



## HSBC Small Business – 2021 HERO Term Loan Offer

For a limited time, HSBC Small Business is offering to qualified small business applicants on approved credit:

1. 4% Cashback to a maximum of \$20,000\*
2. Payment deferral period - first payment deferred for 6 months\*\*
3. 5-year variable rate term loan
4. Set-up fee waiver

**If you are not yet an HSBC Small Business customer**, you can apply via our easy to use “eCredit” online application using the activation code “**Hero2021**” at <https://www.hsbc.ca/small-business-banking-solutions/ecredit/>.

**If your business is an existing HSBC Small Business customer**, you can apply by contacting your Business Relationship Manager and quoting the activation code “**Hero2021**”.

Some of the capitalized terms that we use above are defined in the definitions section below.

For all credit applications, you must be or become a HSBC Canada Small Business customer and meet the conditions of the applicable offer and the credit eligibility requirements for the loan.

Please refer to the **Terms and Conditions** below for details of this Offer.

### Terms and Conditions

**Effective: February 22, 2021 to April 30, 2021**

#### 1. Definitions

When used in these Terms and Conditions, the terms below have the following meanings:

- “**Cashback Repayment**” has the meaning given to it in Section 6.
- “**HSBC**” or “**we**” means HSBC Bank Canada.
- “**Offer**” means the Small Business new term loan offer referred to in this document.
- “**Offer Period**” means February 22, 2021 to April 30, 2021.
- “**Small Business Chequing Account**” means one of the following products in Canadian currency: HSBC Start Chequing, HSBC Smart Chequing or HSBC Unlimited Small Business Chequing account. For full details regarding fees which may apply, please refer to the HSBC Small Business Guide to Fees and Service Charges available in branches and at [www.hsbc.ca/smallbusiness](http://www.hsbc.ca/smallbusiness).

#### 2. Becoming an HSBC Canada Small Business Customer

New to HSBC Small Business customers must:

- Qualify as an HSBC Small Business customer, meaning your business must be a sole proprietorship, partnership or corporation resident in Canada with an annual gross revenue below \$5 million CAD. Other requirements may apply,
- Open a Small Business Chequing Account. The account opening is subject to the standard HSBC account opening process and approval,

\* All offers are subject to credit approval.

\*\* 6-month payment deferral is an available option at customer discretion. See **Terms and Conditions**.

- Comply with all terms and conditions for products you open with HSBC, and
- If your business is a corporation or partnership, ensure that all individual beneficial owners of the corporation or partnership that holds the Small Business Chequing Account are of the age of majority in their province of residence.

### 3. Small Business Hero 2021 Term Loan Offer – Conditions for Eligibility

To be eligible for the Offer, your business must:

- Be either a new or existing HSBC Small Business Customer,
- Comply with all terms and conditions for products you open with HSBC,
- If your business is a corporation or partnership, ensure that all individual beneficial owners of the corporation or partnership that holds the Small Business Chequing Account are of the age of majority in their province of residence, and
- Submit a credit application, which will be assessed subject to standard credit approval criteria, and be approved.

### 4. Basic Terms of the Loan

- The loan must be a 5-year variable rate term loan.
- Standard variable interest rates will apply, based on approved credit to be determined at time of application. The Small Business Credit Agreement will set out the interest rate and will contain other important terms and conditions.

### 5. Cashback Bonus

- If your business qualifies for the Offer and is approved for a loan, then you will receive a cashback bonus equal to 4% of the principal amount of your loan, up to a maximum of \$20,000. For clarity, this cashback bonus will only be provided to customers who qualify for this Offer, and it will not be provided for other types of terms loans.
- The cashback bonus will be deposited into your Small Business Chequing Account within 45 business days after your loan is funded.

### 6. Cashback Repayment

- If you make an early repayment (prepayment) of all or part of your loan before its maturity date, in accordance with the terms of the Small Business Credit Agreement, then you will need to repay all or part of the cashback bonus (called the “**Cashback Repayment**”), based on the calculations below.
- The Cashback Repayment will be added to the loan’s payout calculation and it will form part of the total amount owing that you will need to repay. The Cashback Repayment will be in addition to any other prepayment amounts required under the Small Business Credit Agreement.
- If you make a **partial** prepayment, then the percentage of the cashback bonus you must repay will be equal to the percentage of the original principal amount of the loan that you prepaid. For example, if you make a prepayment of 30% of the original principal amount of the loan, then your Cashback Repayment will be equal to 30% of the cashback bonus you received.
- If you **fully** repay your loan before the maturity date, then your Cashback Repayment will be equal to the percentages shown below, and will depend on which year of the loan you make the prepayment:
  - Years 0 to 1: 100% of the cashback bonus,
  - Years 1 to 2: 80% of the cashback bonus,
  - Years 2 to 3: 60% of the cashback bonus,
  - Years 3 to 4: 40% of the cashback bonus, and
  - Years 4 to 5: 20% of the cashback bonus will be added to the loan payout. However, no Cashback Repayment will apply if you fully pay out your loan within the last two months of its term.

## **7. 6-month Payment Deferral**

- Customers who qualify for this Offer will have the option to choose a 6-month payment deferral period.
- Interest will continue to accrue during the deferral period. Once the deferral period ends, payments will be allocated first to accrued interest and applicable fees. If the deferral option is chosen, the first few payments may be necessary to repay accrued interest and fees with little or no portion of the payments applying to the principal. The allocation of interest and principal will adjust in accordance to the repayment schedule as set out in your Small Business Credit Agreement.
- If the deferral option is chosen, the repayment schedule is calculated in accordance to the type of Small Business Loan:
  - The amortization period for unsecured term loans are equal to the 5-year term, and
  - The amortization period for secured term loans (including commercial real estate-secured terms loans) is equal to the amortization schedule shown in the Small Business Credit Agreement, and may be up to 20 years.

## **8. Set-up Fee Waiver**

- The standard set-up fee of up to 1% is waived.
- Other administrative fees such as security registration, appraisal and/or legal fees (all as shown in the Small Business Credit Agreement) will remain applicable.

## **9. Other Terms and Conditions**

- These Terms and Conditions are in addition to the terms and conditions that govern Small Business Chequing Accounts, unsecured or secured term loans and lines of credit (including the Small Business Credit Agreement), including their fees and charges. If there is any conflict between these Terms and Conditions and the terms of the Small Business Credit Agreement, the terms of the Small Business Credit Agreement will govern. For details on the fees and charges please refer to [HSBC Small Business Guide to Fees and Service Charges](#) available at any HSBC Bank Canada branch or online at [www.hsbc.ca/smallbusiness](http://www.hsbc.ca/smallbusiness).
- The Spring 2021 Term Loan Offer with cashback and payment deferral can be combined with other offers being run by HSBC during the duration of this offer.

## **10. Taxes**

There may be tax implications associated with the Offer and also any repayment of the Offer. HSBC does not provide tax advice. If you require tax advice in connection with the Offer or other use of HSBC products or services, please contact your personal tax advisor.

## **11. Exclusions**

Small businesses that include an HSBC employee as an individual beneficial owner are not eligible for the Offer.

## **12. Amendments**

These terms and conditions may be amended, extended or cancelled at the sole discretion of HSBC at any time without prior notice.

## **13. Right to Terminate**

HSBC reserves the right to change any and all terms and conditions at any time without prior notice and to refuse or terminate any person's participation in this Offer.