APPLICANT CREDIT CARD RATES & FEES – DISCLOSURE STATEMENT, APPLICATION, PRIVACY INFORMATION, & CARDHOLDER AGREEMENT

HSBC Retail Services Limited

MAC TOOLS

Credit Card Rates and Fees – Disclosure Statement

Annual Interest Rate	This interest rate is in effect the day your account is activated. Purchases under the Regular Credit Plan **17.99%**
Interest-free Grace Period	**25 days** You will benefit from an interest-free grace period of at least **25** days for new Purchases if you pay off your balance in full by the due date.
Determination of Interest	If interest is to be charged, it is calculated on the average daily balance for each Credit Plan and charged monthly to your Account on the last day of your billing cycle.
Minimum Payment	The minimum payment calculation for your Regular Credit Plan Balance is the greater of **3.5%** of your Regular Credit Balance or **$10**.
Annual Fees	**None**
Other Fees	**To be charged on the day the transaction occurs:** Administration Fee: **None** NSF Fee: **$40** for each cheque or other payment item which is dishonoured. Statement Copy Charge: **$5** for each additional copy of an Account statement. Supplementary Card Membership Fee: **$25** for each additional Card issued to an Authorized User.

Rates and fees are subject to change from time to time in accordance with the terms of the Cardholder Agreement.

Examples of Monthly Credit Charges (based on billing period of **30** days and rounded to the nearest dollar):

Average Daily Balance	$500	$1,000	$2,000
Monthly credit charges based on the Regular Rate of **17.99%**	$7	$15	$30
Quebec Only: Monthly credit charges with an annual credit rate of **35.10%**, consisting of the Regular Rate of **17.99%**, plus rate for optional insurance (and sales tax) of **17.11%**	$14	$29	$58

Promotional Credit Plans

You may be offered Promotional Credit Plans from time to time. These offers are subject to the Cardholder Agreement and any additional terms indicated in the offer.

For "Equal Monthly Payments with Interest" Offer where the annual interest rate is **13.75%**, the equal monthly payments are determined by multiplying the following repayment factor (based on the specified offer period) by the original amount financed:

12 month offer: **9.06%** **24** month offer: **4.85%** **36** month offer: **3.45%**

The table below sets out examples of the monthly credit charges for an "Equal Monthly Payment, with Interest" offer where the annual interest rate is **13.75%**. Examples are based on billing period of **30** days and rounded to the nearest dollar.

Average Daily Balance	$500	$1,000	$2,000
Monthly credit charges with an annual promotional interest rate of **13.75%**	$6	$11	$23
Quebec Only: Monthly credit charges with an annual credit rate of **30.86%** (consisting of the Regular rate of **13.75%** plus rate for optional credit insurance and sales tax of **17.11%**)*	$13	$25	$51

** Monthly premiums for optional insurance (and sales tax) are billed under the Regular Credit Plan.*

Optional Insurance - Customer Account Protection (CAP)®

Monthly Premium: **$1.29** per **$100** of your average daily balance, plus applicable taxes.

Coverage Maximum: **$25,000**

Please see Customer Account Protection (CAP)® Election (on page 9) for summary of insurance coverage.

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Applicant's Information (All bolded sections are mandatory)

❑ Mr ❑ Ms ❑ Mrs ❑ Miss ❑ Dr	**First Name**	**Initial**	**Last Name**	**Home Phone** ( )
Social Insurance Number (Optional)	**Date of Birth (mm/dd/yyyy)**	**Mailing Address**		Cell Phone (optional) ( )

City	**Province**	**Postal Code**	**Date of Residence (mm/yyyy)**	**Housing Status** ❑ Own ❑ Rent ❑ Other

Email Address (optional)

Previous Address (If less than two years at current address)	Apt.	City	Province	Postal Code

If the mailing address above is a P.O. Box or rural route, the full civic address is required

Applicant's Primary ID (Photo) – Type and Number	**Applicant's Secondary ID – Type and Number**	**Gross Income** $ ❑ Monthly ❑ Yearly

Employer's Name	**Job Title**	**Employer's Phone** ( )	**Start Date (mm/dd/yyyy)**	**Job Status** ❑ Other ❑ Retired ❑ Self Employed ❑ Unemployed

Previous Employment (If less than two years at current employer)	Employment Start Date (mm/dd/yyyy)

Application for Customer Account Protection (CAP)®

Customer Account Protection **(CAP)** is available through American Bankers Life Assurance Company of Florida and American Bankers Insurance Company of Florida.

_____ Initials **Yes**, please enroll me in the Customer Account Protection **(CAP)** optional credit balance insurance plan. **$1.29** per month per **$100** of my monthly average daily balance plus applicable taxes will be billed to my account. Customer Account Protection **(CAP)** covers a maximum of **$25,000**. Refer to Customer Account Protection **(CAP)** Election for details.

_____ Initials **No**, I do not wish to enroll in the Customer Account Protection **(CAP)** optional credit balance insurance plan.

Please note: If you do not initial beside one of the options above, you will not be enrolled into Customer Account Protection **(CAP)**.

APPLICANT MUST READ AND SIGN THIS APPLICATION

The Applicant (referred to as "I" or "me") certifies that the information provided in connection with my application is complete and accurate. I am a resident of Canada and have reached the age of majority in the province or territory where I reside. I hereby apply for and request HSBC Retail Services Limited ("HSBC") to establish an account ("Account") to provide credit under the terms of the Cardholder Agreement provided to me and to issue and send to me a credit card, and renewals and replacements from time to time. Credit will be extended only if my application is approved. I acknowledge receipt of a copy of the Cardholder Agreement prior to the extension of credit. I acknowledge that I am responsible for all use of the Account and all interest, fees and other charges to my Account, including those made by any Authorized Users.

Quebec only: It is the express wish of parties that this agreement and any related documents be drawn up and executed in English. *Les parties demandent expressément que cette convention et tous les documents s'y rattachant soient redigés et signés en anglais.*

My signature below means that I have reviewed the Cardholder Agreement and Credit Card Rates and Fees - Disclosure Statement and read the terms and conditions contained in this application and I agree to be bound as specified therein. **I hereby accept as notice in writing and consent to the collection, use and disclosure of information about me by HSBC for the purposes set out under the heading "Privacy Information", including the receipt and exchange of credit bureau and personal information about me from credit reporting agencies, credit bureaus, any HSBC affiliates, any credit grantor or any other source.**

_____ Date

_____ Signature of Applicant

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NOTICE TO STORE ASSOCIATES:

Processing an Application

1. **Provide customer with the Credit Card Rates and Fees – Disclosure Statement on page 1 of this document**
2. **Customer must complete all mandatory fields and sign the application**
3. **Fax all approved flash applications to Customer Service Department at 1-866-491-2329**
4. **Retain original as per HSBC Reference Manual**

Valid identification is classified as **one primary and one secondary** (see chart below) and **cannot be expired**. One primary and one secondary form of identification must always be obtained for the Applicant. Acceptable identification type are as follows:

Primary Identification (Photo ID)	Secondary (additional Identification)
1. Canadian Driver's Licence*	1. A second piece of Primary Identification
2. Provincial identification issued by the provincial government that includes a signature and a photograph. Provincial Health Card with Photo and Signature*, except in Ontario, Manitoba and Prince Edward Island	2. Major Credit Card
3. Canadian Passport	3. Department Store Credit Card
4. Certificate of Canadian Citizenship or Naturalization	4. ATM/Client card issued by a major Canadian bank
5. Certificate of Indian Status	5. Provincial Health Card except Ontario, Manitoba and Prince Edward Island.
6. Canadian Citizenship Form 1000 or 1442	6. Social Insurance Card
7. Old Age Security Card	7. Canadian Birth Certificate
8. Permanent Resident Card	8. CNIB Card with photograph

*Quebec only: A driver's licence or Health Card cannot be requested by a financial institution but may be volunteered by the applicant. If a driver's licence or health card are used they must be clearly marked as given voluntarily by checking "Offered by applicant" in the "ID Verification, Sales and Credit Information" section below.

ID Verification, Sales and Credit Information (To be completed by the Merchant on all applications)	
Applicant's Primary ID (Photo) – Type	Expiry Date (mm/dd/yyyy)
Applicant's Primary ID (Photo) – Number	Offered by Applicant (Quebec only) ❑ Yes ❑ No
Applicant's Primary ID (Photo) – Place of Issuance	
Applicant's Secondary ID – Type	Expiry Date (mm/dd/yyyy)
Applicant's Secondary ID – Number	Offered by Applicant (Quebec only) ❑ Yes ❑ No
Applicant's Secondary ID – Place of Issuance	

Agreement Number **M-00-0272E (11/11)**
Store Number
Account Number

Employee ID #

Employee Signature

Manager Signature

Privacy Information

I agree that HSBC Retail Services Limited, the HSBC Group (which includes all entities in which HSBC Holdings plc holds, directly or indirectly, a controlling interest) and your service providers may, where permitted by law, collect my Personal Information, including application and identity information, transaction data, credit reports and other financially-related information. You may obtain from and disclose such Personal Information to each other and third party sources, such as credit reporting agencies and financial service industry databases (which may share information with others), other credit grantors and financial institutions, insurers, government registries, loyalty program providers, those income sources and references that I advise to you, and other third parties as is necessary for the provision of products and services. You may collect and update my Personal Information during the course of our relationship.

My Personal Information will be collected, used and disclosed for the following purposes:

(i) to evaluate my credit application and verify my creditworthiness and to open, operate and collect on my account(s), and provide ongoing service to me as a customer;
(ii) to administer services and benefits, as applicable;
(iii) to honour my privacy choices;
(iv) to maintain the accuracy and integrity of the credit reporting system;
(v) to evaluate the current and future needs of your customers and to help better manage your business;
(vi) to verify my identity and for internal audit, including security;
(vii) to prevent and detect fraud, criminal activity, identity theft and unauthorized access to my account(s);
(viii) to meet legal and regulatory requirements; and
(ix) for statistical and record keeping purposes.

Other Uses of Information:

(a) You may collect and use my Personal Information and, where permitted by law, share it within the HSBC Group, to identify and inform me of products and services provided by the HSBC Group that may be of interest to me;
(b) You may collect and use my Personal Information to promote the products and services of select third parties that may be of interest to me; and
(c) My Personal Information may be shared with any retail partner that honours my account and used by such retail partners to market their products and services and to offer special cardholder promotions.

Marketing offers may be made through various channels including direct mail, telemarketing and electronically. For purposes of telemarketing, calls will be made to the phone number(s) obtained with my credit application, as updated from time to time.

Use of SIN: I understand that if I provide you with my SIN, you will use and disclose my SIN for the purposes of accuracy on credit checks, meeting legal and regulatory requirements, collections, and for internal audit (including security), statistical and record keeping purposes. I may at any time refuse or withdraw my consent to the use of my SIN for these additional purposes by contacting you at the address provided below. This will not affect my eligibility for credit or other products or services.

Use of Agents/Service Providers: You may use the services of any financial institution or other reliable third party of your choice as your agent or service provider in connection with the provision of data processing or other services. In particular, you may use other HSBC Group companies and/or third parties in Canada and in other countries to process Personal Information. I understand that, as a result, my Personal Information may be accessed under applicable laws of Canada and such other countries to which the information has been transferred. Whenever Personal Information is transferred to an agent or service provider, you will require them to protect my Personal Information to the standards of confidentiality and security adhered to by all members of the HSBC Group.

This authorization may not be withdrawn by me while I have an open account with HSBC, however, I may at any time have my name removed from HSBC's solicitation lists and/or placed on HSBC's internal "Do Not Call" List by contacting HSBC in writing at **5100 Sherbrooke Street East, Suite 100, Montreal, Quebec, H1V 3R9, Attention: Director, Customer Service**. I understand that I may access my Personal Information in your possession or make corrections to it, by writing to you at the same address. HSBC's privacy policy is available at www.hsbcfinance.ca.

Cardholder Agreement

In this Agreement "you" and "your" mean the Primary Cardholder and each Authorized User. "We" and "us" mean HSBC Retail Services Limited. Read this Agreement carefully and keep it so you can refer to it later. You acknowledge receipt of a copy of this Agreement at the time of signing the application and prior to the extension of credit. Signing, activating or using your Card or Account number means that you have read this Agreement and accept its terms. All of you are, individually and together (solidarily in Quebec), responsible under and bound by this Agreement.

Where there is an Authorized User(s) on the Account, each such individual acknowledges that Account statements and other mailings will be sent to the address of the Primary Cardholder and each of you are deemed to have received the statements and mailings sent to such address.

All references to "interest" mean "credit charges" in Quebec. Some words in this Agreement are capitalized because they have special meanings. Please see Section **23** for an explanation of these words.

1. Card use

You may make Purchases using your Card and any other type of Transaction that we allow from time to time. You authorize us to charge your Account with the amount of each Transaction. If you use your Account number without presenting your Card to make a Transaction (such as Purchases by telephone, mail or online) we treat the Transaction the same as if you had used your Card and signed a sales slip. You must sign your Card as soon as you receive it. You may not use your Account for any illegal, improper or unlawful purpose.

2. Credit limit

You must not exceed your credit limit at any time. However, we may permit your Total Debt to exceed your credit limit from time to time, and you hereby authorize us to do so. Your credit limit is shown on your Card carrier and Account statement. We may change your credit limit at any time without notifying you in advance. You hereby request any credit limit for which you may qualify.

3. Liability for the Total Debt

The Primary Cardholder is liable for and will repay the Total Debt, including any indebtedness incurred by an Authorized User, any family member or any other person to whom you have given either express or implied authority to use the Card or Account.

4. Waiver of interest charges

Interest begins to accrue on Transactions under the Regular Credit Plan (including the Low Interest Rate Offer) from the date of the Transaction until the date we receive payment in full. We waive the interest charges on new Purchases made under the Regular Credit Plan and fees which appear on your Account statement for the first time if your New Balance is paid in full by the due date shown on that statement. Even if your New Balance is paid in full, residual interest may appear on the following month's statement.

5. Interest calculation

Interest is calculated separately for each Credit Plan. The total interest for the billing cycle is the sum of the interest for each Credit Plan. The Regular Rate is shown on the Disclosure Statement. The applicable interest rate for each Promotional Credit Plan is disclosed in the promotional materials and/or sales slip. The rates also appear on your Account statement and are subject to change (see Section **18**).

Interest is calculated monthly, not in advance, on the average daily balance for each Credit Plan in that month. The "average daily balance" is the sum obtained by dividing the aggregate of all daily balances (in the applicable Credit Plan) over the monthly period by the number of days in that period. Interest is charged both before and after demand, default and judgment.

6. Fees

You authorize us to charge your Account, where applicable, with the fees shown on the Disclosure Statement and any additional fees for any Promotional Credit Plans. We reserve the right to waive any fees, at our discretion.

7. Special Programs

Promotional Credit Plans may be offered from time to time as specified prior to or at the time of purchase. Such offers are subject to the terms of this Agreement and any additional terms and conditions contained in the promotional materials and/or sales slip.

For all offers: Subject to credit approval. Account must be in good standing (see Section **9**).

For "Equal Monthly Payment with Interest" Offer: Equal monthly payments are determined by applying a special repayment factor to the amount financed based on the specified offer period. The repayment factors are outlined in the Disclosure Statement. If any monthly payment is not made by the due date, the promotion terminates and interest at the Regular Rate applies to the unpaid promotional balance that is outstanding.

For "Equal Monthly Payment, No Interest" Offer: Equal monthly payments are determined by dividing the amount financed by the number of months indicated in the offer. Interest is waived if payment of each monthly installment is made by the due date. If any monthly payment is not made by the due date, the promotion terminates and interest at the Regular Rate applies to the unpaid promotional balance that is outstanding.

For "No Interest, No Payment" Offer: Payment in full is due at the end of the "no payment" period. Annual interest rate of **0.0%** until **25** days prior to the promotion due date when interest begins to accrue at the Regular Rate, but is waived if payment in full is made by the due date.

For "No Interest with Minimum Payment" Offer: Payment in full is due at the end of the promotional period; however, minimum monthly payment is required and calculated in the same manner as the Regular Credit Plan. Annual Interest rate of **0.0%** applies until **25** days prior to the promotion due date when interest begins to accrue at the Regular Rate, but is waived if payment in full is made by the due date.

For "Same as Cash" Offer: Interest accrues at the Regular Rate from the date of Purchase, but is waived if payment in full is made by the promotional due date. For Quebec residents, minimum monthly payment is required and calculated in the same manner as the Regular Credit Plan.

For "Low Interest Rate" Offer: A reduced interest rate will be applied to new Purchases for the specified promotional period as long as the total Minimum Payment is paid when due each month. All other terms that apply to the Regular Credit Plan apply to Transactions made under the Low Interest Rate Offer.

Promotional Credit Plans will terminate in the event that you do not comply with the applicable terms of the Promotional Credit Plan or your Account is not in good standing. Transactions that do not fall under a Promotional Credit Plan and the remaining balance under a Promotional Credit Plan that has terminated or expired are treated as Transactions under the Regular Credit Plan.

8. Minimum payment

You may pay your Account balance in full at any time. However, each month you must pay at least the amount shown as the Minimum Payment by the due date shown on your Account statement. The Minimum Payment is calculated as follows (rounded to the next higher **$1** amount):

- the minimum payment required for your Regular Credit Plan Balance (including the Low Interest Rate Offer), calculated in the manner outlined in the Disclosure Statement; plus
- the greater of **$10** or the minimum payment required for each Promotional Credit Plan (see Section **7**).

In addition, past due amounts and any amount exceeding your credit limit are included in the Minimum Payment. Payments do not automatically adjust your available credit. This generally occurs within **2** to **4** business days following receipt of payment, depending on how payment is made.

9. Good standing

Your Account is considered to be in good standing when you are in full compliance with all terms of this Agreement. Your Account will not be in good standing if you fail to make any Minimum Payment (as shown on your Account statement) by the due date or fail to comply with any other term.

10. How we apply payments to the Total Debt

Unless we notify you otherwise (including in connection with any Promotional Credit Plan), we apply payments in this order: interest; insurance premiums; service fees; annual membership fees and tax on insurance premiums; and Purchases. If you have paid more than your New Balance, we will apply the extra payment in this order: Purchases; interest; service fees and applicable taxes on insurance premiums; insurance premiums; and annual membership fees.

If you have a Promotional Credit Plan with deferred interest, in the month that the promotion is scheduled to expire, if you make a payment that is equal to or greater than the balance under such Promotional Credit Plan, your payment will be allocated to that balance first and then to the remaining balance in the order outlined above. If you have any questions about the allocation of payments, call Customer Service at the telephone number on the back of your Card.

11. Account statements

Each month we send an Account statement to the Primary Cardholder's address. We do not issue an Account statement if there is no outstanding balance and no Transactions have been charged to your Account. In addition, for any Promotional Credit Plan where payments and interest are deferred, we will not send a statement in any month where no Transactions have been charged to your Account (where permitted by applicable law). The number of days covered by an Account statement is between **28** and **33** days.

You must tell us in writing, no later than **30** days following your statement date, of any error or omission in your Account statement. Otherwise, you agree that your Account statement is correct, except for any amount that we have improperly credited to your Account which we may reverse at any time. If we are delayed in or prevented from sending Account statements for any reason you must contact us at least once a month to obtain the information required to meet your payment obligations.

12. Card benefits and optional services

We may make special services or benefits available to you which may be subject to additional terms and conditions. All such benefits and services may be modified or cancelled without notice to you. We are not responsible or liable for any product or service not directly supplied by us.

If you have enrolled in optional credit insurance, insurance premiums are calculated separately for each Credit Plan. For "No Interest, No Payment" and "Same as Cash" Offers, insurance premiums (plus applicable taxes) accrue interest in accordance with the underlying Credit Plan and are due and payable in the same manner as payments under the Credit Plan to which they relate. For other Credit Plans (unless the promotional material or sales slip indicates otherwise), insurance premiums (plus applicable taxes) are treated as Regular Credit Plan Transactions and accrue interest in accordance with the Regular Credit Plan and are due and payable in the same manner as payments under that Credit Plan.

13. Your liability for unauthorized use of Cards

You will inform us immediately of any actual or suspected loss, theft or unauthorized use of your Card or Account number. If you report your Card lost or stolen, you will not be liable for any unauthorized transactions that occur after you notify us. You may have to pay up to a maximum of **$50** for any amounts charged to your Account before you notify us.

14. Problems with Merchants

We are not responsible if, for any reason, your Card is not honoured. If you have problems regarding any product or service acquired through the use of your Card, you must settle the problem directly with the merchant. Even if you have a problem with a merchant, you must make at least the monthly Minimum Payment by the due date in order to keep your Account in good standing and you remain responsible for the Total Debt. We shall not be liable for any loss or damage incurred as a result of our inability to authorize or process any Transaction or for taking any other action contemplated by applicable laws.

15. Credits from merchants

If a merchant issues you a credit note, we credit it to your Account on the day we receive it. However, if we have charged you any interest as a result of the original Transaction, we will not refund this interest to you.

16. Changing your Address

You must provide us prompt notice of any change in your address, your name or other information about you.

17. Cancellation

We have the right at any time without notifying you in advance, unless required by law, to:

- cancel any Card on your Account;
- terminate any Promotional Credit Plan;
- withdraw your rights and privileges in respect of your Card and Account; and
- require the immediate return or destruction of all Cards.

You may also cancel this Agreement by telling us in writing. Upon cancellation, you are not entitled to use your Card or Account and must repay the Total Debt immediately.

We may deduct money from any other account that you have with us or any of our affiliated companies, and use it to pay the amount that you owe us, without notice to you. You must pay all legal fees and expenses that we incur to recover amounts under this Agreement, as permitted by applicable law. This Agreement remains in effect, for as long as the Total Debt remains unpaid.

The following clause applies to Quebec residents only:

"Clause required under the Consumer Protection Act.
(Clause of forfeiture of benefit of the term)

Before availing himself of this clause, the merchant must forward the consumer a notice in writing and unless he is exempted in accordance with section **69** of the General Regulation, he must forward him a statement of account.

Within **30** days following the receipt by the consumer of the notice and, where necessary, of the statement of account, the consumer may:

(a) either remedy the fact that he is in default;

(b) or present a motion to the court to have the terms and conditions of payment prescribed in this contract changed.

It is in the consumer's interest to refer to sections **104** to **110** of the Consumer Protection Act (R.S.Q., c. P-**40.1**) as well as to section **69** of the General Regulation made under that Act and, where necessary, to communicate with the Office de la protection du consommateur."

18. Changes

We may amend this Agreement, including the interest rate (credit rate in Quebec) and fees, by notifying you at the most recent address in our records. Any such notice will be provided in accordance with applicable laws.

19. Card Ownership

Your Card belongs to us. You do not have the right to assign or transfer your rights and obligations under this Agreement, your Cards or your Account to anyone else, but your obligations shall be binding on your estate and legal representatives.

20. Assignment

We may sell, assign or transfer all or some of our rights or obligations under this Agreement, without notice to you. In connection with any sale, assignment or transfer, we may give information about you and your Account to the purchaser or transferee.

21. Severability

If any part of this Agreement is contrary to law, that part is ineffective without invalidating the rest of the Agreement.

22. Additional Provisions for Quebec Residents Only

Clause required under the Quebec *Consumer Protection Act*
(Contract extending variable credit for the use of a credit card).

For the purposes of this contract, the sole fact that the card has been issued replaces the signature of the merchant and the sole use of the card by the consumer replaces the consumer's signature.

In the event of loss or theft of a credit card, the consumer incurs no liability for a debt resulting from the use of such card by a third party after the issuer of the card has been notified of the loss or theft by telephone, telegraph, notice in writing or by any other means. Even where such notice is not given, the liability of the consumer whose credit card has been lost or stolen is limited to the sum of **$50**.

At the end of each period, if the merchant has a claim with regard to a consumer, the merchant must furnish the latter with a statement of account mailed at least **21** days before the date on which the merchant may exact credit charges if the consumer does not discharge his entire obligation; credit charges for advances of money may start as of the date of the advance up until the date of payment.

The consumer may require the merchant to forward him, without charge, a copy of the vouchers for each of the transactions described in the statement of account. Until the consumer receives a statement of account at his address, the merchant must not exact credit charges on the unpaid balance, except on advances of money.

It is in the consumer's interest to refer to sections **29, 123, 124, 126** and **127** of the *Consumer Protection Act* (R.S.Q. c. P-**40.1**) and, where necessary, to communicate with the Office de la protection du consommateur.

The parties hereto specifically request that this Agreement and all documents related hereto be drawn up in the English language only. Les parties aux présentes exigent que cette convention ainsi que tous les documents y afférents soient rédigés en langue anglaise seulement.

23. About the words we use in this Agreement

In this Agreement, the words listed below have the following meanings:

- *Account* means the retail credit card account opened by HSBC Retail Services Limited.
- *Agreement* means this Agreement and Disclosure Statement, as amended from time to time.
- *Authorized User* means an individual in whose name we have issued a Card that is identified in the Account application as an authorized user or added as an authorized user at the request of the Primary Cardholder.
- *Card* means a credit card issued by us to access the Account and any renewal or replacement issued from time to time.
- *Credit Plan* means a Promotional Credit Plan or a Regular Credit Plan.
- *Disclosure Statement* means the disclosure statement provided with this Agreement, as amended from time to time.
- *New Balance* means the amount shown on your Account statement as the "new balance" which is the balance owing as of the statement date.
- *Primary Cardholder* means the person who applied as the primary cardholder.

- *Promotional Credit Plan* means a special promotional offer that is made available from time to time as contemplated in Section **7** (Special Programs).
- *Purchase* means an advance from us that equals the purchase price of goods and services charged toyour Account.
- *Regular Credit Plan* means Transactions that are not subject to any special promotional offer, and includes the balance under a Promotional Credit Plan that has been cancelled or expired.
- *Regular Rate* means the nominal annual interest rate (credit rate in Quebec) that applies to the Regular Credit Plan.
- *Total Debt* means the total of all Purchases and other Transactions.
- *Transaction* means any Purchase, interest, fee, payment, credit or debit adjustment, and other amounts charged to your Account.

* * *

How to voice your concerns

HSBC Retail Services Customer Service: If you have any concerns about your Account, please contact the phone number provided on your billing statement or on the back of your card.

Customer Response Team: If your concerns have not been satisfied by Customer Service, you may contact the HSBC Retail Services Customer Response Team by telephone at: 1-866-816-4488 or by e-mail to: contact.hsbc.financial@hsbc.ca.

Office of the President and Chief Executive Officer: You may also write to the Office of the President and Chief Executive Officer at:

Office of the President and Chief Executive Officer
3381 Steeles Ave. E, Suite 300,
Toronto, Ontario M2H 3S7

HSBC Financial Ombudsman: If your concerns remain unresolved, you may contact the HSBC Financial Ombudsman as follows:

Office of the Ombudsman, HSBC Financial
4th Floor, 885 West Georgia Street
Vancouver, BC V4C 3E9
Toll free telephone: 1-800-343-1180
Fax: 1-604-647-2758

Ombudsman for Banking Services and Investments (OBSI): If the HSBC Financial Ombudsman is unable to resolve your concerns, you can contact OBSI as follows:

401 Bay Street, Suite 1505
P.O. Box 5
Toronto, ON M5H 2Y4
Toll free telephone: 1-888-451-4519
Fax: 1-888-422-2865

The Financial Consumer Agency of Canada (FCAC): If, after contacting HSBC, you remain concerned about a possible breach of federal consumer protection laws, you can contact the FCAC as follows:

6th Floor, Enterprise Building
427 Laurier Avenue West, Ottawa, ON, K1R 1B9
Toll free telephone: 1-866-461-FCAC (3222)

Customer Account Protection (CAP)® Election

The CAP program is an optional group insurance program that can insure you, the Primary Cardholder in the event of your death, Total Disability, Involuntary Unemployment, Disability Requiring Hospitalization, Critical Illness or Dismemberment and your spouse in the event of their death. Your insurance is subject to the Certificate provisions including the applicable limitations and exclusions. HSBC receives compensation in connection with its role in the promotion and sale of CAP. However, when you enroll in CAP, you are contracting directly with the insurers and not HSBC.

ENROLLMENT

To enroll in the CAP program, you must be at least **18** years of age and less than **66** and be insured under this group coverage. You and your spouse are eligible for Life coverage and only the Primary Cardholder is eligible for Total Disability, Critical Illness, Involuntary Unemployment, Disability Requiring Hospitalization coverages. Upon enrollment, a Certificate of Insurance which will indicate your effective date will be mailed to you within **30** days. Please refer to the document for complete program details. Certain restrictions may apply.

THIS INSURANCE DOES NOT COVER AMOUNTS OF CREDIT EXCEEDING $25,000.

AFFORDABLE COVERAGE

The cost for the CAP program is **$1.29** per **$100** of your average daily balance, plus applicable taxes.

You have **30** days from receipt of your certificate to decide whether the CAP program is right for you. If you decide it is not, just cancel and you will receive a full refund. The premium charge and any applicable taxes will be charged to your account and included in your monthly account statement. When there is no active balance on your account, no insurance premium will be charged. Benefits are subject to policy maximums stated in your certificate. This premium rate may change at any time and you will be notified at least **30** days in advance if it does change.

CAP provides you, the designated insured cardholder, with the following:

LIFE INSURANCE

Pays your account balance up to a maximum of **$25,000** if you or your spouse should die before reaching age **66**. Suicide, while sane or insane, within **2** years of the effective date of coverage is excluded. Life coverage converts to Accidental Death at age **66**.

CRITICAL ILLNESS INSURANCE

Pays your outstanding account balance up to a maximum of **$25,000** if, more than ninety (**90**) days after the effective date of this insurance, you are initially diagnosed with Cancer (life-threatening), Heart Attack or Stroke (each, as defined), and you survive at least thirty (**30**) days after the initial diagnosis. Critical Illness coverage does not cover a Critical Illness that: was existing, or diagnosed, prior to or within ninety (**90**) days of the effective date; was for any illness other than Cancer, Heart Attack or Stroke even if such condition(s) may have been complicated by Cancer, Heart Attack or Stroke; or was caused or contributed to by abuse of drugs or alcohol.

ACCIDENTAL DEATH AND DISMEMBERMENT

Pays your outstanding account balance as of the date of the accident up to a maximum of **$25,000** if you or your spouse is age **66** or over, and if death is the result of accidental causes, sustained directly and independently from all other causes.

Pays your outstanding account balance as of the date of the accident if you sustain bodily injuries as a direct result of an accident and independently of all other causes which results in the total and irrecoverable loss of a hand by severance at or above the wrist, or a foot by severance at or above the ankle, or the sight of both eyes within one hundred (**100**) days of the accident causing such dismemberment.

TOTAL DISABILITY INSURANCE

Pays your minimum monthly payment up to a monthly maximum of **$500** for up to **24** months for each period of continuous total disability, if you become totally disabled for at least **15** consecutive days. Benefits will continue until the earliest of: (i) you are no longer totally disabled; (ii) you return to gainful employment; (iii) **24** monthly payments have been made; (iv) the insured debt has been paid; or (v) the maximum amount of insurance has been paid. For disability coverage, you must be gainfully employed working a minimum of **25** hours per week in a permanent position immediately prior to the time of the total disability. If you are age **66** or over you are covered only if the total disability results from accidental injury.

Disability coverage does not cover intentionally self-inflicted injury, a pre-existing medical condition which is a condition for which you received medical consultation or treatment within **6** months before the date of your enrollment under this certificate; or non-accidental causes of total disability after age **66**.

INVOLUNTARY UNEMPLOYMENT

Pays your minimum monthly payment up to a monthly maximum of **$500** for up to **12** minimum monthly payments per occurrence, if you become involuntarily unemployed (strike, lockout, labour dispute or layoff) for at least **15** consecutive days. Benefits will continue until the earliest of: (i) you return to gainful employment; (ii) **12** minimum monthly payments per occurrence have been paid; (iii) the insured debt has been paid; (iv) the maximum amount of insurance has been paid. To be eligible for the unemployment benefits, you must be under the age of **66**, gainfully employed working a minimum **25** hours per week in a permanent position, immediately prior to the time of loss.

Unemployment coverage does not cover loss of employment as a result of retirement, voluntary separation from employment, loss of a seasonal employment, dismissal for cause, total disability (mental or physical) , conviction for an offence under the Criminal Code of Canada, loss of self employment or employment which is temporary or part-time (less than **25** hours per week).

DISABILITY REQUIRING HOSPITALIZATION PROTECTION

Pays an initial minimum monthly payment up to a maximum of **$500** if you are hospitalized for at least **24** hours due to accidental bodily injury or sickness. If you are hospitalized for more than **30** consecutive days, we will pay the outstanding account balance as of your initial disability requiring hospitalization, less the benefit previously paid following your initial **24** hours of hospitalization.

Disability requiring hospitalization coverage does not cover hospitalization: (i) in a convalescent, nursing, rest, or skilled nursing facilities or facilities operated exclusively for the treatment of mentally ill, aged, drug addiction, alcoholism; (ii) a hospital outside of North America; or (iii) is the result of intentionally self-inflicted injury, act of war or military conflicts, elective cosmetic surgery, commission of or attempt to commit a felony, or normal pregnancy. You must be under age **66** to receive coverage.

COVERAGE LIMITATION

No coverage is offered and no claim benefits are payable in regard to that portion of your account balance that is subject to a Promotional Credit Plan (as defined in the Cardholder Agreement) for which no insurance premiums are being billed to your account. No insurance premiums are billed in relation to a “No Interest, No Payment” Promotional Credit Plan in the Province of Quebec.

TERMINATION/CANCELLATION/MODIFICATION OF COVERAGE

You may cancel this insurance coverage at any time by contacting the underwriter(s) in writing or by calling 1-877-217-3443. If you cancel within the first **30** days, you will receive a full refund of any insurance premiums billed on your account. All insurance coverage under the Policy ceases on the earliest of: the first billing date after we receive your request to terminate the coverage; the date your credit privileges on your account are suspended or revoked; the date on which your Account is terminated; the first billing date on which your Account is **3** months overdue; or the date on which the Policy is terminated, of which you will receive at least **30** days advance written notice mailed to your last known address; the date a Critical Illness benefit is paid. Beginning at **66** years, you are covered for Accidental Death & Dismemberment and Total Disability resulting from accident only.

UNDERWRITERS/CLAIM PROCEDURES

CAP is administered and underwritten by American Bankers Life Assurance Company of Florida and American Bankers Insurance Company of Florida, Assurant Solutions companies, under Group Master Policy Numbers 11890C and 11890CL. You may contact the administrator and underwriter at 1-877-217-3443 or write to Assurant Solutions P.O. Box 7200, Kingston, Ontario K7L 5V5 regarding your coverage or to file a claim, and a claim form will be sent to you. No benefit will be paid without proof of loss. In all cases except for the Life coverage, proof of loss must be provided to the underwriter within ninety (**90**) days of the date of loss. Certain conditions may apply. Upon enrollment in the CAP program, you will receive a Certificate of Insurance containing full program details, definitions, limitations and exclusions applicable to the insurance program. The Certificate of Insurance should be stored in a safe place. Quebec residents also receive a Distribution Guide.

PRIVACY

American Bankers Life Assurance Company of Florida, American Bankers Insurance Company of Florida, and affiliates may collect, use and share personal information provided to them by you and obtained from others with your consent. They may use the information to establish and serve you as a customer or when required or permitted by law. Your information may be processed and stored in the United States and may be subject to access by US authorities under applicable laws. You may obtain a copy of the above companies’ privacy policy or if you have any questions regarding the manner in which the insurer will use the information or your options for refusing or withdrawing this consent by calling the insurer at 1-888-778-8023.