

## **Cardmember Agreement and Disclosure Statement**

### **FOR CUSTOMERS OF:**

**HSBC Private Bank**

**HSBC Bank USA, N.A.**

**HSBC Private Bank International**

### **About this Agreement**

This document is your Cardmember Agreement and Disclosure Statement (“Agreement”) that governs your Credit Card Account with us (your “Account”).

Please read and keep this Agreement.

***Thank you.***

### **KEY TERMS**

“You” and “your” means each person who:

- applied for this Account; and/or
- agrees to pay for the Account.

“We,” “us,” and “our” means HSBC Bank USA, N.A. located at 1111 Town Center Drive, Las Vegas, Nevada 89144.

“Agreement” means this document and any supplements or amendments.

“Card” means any card, card number or other device we issue to access your Account.

“Network” may be Visa, MasterCard, American Express, Discover or another credit card network.

### **GETTING STARTED**

The Card must be signed to be used.

When you receive this Agreement, use the Account, or sign or keep the card, you agree to:

- the terms of this Agreement; plus
- any amendments or supplements to the Agreement.

If your Account has an Annual Fee or Periodic Membership Fee, we will refund this fee if:

- you have not used your Account; and
- you close your Account within 90 days of when it was opened.

You may close your Account at any time.

### **TYPES OF USES**

You can use your Account for:

- Purchases;
- Balance Transfers; and
- Cash Advances.

We may limit the amount and/or frequency of any type of use at any time.

Balance transfers include credit card checks, unless otherwise disclosed.

Cash advances include cash you get:

- over the counter (e.g., at a bank);
- at an ATM; and
- from other purchases we define as “cash-like” (e.g., money orders, traveler’s checks, casino chips, or lottery tickets).

### **ALLOWED USE**

You agree to:

- use your Account only for lawful purposes;
- use your Account for only personal, family, household, or charitable purposes; and
- repay us for all costs related to uses not allowed under this Agreement.

You are not allowed to use your Account:

- to make payments to this credit card or any other loan payments to us or our affiliates; or
- for internet gambling.

If you have given someone permission to use the Card, this is not unauthorized use and you will be liable for all use by that person.

### **CREDIT LIMIT**

When we first send your card, we will tell you:

- the total credit limit on your Account; and
- the portion of this limit you can use for cash advances.

If a cash advance limit is not shown on your billing statement, it means your total credit limit is available for cash advances.

We may change these limits from time to time. Whenever this occurs, we will notify you:

- on your billing statement; and/or
- by sending a notice.

You agree to:

- keep your Account balance (which includes Interest and other charges) within your credit limit; and
- immediately pay any over limit amount that might occur.

Your available credit may not reflect your payments for up to 14 days. If a transaction exceeds your available credit, we may decline it.

### **USING THE ACCOUNT**

At times we may:

- decline a transaction if there is not enough available credit and for any other reason; and/or
- require our Authorization before allowing a transaction.

A merchant may check your ID.

We are not liable if:

- a merchant refuses your card; and/or
- we do not complete your transaction for any reason.

### **RECURRING BILLS**

If you authorize any company to bill charges on a recurring basis to your Account, we may provide the company with information about your:

- a) Account number;
- b) Account status; and
- c) Account expiration date.

You must notify the company when and if you no longer want to allow them to charge your Account.

If you default with us or if we change your Account or Account number for any reason:

- we may refuse or suspend future recurring charges; and
- you must set up the recurring charges again and/or make other payment arrangements with the company.

### **Promise to Pay**

You promise to pay for all:

- credit we extend; plus
- Interest Charges and other fees or charges; plus
- collection costs and attorney fees as allowed by law.

If your Account is a joint Account, each of you is jointly and individually responsible for amounts due. This remains true in the event of death, divorce or other events that affect liability between you and the other person.

If any joint Accountholder requests to not be liable for future transactions, we may close the Account.

## **WHEN AND HOW TO PAY**

You agree to:

- pay the Minimum Payment Due as shown on your billing statement; and
- make this payment in time to be credited by no later than the Payment Due Date.

Instructions for making timely payments are shown on your billing statement.

Payments must be:

- made in U.S. dollars; and
- paid from a U.S. bank or other U.S. financial institution; and
- sent in a form that is acceptable to us.

Acceptable forms of payment include:

- a check or money order; or
- an electronic funds transfer

If you want to write any special conditions on your payment, such as "paid in full", "without recourse", or similar language, you must mark this clearly on your payment. Send this payment to the special address on your statement. This address is called the "Billing Inquiries" address.

Unless you follow the above directions, we may accept a payment marked with special conditions and not agree to those conditions, and will not lose any of our rights.

By sending us a check for payment on your Account, you authorize us either to:

- use information from your check to initiate an electronic fund transfer from your payment account according to the terms of the check; or
- to process this transaction as a check.

When we use your check to make an electronic fund transfer:

- funds may be withdrawn from your payment account the same day we receive your payment; and
- you will not receive your check back from your bank.

When you use our optional payment by phone service, you agree that:

- we may make an electronic funds transfer from the bank account you choose; or
- we may process the payment the same way we would process a check.

You authorize the amount and timing of each payment. Please retain this authorization for your records.

If you have a returned payment:

- the amount you paid will be added back to your Account and may be applied to a different category than originally posted. (e.g. cash advance, purchases, etc.); and
- Interest Charges may be restored back to the payment date at the APR for that transaction.

## **Interest Rates**

### **ABOUT YOUR APRs**

A Daily Periodic Rate is used to determine your Interest Charges in any billing cycle. To determine this rate, we divide your APR by 365; then round this number up to the next hundred thousandth of a percentage point.

## Purchase APR

Your Purchase APR applies to credit card purchases. The ANNUAL PERCENTAGE RATE is 19.80% (corresponding .05425% Daily Periodic Rate).

## Balance Transfer APR

Your Balance Transfer APR applies to balance transfers and credit card checks. The ANNUAL PERCENTAGE RATE is 19.80% (corresponding .05425% Daily Periodic Rate).

## Cash APR

Your Cash APR applies to cash advances. The ANNUAL PERCENTAGE RATE is 19.80% (corresponding .05425% Daily Periodic Rate).

## PROMOTIONAL OR INTRODUCTORY APR

We may offer you special Promotional or Introductory APRs from time to time. If we do, we will tell you:

- the eligible transaction types;
- how long this APR will last; and
- any other special terms of the offer.

## HOW A VARIABLE RATE MAY CHANGE

Your variable APRs can change with each monthly billing cycle.

We will apply each APR to the applicable balance for each type of transaction. Each variable APR will be equal to:

- a) the amount shown in Part 2 ("Spread"); plus
- b) the U.S. "Prime Rate" as defined below.

The Prime Rate will be as shown in the Money Rates table of *The Wall Street Journal* that is in effect on the last day of the month.

Any changes in the Prime Rate will take effect on the first day of your billing cycle beginning in the next month.

An increase in the U.S. Prime Rate will increase your Daily Periodic Rates. It may also increase your:

- Interest Due; and/or
- Minimum Payment Due.

## Interest Charges

### HOW INTEREST CHARGES ARE CALCULATED

To determine your periodic Interest Charges on each billing statement, we:

- determine the Average Daily Balance for each type of transaction; (for example, purchases, balance transfers, and cash advances); then
- multiply this number by the applicable Daily Periodic Rate; then
- multiply this number by the total number of days in the billing cycle.

We use the applicable Daily Periodic Rate in effect on the billing statement closing date.

### HOW DAILY BALANCE IS DETERMINED

To determine your Daily Balance, we:

- take the beginning balance for each type of transaction that day; then
  - add the following that were incurred on that day:
    - a) any new transactions;
    - b) any previous day's periodic Interest Charges;
    - c) any Finance Charges; and
    - d) any fees and charges, including any credit insurance premiums or debt cancellation fees, if these apply;
- then
- subtract any payments and/or credits.

We also make any needed adjustments. For example:

- If a transaction posts after, but occurs before the start of a billing cycle, we may adjust the amount above to include this transaction. It will be included as of the first day of the billing cycle in which it posts.
- If your Account is subject to a grace period during the billing cycle, your payments will be subtracted from all Daily Balances in the current billing cycle.
- If a transaction for a returned payment or a dispute resolved in our favor posts after the beginning of the billing cycle, we will make this adjustment:
  - the applicable Daily Balance(s) and any related Interest Charge calculations will be adjusted to include the transaction amount as of the date of the original payment or transaction.

To calculate your Average Daily Balance, we:

- add the Daily Balances for each day of the billing cycle; then
- divide this total by the number of days in the billing cycle.

### **PAYING INTEREST**

Your Account has a grace period on purchases. Periodic Interest Charges begin accruing on purchases, balance transfers, cash advances, and credit card checks on the date of the transaction and continue to accrue until your balance is paid in full. However, no Interest will be charged on new purchases for any billing cycle when:

- you paid your entire New Balance in the previous month on time; and
- you pay your entire current month's balance within 25 days of the Statement Date.

### **TREATMENT OF FEES AND INTEREST**

Any fees or Interest will be added to your Purchase balance unless otherwise stated in this Agreement.

### **MINIMUM INTEREST CHARGE**

There is no Minimum Interest Charge on your Account.

### **ANNUAL OR PERIODIC MEMBERSHIP FEE**

Your Account is subject to a \$75 Annual Fee. This Annual Fee entitles you to one Card. There will be an additional charge of \$25 per card per year for additional Cards. The amount of these fees may be changed in the future. Each anniversary date of the opening of your Account, the Annual Fee for your renewed Account will be billed to the Account. If you do not want to renew your Account and be charged the Annual Fee, then you must notify us at the address shown on your billing statement that you wish to cancel your Account. The Annual Fee is non-refundable.

This Fee compensates HSBC Bank USA, N.A. in part, for Cardmember services provided or made available to you throughout the membership year.

### **FOREIGN TRANSACTION**

If you incur a charge in a foreign currency, or incur a charge in U.S. dollars outside the United States, the charge will be converted by Visa International into a U.S. dollar amount.

The rules that define the U.S. dollar amount are:

- subject to change at any time, and set by the Network as allowed by law, currently:
  - a wholesale market rate, or
  - a government-mandated rate in effect on either:
    - (i) the applicable central processing date, used by the Network; or
    - (ii) one day prior to the processing date.

The currency conversion rate in effect on the processing date may differ from the rate in effect on the transaction or posting date.

### **STOP PAYMENT**

To request a stop payment you must notify us in writing at P.O. Box 80029, Salinas, CA 93912-0029 or by calling us at the telephone number listed on the billing statement. If you notify us by phone, you must also notify us in writing within 14 days of your call.

Please note, if the check has already cleared, a stop payment cannot be requested.

Your written, signed request must include these items:

- check number;
- payee name;
- check date; and
- check amount.

Your stop payment order will end after six months unless you renew it in writing.

### **GETTING ADDITIONAL CARDS**

You may:

- request additional cards for others; and/or
- permit others to use your Card or Account Number.

You are responsible for all charges made on additional Account cards or by permitted users.

To revoke another person's permission to use your Account, you must:

- notify us; and
- retrieve and destroy any cards, checks or other Account access devices from that person.

### **UPDATING YOUR RECORDS**

You agree:

- a) to give us prompt advance notice of any change in your name, mailing address, phone number, or employer;
- b) to promptly give us accurate financial information about you if we ask for it; and
- c) the Department of Motor Vehicles may release your home address to us if we ever need it to find you.

### **CLOSING YOUR ACCOUNT**

You can close your Account at any time by:

- calling the number on the back of your card; or
- mailing your request to 452 Fifth Avenue, New York, NY 10018.

Once you close the Account:

- you must destroy your card(s) and any unused credit card checks; and
- you will still be responsible for all amounts owed according to the terms of this Agreement.

### **LOST OR STOLEN CARD/CHECKS**

You agree to notify us immediately if:

- your Card or credit card checks are lost or stolen; or
- your Account is used without your permission.

You may call at any time. The phone number is listed on your billing statement.

### **ACCOUNT DEFAULT**

We may consider your Account to be in Default if you:

- a) fail to make the Minimum Payment Due when due;
- b) exceed your credit limit;
- c) become the subject of bankruptcy proceedings, foreclosure, repossession, lien or judgment, garnishment, or attachment;
- d) give us misleading, false, or incomplete information;
- e) fail to give us a current physical address when you apply and whenever you move;
- f) make payments to us that are returned unpaid by your bank or other financial institution;
- g) write any credit card checks that are returned unpaid by us;

- h) default under any other agreement or security agreement you have with us or with one of our affiliates; and/or
- i) become incompetent or deceased.

Upon default, we have the right to:

- close your Account;
- suspend your credit privileges;
- require you to pay your entire Account balance including any Introductory or Promotional APR balances, all accrued but unpaid Interest Charges and other charges provided for in this Agreement immediately;
- change the terms of your Account;
- sue you for what you owe.

If we incur costs to collect your balance owed, including any attorney fees, we may charge you for these costs as permitted by applicable law, and we will apply your payments first to these costs.

## **CREDIT REPORTING**

You agree that we may obtain and use credit information about you from others such as:

- merchants or stores;
- other lenders; and
- consumer reporting agencies.

If you fail to meet the terms of this Agreement, we may send a negative report to consumer reporting agencies.

If you believe we have reported inaccurate information about your Account to any consumer reporting agency, you should:

- notify us and ask us to correct the inaccurate information by writing to us at HSBC Bank, P.O. Box 5253, Carol Stream, IL 60197-5253.

When you write to us, tell us:

- your Account number; and
- the specific information you believe is not correct; and
- why you believe it is not correct.

## **ACCOUNT CLOSURE**

At any time, for any reason, we may take any of these actions subject to applicable law:

- a) close your Account;
- b) suspend your access to new credit;
- c) reduce your credit limit; and/or
- d) not renew your Card.

If we close your Account, you agree to destroy your Card(s) and any unused credit card checks.

If your Account is closed for any reason, the terms of this Agreement still apply to Account balances until your Account is paid in full.

## **MONITORING PRACTICES**

You agree that we may listen to and record phone calls between you and our representatives.

## **CHANGE OF TERMS**

We may change this Agreement as allowed by applicable law. This may include changing, adding, or removing terms. We may do this in response to legal, business, competitive environment or other reasons not listed here.

We may increase the Interest rate on existing balances in limited circumstances. Changes to some terms may require at least 45 days advance notice, and we will tell you in the notice if you have the right to reject a change. We cannot change certain terms during the first year of your Account.

## **ACCOUNT ASSIGNMENT**

We may sell, assign or transfer all or any part of your Agreement and Account without notice to you. You may not sell, assign or transfer your Account.

## **WAIVERS**

If we delay or take no action allowed under this Agreement, for any reason, we will not lose or limit any of our rights under this Agreement on any other occasion.

## **SEVERABILITY**

If a term is found to be invalid under any applicable law, rule or regulation, then all other terms of this Agreement will remain valid.

## **APPLICABLE LAWS**

This Agreement is governed by Virginia law and federal law.

We make our credit decisions and extend credit to you under this Agreement from Virginia. This Agreement is:

- entered into in Virginia; and
- maintained in Virginia.

This is true whether or not you use your card in Virginia.

## **WHO IS BOUND**

This Agreement binds you and your heirs, legal representatives, successors and assigns.

## ***YOUR BILLING RIGHTS: KEEP THIS DOCUMENT FOR FUTURE USE***

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

### ***What To Do If You Find A Mistake On Your Statement***

If you think there is an error on your statement, write to us at:

HSBC Bank USA, N.A.

One HSBC Center

Buffalo, New York 14203 or at the address shown on your billing statement.

In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

### *What Will Happen After We Receive Your Letter*

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter.

We will also tell you if we have already corrected the error.

2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.

• We can apply any unpaid amount against your credit limit. After we finish our investigation, one of two things will happen:

• *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.

• *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

### *Your Rights If You Are Dissatisfied With Your Credit Card Purchases*

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home State or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)

2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.

3. You must not yet have fully paid for the purchase. If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at:

HSBC Bank Nevada, N.A.

PO Box 5253

Carol Stream, IL 60197-5253 or at the address shown on your billing statement.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

**Missouri Residents: Oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect you (borrower(s)) and us (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.**

# Pricing Addendum

## INTEREST RATES

### ABOUT YOUR APRs

A Daily Periodic Rate is used to determine your Interest Charges in any billing cycle. To determine this rate, we divide your APR by 365; then round this number up to the next hundred thousandth of a percentage point

#### Purchase APR

Non-Variable 19.80%

#### Balance Transfer APR

Non-Variable 19.80%

#### Cash APR

Non-Variable 19.80%

**PAYING INTEREST:** Your Account has a 23 day grace period on purchases. Periodic Interest Charges begin accruing on purchases, balance transfers, cash advances, and credit card checks on the date of the transaction and continue to accrue until your balance is paid in full. However, no Interest will be charged on new purchases for any billing cycle when:

- you paid your entire New Balance in the previous month on time; and
- you pay your entire current month's balance on time as well.

## FEES AND LIMITS

**ANNUAL AND PERIODIC MEMBERSHIP FEE:** \$0

**Required insurance, debt cancellation or debt suspension coverage:** None

### HOW DAILY BALANCE IS DETERMINED

To determine your Daily Balance, we:

- take the beginning balance for each type of transaction that day; then
- add the following that were incurred on that day:
  - a) any new transactions;
  - b) any previous day's periodic Interest Charges;
  - c) any Finance Charges; and
  - d) any fees and charges, including any credit insurance premiums or debt cancellation fees, if these apply;
- then
- subtract any payments and/or credits.

To calculate your Average Daily Balance, we:

- add the Daily Balances for each day of the billing cycle; then
- divide this total by the number of days in the billing cycle.