

HSBC Securities Commission and Fee Schedule

Effective February 8, 2016

HSBC Securities (USA) Inc.

Please take a moment to review our Commission and Fee Schedule.

This brochure outlines the commissions and fees for your HSBC Securities account. It is our goal to make sure you are fully informed of the charges incurred for HSBC Securities services.

Please contact HSBC Securities Client Service at **800.662.3343** for clarification on rates.

For a list of additional fees and disclosures, please visit us.hsbc.com/feeschedule.

Fees are subject to change.

Investment, Annuity and Insurance Products:

ARE NOT A BANK DEPOSIT OR OBLIGATION OF THE BANK OR ANY OF ITS AFFILIATES	ARE NOT FDIC INSURED	ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY	ARE NOT GUARANTEED BY THE BANK OR ANY OF ITS AFFILIATES	MAY LOSE VALUE
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Domestic Equities

Shares	Commission
5,000 or fewer	\$0.10 per share
5,001 to 25,000	\$0.08 per share
25,001 or more	\$0.06 per share

- The minimum commission per transaction is \$65.00.
- Equity transactions below \$3 per share may be subject to a maximum commission of 4% of principal.
- Transactions executed on foreign exchanges will be subject to additional fees.
- Certain securities and/or quantities may incur additional charges.
- Full commission and fees apply for each partial fill, except when transacted within the same day.
- Orders requiring manual handling may incur additional charges.

International Equities

International Equity Commission Schedule: 0.25% of principal value (\$65.00 minimum).

Note: There may be additional fees or taxes imposed on transactions including but not limited to: Foreign Exchange charges, Financial Transaction Taxes and Stamp Taxes in certain markets.

- Full commission and fees apply for each partial fill, except when transacted within the same day.
- Orders requiring manual handling may incur additional charges.

Options

Contract Price	Commission
\$0.49 and below	\$1.50 per contract
\$0.50 – \$0.99	\$2.75 per contract
\$1.00 and above	\$3.75 per contract

- The minimum commission per transaction is \$65.00.
- Full equity commission assessed on exercise.
- Full commission and fees apply for each partial fill, except when transacted within the same day.
- Orders requiring manual handling may incur additional charges.

No Load Funds

Amount	Commission
\$25,000.00 and below	\$38.88, plus 0.15% of principal
\$25,000.01 and above	\$48.88, plus 0.10% of principal

- The minimum commission per transaction is \$48.88.

Fixed Income

HSBC Securities may act as principal on any fixed income transactions, including Treasuries, Agencies, Corporates, Municipals, and all other Fixed Income Securities.

Fixed Income (continued)

When HSBC Securities acts as agent, a commission will be charged on the transaction. When HSBC Securities acts as principal, the markup is included in the bond purchase price and markdown is subtracted from the sales price. Markup/markdowns are based upon the particular circumstances of each transaction, which could include size, credit quality, unit price, maturity, liquidity, and market scarcity.

All fixed income transactions must be placed with a Registered Representative.

- The minimum markup, or per-trade fee, is \$75.00.
- The fee for Treasury auction orders is \$75.00.

Retirement Accounts

	Fee Amount	Frequency
IRA Annual Maintenance Fee		
HSBC Premier clients	No charge	
All others, including Coverdell ESAs	\$35.00	Annually
IRA Termination/Account Transfer fee		
HSBC Premier clients	No charge	
All others	\$95.00	Per termination of IRA account
IRA Conversion Fee		
(Traditional to Roth IRA)	\$30.00	Per conversion
SARSEP/Prototype SEP, SIMPLE IRA, Qualified Retirement Plans (Money Purchase, Profit Sharing, 401 (K), Individual (K) and 403(b)(7) Custodial Accounts		
Maintenance Fee	\$50.00	Annually
Termination Fee	\$95.00	Per termination of account

- Above fees are in addition to applicable miscellaneous charges.

Miscellaneous Fees

	Fee Amount	Frequency
Safekeeping Fees		
HSBC Premier clients	No charge	
All others	\$2.00	Per position
Regulation T extension	\$20.00	Per position
Legal/Restricted Transfer	\$60.00	Per position
Direct Registration Transfer	\$10.00*	Per position
Overnight Mail Request	\$25.00	Per mailing
Duplicate Statements or 1099		
HSBC Premier clients	No charge	
All others	\$5.00	Per request

Miscellaneous Fees (continued)

	Fee Amount	Frequency
Statements for Periods Without Activity		
Quarterly	No charge	
Monthly (by request only)	\$2.00	Per month
Insufficient Funds		
ACH Reject Fee (electronic transfers)	\$20.00	Per rejected ACH
Returned Check Fee	\$35.00	Per returned check
Wire Withdrawal	\$25.00	Per wire
Stop Payment Fee	\$25.00	Per stop payment
Account Transfer Out – Full	\$95.00	Per transfer
Foreign Receive and Delivers		
Euroclear	\$50.00	Per position
Non-Euroclear	\$75.00	Per position
Reorganizations		
Mandatory	No charge	
Voluntary	\$25.00	Per event
Confirmation Fee		
HSBC Premier clients	No charge	
Fixed income items, systematic transactions and brokerage IRAs	No charge	
All others	\$2.00	Per transaction
Inactivity Fee – Assessed annually if no trades are placed and settled within a calendar year		
HSBC Premier clients	No charge	
Accounts with more than \$10,000 in HSBC Investor Money Market Funds	No charge	
All others, including custodian accounts	\$50.00	Annually
Paper Surcharge – Charged for brokerage accounts receiving statements and trade confirmations in paper format via regular mail instead of electronically		
HSBC Premier clients	No charge	
All others	\$1.75	Per document
Alternative Investments - Processing and Review		
Transaction Fees	\$50.00	Per event
Annual Service Charge - Registered	\$35.00	Per position

Miscellaneous Fees (continued)

	Fee Amount	Frequency
Unregistered Alternative Investments	\$125.00	Per position
Alternative Investment Eligibility Review	\$300.00	Per review
Unrelated Business Taxable Income (UBTI) Tax Return (IRS Form 990-T)		
Processing Fee	\$200.00	Per filed return
Cashless Exercise of Employee Stock Options	\$50.00	Per position
Employee Restricted Stock Loan Processing	\$40.00	Per position

* Additional fees may be assessed by transfer agents.

Interest Schedules & Other Disclosures

Interest Schedules

Cash Due Rate - Pershing Base Lending Rate (PBLR) + 100BPS

Margin Interest Rate:

Margin Debit	Rate
\$0 - \$24,999.99	Broker Call + 3.5 points
\$25,000 - \$49,999.99	Broker Call + 3.25 points
\$50,000 - \$99,999.99	Broker Call + 2.5 points
\$100,000 - \$249,999.99	Broker Call + 1.5 points
\$250,000 - \$999,999.99	Broker Call + 1.4 points
\$1,000,000 +	Broker Call + 1.25 points

Short Interest Rebate - 60% of Fed Funds Rate. If applicable Securities that are hard to borrow may have a higher interest rate than what is stated and in some instances a premium may be incurred. This will be communicated at the time of the transaction.

Currency Deposits Interest Rate Charges*

The central banks for the following currencies are currently charging negative interest rates: (Swiss Franc (CHF), Danish Krona (DKK), Swedish Krona (SEK) and European Central Bank (EUR). Customers holding balances in these currencies will be charged at the prevailing market interest rate.

If other Central Banks start to charge negative interest rates, customers holding balances in those currencies may start to be charged at the prevailing market interest rate, which will be communicated accordingly.

Please contact HSBC Securities Client Service at 800.662.3343 for exact rates.

* Does not apply to HSBC Premier clients

Interest Schedules & Other Disclosures

Transfers from Non-Resident Decedent Accounts

According to U.S. Treasury Regulation Section 20.6325-1, estates of certain nonresident decedents must obtain a Transfer Certificate from the IRS prior to requesting transfer of assets from the decedent's account. The impacted estates of nonresident decedents that must obtain a Transfer Certificate prior to requesting transfer of assets from the decedent's account(s) are:

- Non-U.S. citizens – The estates of nonresidents who are not U.S. citizens (including citizens of U.S. possessions, such as Puerto Rico)
- U.S. citizens – The estates of U.S. citizens (including those with dual citizenship) who reside permanently outside the U.S. at the time of death

To obtain a Transfer Certificate, the estate of the decedent must satisfy the requirements in Part A or B in the Transfer Certificate Filing Requirements for U.S. citizens or in the Transfer Certificate Filing Requirements for Non-U.S. citizens posted on the IRS websites. The websites' addresses appear below. This may require the filing of IRS Form 706 for U.S. citizens permanently residing abroad (at death) or the filing of IRS Form 706-NA for nonresidents who are not U.S. citizens. The required form, along with payment of U.S. federal estate tax due (if any), should be forwarded to the IRS along with any additional required documentation. The IRS will review the filing and, if it determines that no additional estate tax is due, issue a Transfer Certificate to the decedent's estate. The Transfer Certificate issued by the IRS generally represents evidence that the decedent's estate has met its U.S. federal estate tax liability and may request the transfer of assets from the decedent's account(s).

Prior to accepting instructions to transfer assets from a nonresident decedent's account(s), Pershing will require a copy of the Transfer Certificate, along with any additional documents required for the approval of an asset movement from a decedent's account or an estate account in the normal course of business. These additional documents include:

- Death Certificate
- Letters Testamentary or Letters of Administration (applicable where no will is probated) or the legal equivalent issued by an appropriate court or governmental authority in the country of the decedent's residence at his or her death
- A letter of instruction signed by the executor or administrator of the estate or the legal equivalent in the country of the decedent's residence at his or her death

Interest Schedules & Other Disclosures

All foreign documents presented to Pershing for documentation purposes must be translated into English by an accredited translation service and certified as representing a true and complete translation of the original document. Where the nonresident decedent has multiple accounts with your firm, please advise the estate to include these accounts in the IRS filing for the Transfer Certificate. Forward a listing of these additional accounts to Pershing so the assets in these accounts can be escrowed until the Transfer Certificate is obtained.

The Transfer Certificate requirement applies only to "natural person" accounts that would be includible in the gross estate for U.S. federal estate tax purposes. These include:

- Single accounts
- Joint accounts (all types)
- Transfer on Death (TOD) accounts
- Trust accounts
- Qualified accounts (all types)
- Sole Proprietorship accounts
- Uniform Gifts to Minors Act (UGMA), Uniform Transfers to Minors (UTMA) and education savings accounts, including 529 College Savings Plan accounts
- Conservatorship, guardianship, custodianship accounts

The Transfer Certificate is not required when the estate of a nonresident decedent (regardless of citizenship) is being administered by an executor or administrator duly appointed, qualified, and acting within the United States.

Investments and Annuity Products are provided by Registered Representatives and Insurance Agents of HSBC Securities (USA) Inc., member NYSE/FINRA/SIPC, a registered Futures Commission Merchant, a wholly-owned subsidiary of HSBC Markets (USA) Inc. and an indirectly wholly-owned subsidiary of HSBC Holdings plc. In California, HSBC Securities (USA) Inc., conducts insurance business as HSBC Securities Insurance Services. License #: OE67746. **Investments and Annuity Products are: Not a bank deposit or obligation of the bank or any of its affiliates; Not FDIC insured; Not insured by any federal government agency; Not guaranteed by the bank or any of its affiliates; May lose value.**

All decisions regarding the tax implications of your investment(s) should be made in connection with your independent tax advisor.

HSBC Securities may impose various service charges and other fees relating to your account as well as charge commissions and/or other fees and charges for execution of transactions to purchase and sell securities, options, foreign securities, commercial paper, options or other property, which amounts may include, but not be limited to, transaction fees (rounded to the nearest penny on each sale transaction); subscription fees for U.S. Government and Government agency issues; security transfer fees; insurance premiums, and other charges associated with the handling and transfer of securities funds and assets. You agree to pay such charges, commissions and or fees at HSBC Securities' then prevailing rates. Fees and expenses for mutual funds are stated in their respective prospectuses.