

## Regulatory Terms for Non Material Contracts

### 1. SUB-CONTRACTING

- 1.1 Where Supplier sub-contracts any of its obligations (in whole or in part) pursuant to Clause **Error! Reference source not found.**, Supplier shall prior to sub-contracting its obligations, ensure it has a formal written contract with each sub-contract which:
- (a) prohibits any further sub-contracting without HSBC's written consent; and
  - (b) imposes contractual obligations that are no less onerous than those of this Agreement as if it were the Supplier.

### 2. REGULATORY POWERS

- 2.1 Supplier shall fully cooperate with Regulatory Authorities and shall provide to HSBC on request all information reasonably required by HSBC to meet any request from a Regulatory Authority.
- 2.2 Supplier shall ensure that Regulatory Authorities are able to exercise their information gathering and investigatory powers under Applicable Laws, including the powers described in Article 63(1) (a) of Directive 2014/59/EU and Article 65(3) of Directive 2013/36/EU, in each case as implemented by national law.

### 3. CONFLICTS OF INTEREST

- 3.1 Supplier shall ensure that during the Term no conflict of interest shall exist or arise in the performance of its obligations under this Agreement between itself, any Supplier Personnel and any **HSBC** Group Members, nor shall any circumstance exist or arise which may restrict Supplier's performance of its obligations under this Agreement.
- 3.2 If during the course of this Agreement any such conflict, restriction, risk of conflict or risk of restriction arises, Supplier shall give HSBC immediate written notification of the same. If HSBC has reasonable grounds for believing that Supplier is in breach of paragraphs 3.1 and/or 3.2 of this Annex 2 HSBC may notify Supplier and, if Supplier cannot refute those grounds within thirty (30) days then HSBC may, without prejudice to its other rights and remedies, terminate this Agreement immediately (or with effect from the date specified in the notice of termination) by written notice to Supplier.
- 3.3 Supplier shall not be in breach of paragraphs 3.1 and/or 3.2 of this Annex 2 merely because Supplier provides services and/or products similar to the Services to other customers including customers in the financial services industry.

### 4. NOTIFICATION REQUIREMENTS

- 4.1 Supplier shall notify HSBC immediately in writing if any development, act, omission, event or circumstance has occurred that may prevent or have a material impact on Supplier's ability to perform its obligations under this Agreement effectively and in compliance with the Service Levels and Applicable Laws.

### 5. ENHANCED TERMINATION

- 5.1 HSBC may terminate this Agreement immediately on written notice where:
- (a) the Supplier is in a breach of Applicable Laws; or
  - (b) HSBC identifies any impediments capable of altering the performance of the Services; or
  - (c) HSBC has identified weaknesses in the Supplier's management and security of HSBC Information, Confidential Information or Personal Data; or
  - (d) there are material changes that affect the Services or the Supplier,
- and shall be entitled to a pro rata refund of any pre-paid Charges that relate to any period after termination.

### 6. EXIT AND TERMINATION ASSISTANCE

- 6.1 For the purpose of paragraph **Error! Reference source not found.** of this Annex 2, the following terms shall have the following meanings:
- Exit Management Plan:** means the operations plan prepared by Supplier detailing the procedures to be followed during the Termination Assistance Period;
- Successor Supplier:** any service provider who is to replace the Supplier in the provision of some or all of the Services;
- Termination Assistance Period:** any period during which termination assistance is required.
- 6.2 The Supplier shall on the earlier of not more than six (6) months after the Start Date and within five (5) days of receipt or issue by the Supplier (as the case may be) of a notice to terminate this Agreement (or any part), supply a detailed Exit Management Plan to HSBC for approval.
- 6.3 The parties shall use reasonable endeavours to agree the contents of the Exit Management Plan. If the parties are unable to agree the contents of the Exit Management Plan within 28 days of its submission, then such dispute shall be resolved in accordance with clause 23.
- 6.4 During the Termination Assistance Period, Supplier shall:
- (a) free of charge, support HSBC in the orderly transfer of the Services in the event of expiry or termination for any reason;
  - (b) free of charge, provide such reasonable assistance and co-operation to HSBC and/or the Successor Supplier as may be required by HSBC for the migration to and provision of replacement services, including disclosing to the Successor Supplier information relevant to its taking over the provision of the whole or part of the Services;
  - (c) not take any action to alter, remove or delete any HSBC Information without HSBC's prior written approval;
  - (d) at the request of HSBC, continue to provide all or any of the Services, during which period HSBC shall pay the Supplier undisputed Charges for the relevant Services in accordance with this Agreement and the terms of this Agreement shall continue to apply; and
  - (e) comply with all of its obligations in the Exit Management Plan.

### 7. INFORMATION SECURITY

- 7.1 The Supplier shall segregate or compartmentalise HSBC Information from that of the Supplier and its other clients and ensure that HSBC will have access to it if the Supplier ceases to provide, or is no longer able to provide, the Services.
- 7.2 The Supplier shall ensure that cybersecurity awareness training is provided at least annually to all its staff, from senior to junior levels, and is followed by assessments to assess whether staff are equipped with a strong cybersecurity awareness culture.
- 7.3 To the extent that HSBC considers it necessary for the Supplier's provision of the Services, the Supplier shall take part in relevant IT security or operational resilience training provided by HSBC.
- 7.4 The Supplier shall ensure that its business continuity procedures are tested regularly and are appropriate for providing the Services to HSBC.

### 8. PENETRATION TESTING

- 8.1 Supplier shall conduct third-party penetration testing and vulnerability scanning of any of its systems relating to the Services, including evidence of data isolation in any multi-tenant services, and provide HSBC with a summary report upon request. Any contract between Supplier and third-party testers must require sound management of penetration testing results and ensure that any processing of those results does not create risks for HSBC.
- 8.2 HSBC may conduct (or appoint a third party to conduct) vulnerability and penetration testing of the Services and Supplier shall participate in and fully cooperate with those tests.
- 8.3 If any penetration testing identifies a security failure or that Supplier has failed to perform its obligations under this Agreement, HSBC may require Supplier to rectify the relevant failures.