

HSBC Mastercard® Rates and Fees Information Box

Annual Interest Rates

These interest rates are in effect on the day your HSBC Mastercard account (“Account”) is activated.

Regular Interest Rates (rates apply unless you select the Low Rate Program):

Purchases and fees: **19.9%**
 Cash Advances: **22.9%**
 Balance Transfers: **22.9%**
 Cheques: **22.9%**

Low Rate Program (rates apply if you select the Low Rate Program. *Not available in Quebec.*):

Purchases and fees: **12.9%**
 Cash Advances: **12.9%**
 Balance Transfers: **12.9%**
 Cheques: **12.9%**

Enrollment in or Cancellation of Low Rate Program

If you select the Low Rate Program at a later time, the Low Rate Program rates will apply starting on the first day of the next billing period after you select the Low Rate Program. The rates that apply may be different from the rates shown here if any interest rate changes apply to your Account, including changes resulting from missed payments or participation in promotional offers.

If you cancel the Low Rate Program, the Regular Interest Rates will apply starting on the first day of the next billing period after you cancel the Low Rate Program. The rates that apply may be different from the rates shown here if any interest rate changes apply to your Account, including changes resulting from missed payments or participation in promotional offers.

Late or Missed Payments

If you do not pay the Minimum Payment in full by the due date on your Account statement two billing periods in a row (the “**first**” and “**second**” billing periods), your interest rates in effect at the end of the third billing period will increase by **5%** per year. The increased rates will apply on the **first** day of the **fourth** billing period and will continue to apply until you qualify for a rate decrease.

If you pay the Minimum Payment in full by the due date on your Account statement six billing periods in a row (the “**first**” through “**sixth**” billing periods), your previously increased rates in effect at the end of the seventh billing period will decrease by **5%** per year. The decreased rates will apply on the **first** day of the **eighth** billing period.

Example: Your billing periods end on the last calendar day of each month and your Minimum Payments become due on the 22nd calendar day of each month. If you miss or are late to make Minimum Payments that become due in **December** and **January**, your rates in effect on the last day of February will go up by **5%** per year starting on the **first** day of **March**. An annual interest rate of **19.9%** will increase to **24.9%**.

If you pay each Minimum Payment that becomes due in **March** through **August** in full and on time, your previously increased rates in effect on the last day of September will decrease by **5%** per year starting on the **first** day of **October**. An annual interest rate of **24.9%** will decrease to **19.9%**.

Interest-free Grace Period	<p>21 days (or 23 days if you select the Low Rate Program in this application)</p> <p>You will benefit from an interest-free grace period on new Purchases and fees of at least 21 days if you pay off your balance in full by the due date.</p> <p>If you select the Low Rate Program at a later time, the 23-day grace period will apply starting on the first day of the next billing period after you select the Low Rate Program.</p> <p>If you cancel the Low Rate Program, the 21-day grace period will apply starting on the first day of the next billing period after you cancel the Low Rate Program.</p> <p>There is no interest-free period on Cash Advances, Balance Transfers and Cheques.</p> <p>Interest at the Regular Interest Rates (or at the Low Rate Program interest rates, if you select the Low Rate Program in this application) begins to accrue on Purchases, Cash Advances and fees from the date of the transaction and on Balance Transfers and Cheques from the date posted.</p>
Minimum Payment	<p>Your minimum payment is the greater of 3% of the total outstanding amount (rounded to the next dollar) or \$10, plus all past due amounts and amounts over your credit limit. If the total outstanding amount is less than \$10, then the Minimum Payment is equal to the total outstanding amount.</p>
Foreign Currency Conversion	<p>2.5%</p> <p>We will bill you in Canadian currency if you use your Account to make transactions in foreign currency. If you make (or return) Transactions in a foreign currency, we convert the amount to Canadian dollars at the conversion rate that is 2.5% above a benchmark foreign currency exchange rate determined by Mastercard that is in effect and that we must pay on the date we post the Transaction to the Account. This rate may be different from the rate in effect on the date you made the Transaction.</p>
Annual Fees	<p>Regular Interest Rates: \$0 If Low Rate Program added: \$25</p> <p>To be charged upon enrolment and annually on your anniversary date.</p>
Other Fees	<p>To be charged on the date of the transaction:</p> <ul style="list-style-type: none"> • Cash Advance fees (do not apply in Quebec): <ul style="list-style-type: none"> • Automated Teller Machine (ATM) displaying the Mastercard or Cirrus® symbol – ATM in Canada – \$2; ATM outside Canada – \$4 • Over-the-Counter (in Branch) at a Mastercard Financial Institution – In Canada – \$3; Outside Canada – \$5 • Wire transfers, travelers cheques, foreign currency, money orders, payment of an existing debt, bets, lottery tickets and casino gaming chips (referred to as “quasi-cash transactions”; fee does not apply in Quebec): \$2.75 <p style="text-align: right;">Other Fees (continued on next page)</p>

<p>Other Fees (continued from previous page)</p>	<p>To be charged on the date the transaction is posted:</p> <ul style="list-style-type: none"> • Charge for dishonoured payment or dishonoured Cheque: \$25 • Cheque fee – for Cheques written to a merchant outside Canada: \$5 • Extra copy of your monthly statement or sales slip: \$10 • Promotional Offer Balance Transfer fee: Up to 5% of the balance transfer amount. We charge this fee when we offer a promotional interest rate on balance transfers for a specified period which is lower than the annual interest rate that applies to balance transfers to your Account. We may waive or lower this 5% fee at the time the promotional interest rate offer is made to you. We do not charge balance transfer fees outside of promotional offers. • Rush card or PIN replacement fee: for courier delivery within Canada: \$25 <p>To be charged on the statement date:</p> <ul style="list-style-type: none"> • Over the credit limit fee – if your balance exceeds your assigned credit limit during the statement period (the fee does not apply in Quebec): \$29
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(2017-07)

We may change the interest rates and fees from time to time. Please read the Cardholder Agreement for more information.

Optional Services

Description	Fee
<p>HSBC Rewards Program</p> <p>Select from either the HSBC Personal Rewards Program (for travel and merchandise rewards) or the HSBC Personal Cash Back Rewards Program.</p> <p>Please refer to the HSBC Rewards Program Summary for additional information about these programs.</p>	<p>We charge an annual rewards program fee as follows:</p> <ul style="list-style-type: none"> • \$35 for the Primary Cardholder, plus • \$35 for each additional card issued on your Account <p>This fee is charged to your Account when you enrol and annually on the anniversary date.</p>
<p>Low Rate Program <i>(Not available in Quebec.)</i></p> <p>Please refer to the Low Rate Program Summary for additional information about this program.</p>	<p>The annual fee is \$25, and is charged to your Account when you enrol and annually on the anniversary date.</p>
<p>Travel and Medical Insurance*</p> <p>Please refer to the Travel & Medical Insurance Summary for additional information about this product.</p>	<p>The annual premium is \$69, and includes applicable taxes. The premium will be billed to your Account when you enrol and annually at renewal.</p>

INFORMATION ABOUT THE OPTIONAL SERVICES: If you enrol in any optional products or services, you may cancel at any time and we will issue a pro rated refund of the unused portion of any fees that you have paid (as a credit to your Account). To cancel, you may contact HSBC Mastercard Customer Care at the number on the back of your HSBC Mastercard card.

* Insurance coverage is underwritten by American Bankers Life Assurance Company of Florida (ABLAC) and American Bankers Insurance Company of Florida (ABIC). ABLAC, ABIC, its subsidiaries, and affiliates carry on business in Canada under the name of Assurant®. ®Assurant is a registered trademark of Assurant, Inc. Details of coverage, including definitions, benefits, limitations, and exclusions, are in the Certificate of Insurance provided with your card. ©/™ Mastercard and Cirrus are registered trademarks, and the circles design is a trademark of Mastercard International Incorporated. Used pursuant to license.

HSBC Rewards Program - Summary

With your Card, you can choose one of two valuable HSBC Rewards Programs:

- HSBC Personal Rewards Program - Earn rewards for travel and merchandise
- HSBC Personal Cash Back Rewards Program - Earn a Cash Back rebate that is automatically issued as a credit to your Account in January each year (as long as your Account is in good standing).

Sign up for your preferred rewards program at any time for an annual fee of \$35/card issued on your Account. For example, if you have one Authorized User on your Account, the annual fee is \$70 (\$35 for the Primary Cardholder plus \$35 for the Authorized User). The annual fee is charged on enrolment and annually on the anniversary date. If you sign up at the time of application, the annual fee will appear on your first monthly statement.

If you enrol, you may cancel at any time and receive a pro rated (or proportionate) refund of the unused portion of the fees that you have paid (as a credit to your Account). To cancel, you may contact HSBC Mastercard Customer Care at the number on the back of your Card.

If you enrol in an HSBC Rewards Program, you will be bound by the applicable HSBC Rewards Program Terms & Conditions which are sent to the Primary Cardholder. Please read these terms for full information.

Option 1 - HSBC Personal Rewards Program

With the HSBC Personal Rewards Program, you earn 1 Point for every \$1 in eligible purchases made with your Card.¹

Welcome Bonus²

Receive a welcome bonus of 1,000 Points if you

- are a new applicant and approved for a Card, and
- enrol in the HSBC Personal Rewards Program

Redeeming your Points

- **Book your own travel** – Enjoy the flexibility of booking your trip however you want – including flight, hotel and car rentals – with your Card. Simply visit us online at rewards.hsbc.ca or contact HSBC Rewards Customer Care at 1-866-688-4722 within 60 days of purchase to redeem Points for a statement credit towards eligible travel purchases made with your Card.
- **Valuable financial rewards** – Redeem Points for a credit to pay down your HSBC Bank Canada residential mortgage. Plus, you can redeem Points for a credit towards your Account.
- **Select valued gift cards and merchandise** – Choose gift cards from a variety of stores or select from over 150 premium merchandise options.

The availability of rewards may change. Terms and conditions apply.

Option 2 - HSBC Personal Cash Back Rewards Program

With the HSBC Personal Cash Back Rewards Program, earn a 1% rebate on eligible purchases made with your Card, no tiers or caps.¹

Your Cash Back rebate is issued as a credit in January provided your Account is in good standing.

- For example, if your total spending on eligible purchases in a calendar year is \$25,000, you will receive \$250 issued as a credit to your Account in January.

¹ Customers enrolled in the HSBC Personal Rewards Program or HSBC Cash Back Rewards Program, earn Points or rebate (as applicable) for most purchases charged to their Account, less credits for returns, refunds and adjustments. No Points or rebate are earned on quasi-cash transactions (which include purchases of wire transfers, travelers cheques, foreign currency, money orders, payment of an existing debt, bets, lottery tickets and gaming chips), cash advances (which includes balance transfers and cheques), optional services, interest charges or fees. Terms, conditions and eligible purchases may change without notice. Refer to the HSBC Rewards Program Terms & Conditions for details.

² Welcome bonus applies to new applicants who are approved for a Card and enrol in the HSBC Personal Rewards Program. Welcome bonus is not available to existing cardholders. Limit of one bonus per Account. This offer cannot be combined with any other offer. Welcome bonus is credited to your rewards account when you make the first transaction with your Card following enrolment. Residents of Quebec have the option to call HSBC Mastercard Customer Care to receive the bonus. This Welcome bonus offer may be changed or withdrawn at any time.

Low Rate Program - Summary

(This option is not available in the province of Quebec.)

The Low Rate Program is an option that lowers your annual interest rate to 12.9% on Purchases, fees and Cash Advances (including Cheques and non-promotional Balance Transfers) charged to your Account. The Program also extends your grace period on Purchases and fees from 21 days to 23 days if you pay off your balance in full by the due date. There is no interest-free period on Cash Advances, Balance Transfers and Cheques.

Your Low Rate Program interest rates are subject to increase by an additional 5% per year as a result of missed payments. If you do not pay the Minimum Payment in full by the due date on your Account statement two billing periods in a row (the "first" and "second" billing periods), your interest rates in effect at the end of the third billing period will increase by 5% per year. The increased rates will apply on the first day of the fourth billing period and will continue to apply until you qualify for a rate decrease.

If you pay the Minimum Payment in full by the due date on your Account statement six billing periods in a row (the "first" through "sixth" billing periods), your previously increased rates in effect at the end of the seventh billing period will decrease by 5% per year. The decreased rates will apply on the first day of the eighth billing period.

Term of Low Rate Program

The term of this option starts from date you enrol by selecting this option on your application or, later on, by contacting HSBC Mastercard Customer Care at the number on the back of your Card. The term of this option ends when:

- you cancel this option
- your Account is cancelled or closed

If you select the Low Rate Program at a later time, the Low Rate Program interest rates and the 23-day grace period will apply starting on the first day of the next billing period after you select the Low Rate Program. The rates are subject to changes resulting from missed payments or participation in promotional offers.

If you cancel the Low Rate Program, the regular interest rates and the 21-day grace period will apply starting on the day after first day of the next billing period you cancel the Low Rate Program. The rates are subject to changes resulting from missed payments or participation in promotional offers.

How much the option costs

If you enrol in this option at the time of application, an annual fee of \$25 is charged to your Account upon enrolment at the time of the first card issuance and annually on the anniversary date of the enrolment. For cardholders that enrol later on, after the issuance of the Card, the annual fee for the Low Rate Program is charged upon enrolment and calculated on a pro rata basis until the anniversary date on the first card issuance. For example, if you enrol about six months after the issuance of your Card, your pro-rated fee will be approximately \$12.50 (approximately $(6 \div 12) \times \$25$). Thereafter, the annual fee of \$25 is charged annually on the anniversary date on the first card issuance.

If you wish to cancel

You may cancel the Low Rate Program at any time, and we will issue a pro rated refund of the unused portion of any fees that you have paid (as a credit to your Account). To cancel, you may contact HSBC Mastercard Customer Care at the number on the back of your Card.

Travel and Medical Insurance Summary

Information before you apply

Travel and medical insurance can provide you with coverage in the following situations:

- a medical emergency happens during the first 17 days of your trip
- your trip is cancelled (before you depart)
- your trip is delayed (after you depart)
- your baggage is lost or delayed

This insurance is available to the Primary Cardholder with an HSBC Mastercard, as an option (for a fee), as long as you are under age 65. This insurance does not cover any person 65 years of age or older. This insurance covers the Primary Cardholder and where applicable his/her Spouse and Dependent Children.

Emergency travel medical insurance does not apply to travel in Cuba.

Emergency travel medical, trip cancellation, trip delay, and baggage delay or loss insurance are subject to limitations and exclusions as stated in the Certificate of Insurance. The Certificate of Insurance is sent to the Primary Cardholder at the time of enrolment (and is available at www.hsbc.ca). Please read the Certificate of Insurance for full details, including the complete list of limitations and exclusions.

Emergency travel medical insurance

This insurance covers eligible medical expenses which arise due to a medical emergency. For example, eligible medical expenses may include: emergency hospital, ambulance and medical expenses; private duty nursing expenses; emergency air transportation or evacuation; professional services; emergency dental expenses; transportation to the bedside; return of deceased; additional hotel and meal expenses; and return of vehicle.

Emergency travel medical insurance automatically applies to the first 17 days of a trip. You and your spouse (under age 65 at the time of departure) are insured, as well as your dependent children while traveling with you or your spouse, to a maximum of \$1,000,000 per person. It does not cover expenses arising from:

- **a medical emergency while travelling in Cuba**
- pre-existing conditions or ignoring the recommendation of a doctor
- any other limitations and exclusions stated in the Certificate of Insurance.

Each insured person must be a permanent resident of Canada and covered by a provincial or territorial Government Health Insurance Plan. This insurance only covers amounts greater than the expenses covered by your Government Health Insurance Plan or any other insurance or reimbursement program. Coverage stops once your condition is stable or you can return to Canada for treatment.

Trip cancellation insurance

If you or your spouse (under age 65) is required to cancel a trip due to a covered cause, you will be reimbursed eligible expenses to a maximum of \$2,000 per Account. For example, a covered cause occurs if:

- you, your spouse, an immediate relative, or your travel companion become sick, injured, or dies
- involuntary job loss
- default of your travel provider
- extreme weather delay

Coverage starts from the time you purchase a trip and ends at the trip's scheduled departure time.

Trip delay insurance

While on a trip, if you or your spouse (under age 65) is required to delay your scheduled return date due to a covered cause, you will be reimbursed the extra cost of one-way economy airfare to a maximum of \$2,000 per Account. For example, a covered cause occurs if you, your spouse, an immediate relative or travel companion accidentally die, or become sick or injured, and the attending physician recommends a travel delay.

Coverage starts after the scheduled departure date and lasts until the scheduled return date.

Baggage delay or loss insurance

If baggage, including personal contents, is lost or damaged during a trip, you will be reimbursed to a maximum of \$750 per insured person (and maximum of \$500 per item). This coverage also includes up to \$200 for the purchase of necessities required by a delay of your checked-in baggage of 12 hours or more. This insurance does not cover certain types of loss or damage. For example, it does not cover:

- loss or damage due to normal wear and tear
- confiscation of your luggage by authorities
- loss or damage to certain items (such as contact lenses, cell phones, computers, jewellery or camera equipment contained in your checked-in baggage, and business equipment or materials).

Paying for your trip with your HSBC Mastercard. To receive coverage for trip cancellation, trip delay, and baggage delay or loss insurance, you must charge at least 75% of the eligible expenses for your trip (such as transportation, hotel or package tour costs) with your HSBC Mastercard Account.

Term of insurance. The effective date of insurance coverage is the date of enrolment set out in the Letter of Confirmation we send at the time of enrolment. Coverage ends at the earliest of the following:

- the date the Insured Person ceases to be eligible for coverage;
- the date the Primary Cardholder reaches age 65;
- the date the Policy terminates;
- the date your notice of cancellation is received by the Insurer or HSBC; and
- the date the HSBC Mastercard account is cancelled, closed, or not in good standing.

How much insurance costs. The annual premium is \$69, including applicable taxes. We may change the premium and we will tell you at least 30 days in advance. The premium is charged to your Account when you enrol and at each annual renewal.

If you wish to cancel. You may cancel coverage at any time and receive a prorata refund of the unused premium (as a credit to your Account). If you cancel within the first 30 days, any premium paid will be credited to your Account and coverage will be void. Cancellation is effective on the date your notice of cancellation is received by the insurer or HSBC.

To make a claim (if you enrol). Call 1-800-668-8680 from Canada or the U.S., or 416-977-6066 collect from anywhere else in the world and you will be sent a claim form.

Travel and Medical Insurance is voluntary insurance offered on a group basis. This insurance is designed to cover losses from sudden and unforeseeable circumstances only. Travel and Medical Insurance is underwritten by American Bankers Life Assurance Company of Florida and American Bankers Insurance Company of Florida. Details of insurance, including definitions, benefits, limitations, and exclusions, are outlined in the Certificate of Insurance sent to cardholders who enrol.