customer to a Tax Authority, and may require HSBC or other persons to withhold amounts as may be legally required by any Tax Authority and paying such amounts to any Tax Authority.

2. Data Protection

2.1. Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.

2.2. Under relevant data protection legislation, an individual has the right to request copies of certain categories of Personal Data which may be held and to request that any errors in such data are corrected.

3. Financial Crime Risk Management Activity

3.1. HSBC, and members of the HSBC Group, are required, and may take any action they consider appropriate in their sole and absolute discretion, to meet Compliance Obligations in connection with the detection, investigation and prevention of Financial Crime (**"Financial Crime Risk Management Activity"**).

Such action may include, but is not limited to:

- a) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by the Customer, or on its behalf,
- b) Investigating the source of or intended recipient of funds
- c) Combining Customer Information with other related information in the possession of the HSBC Group, and/or
- d) Making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming a Customer's identity and status.

3.2. To the extent permissible by law, neither HSBC nor any other member of HSBC Group shall be liable to the Customer or any third party in respect of any Loss/loss whether incurred by the Customer or a third party in connection with the delaying, blocking or refusing of any payment or the provision of all or part of the Services or otherwise as a result of Financial Crime Risk Management Activity.

4. Tax Compliance

The Customer acknowledges they are solely responsible for understanding and complying with their tax obligations (including but not limited to, tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) and/or Services provided by HSBC and/or members of the HSBC Group. Certain countries may have tax legislation with extra-territorial effect regardless of the Customer's or Connected Person's place of domicile, residence, citizenship or incorporation. HSBC and/or any member of the HSBC Group does not provide tax advice. The Customer is advised to seek independent legal and/or tax advice. HSBC and/or any member of the HSBC Group has no responsibility in respect of a Customer's tax obligations in any jurisdiction which they may arise including, without limitation, any that may relate specifically to the opening and use of account(s) and/or Services provided by HSBC and/or members of the HSBC Group.

5. Miscellaneous

5.1. In the event of any conflict or inconsistency between any of these Terms and those in any other service, product, business relationship, account or agreement between the Customer and HSBC, these Terms shall prevail. Any consents, authorisations, HSBC requested waivers and permissions that already exist from the Customer in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local law.

5.2. If all or any part of the provisions of these Terms become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of these Terms in that jurisdiction.

6. Survival upon Termination

These Terms shall continue to apply notwithstanding their termination, any termination by HSBC or a member of the HSBC Group of the provision of any Services to the Customer or the closure of any Customer account.

Bank is regulated by the Central Bank of Armenia.

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