



HSBC Mastercard[®] Credit Card CARDMEMBER AGREEMENT

Please Note: This Cardmember Agreement contains the Terms & Conditions for ALL HSBC consumer credit card products.

For information about your credit card account pricing and fees, contact us via Live Chat at us.hsbc.com/contactus or call the number located on the back of your card.

1. INTRODUCTION

About your Cardmember Agreement

Your HSBC Credit Card Cardmember *Agreement* is comprised of two parts:

Part 1 Terms and Conditions

Part 2 Account Opening Table

Terms used in this Agreement

We, us, and our means HSBC Bank USA, N.A.

You and your means the person who applied for this Account and for whom we opened the Account. *You and your* also mean anyone who agrees to pay for this Account.

Account means your HSBC Credit Card account.

Agreement means Parts 1 and 2 of this document and any supplements or amendments.

APR or the Annual Percentage Rate is the rate used to calculate interest on the balances on your Account.

Balance transfer is a charge to pay an amount you owe on another credit card or personal loan account.

Cash advance is a charge to get cash or cash equivalents, such as ATM withdrawals and over-the-counter checks requested at a branch.

Charge is any amount added to your Account, such as purchases, cash advances, balance transfers, fees and interest charges.

DPR or Daily Percentage Rate is the Annual Percentage Rate divided by 365 days.

Purchase is a charge for goods or services.

2. INFORMATION ABOUT USING YOUR ACCOUNT

Using your Credit Card

You can use your Account only for personal, family or household purposes. You may use the card to make purchases, obtain cash advances, and transfer balances. We may provide checks for your use.

You cannot use your Account to make payments on this credit card or any other loan payments to us or to our affiliates, or for any unlawful purposes.

Promise to Pay

You promise to pay for all credit we extend, interest charges, other fees or charges, and any collection costs and/or attorneys' fees as allowed by law. If your Account is a joint Account, each of you is jointly and individually responsible for all amounts due.

Credit Limit

You will receive a notification that includes your credit card and your credit limit information. You can also find your credit limits on your monthly billing statement or by logging into the HSBC mobile app or Internet Banking site. We may change or restrict your credit availability at any time. When this occurs, we will notify you by statement message or by sending a notice.

Declined Transactions

We may decline transactions for any reason, including if you have insufficient available credit, if the Account is in default, or if there is suspected fraudulent or unlawful activity.

3. PAYMENT INFORMATION

Minimum Payment Due

You agree to pay at least the minimum payment when due.

Your Minimum Payment Due each billing cycle will be the higher of: 1) \$25 (or total balance if less than \$25); or 2) the sum of: any amount past due, 1% of the new balance, the periodic interest charges, and late fees we have billed you on your current statement.

You can pay down balances faster by paying more than the Minimum Payment Due on your Account.

How to make payments

You can pay us by: check, money order, or electronic payment. You authorize us to collect any payment check received either electronically or by draft. All payments must be in U.S. dollars and drawn on a U.S. federal or state chartered financial institution.

Payments marked "paid in full" must be sent to the Billing Inquiries address shown on your billing statement. We may accept and process any payments marked as "paid in full" without agreeing that the Account is paid in full and without losing any of our rights.

If payments are made in accordance with the instructions on the back of your billing statement by the date and time payments are due, we will credit your payment as of the same day it is received.

How we apply payments

Payments are applied to the balances noted on your monthly statement before being applied to new transactions.

We apply your Minimum Payment Due to balances with the highest APR first. Any payment amount in excess of your Minimum Payment Due will be applied to balances with higher APRs before balances with lower APRs.

If you do not pay your non-promotional balance in full each month, you may not be able to avoid interest charges on new purchases. Your available credit may not reflect your payments for up to 14 days.

4. INTEREST RATES

About your APRs

Your APRs are shown in Part 2 of this Agreement under Interest Rates and Interest Charges.

Variable APR

We calculate variable APRs by adding a margin to the highest U.S. Prime Rate published on the last day of the month in the *Money Rates* section of *The Wall Street Journal*. The APR may increase or decrease each month if the Prime Rate changes. Any new rate will be applied as of the first day of the billing cycle during which the Prime Rate has changed. If the APR increases, you will pay a higher interest charge and may pay a higher minimum payment. The Prime Rate is simply a reference index and is not the lowest rate available.

Penalty APR

Your Penalty APR is shown in Part 2 of this Agreement under Penalty APR and When It Applies. If your payment is more than 60 days late, the Penalty APR will apply to both new and existing transactions. We review your Account every 6 months after the Penalty APR is applied. The Penalty APR will continue to apply until after you have made timely payments during the 6 months being reviewed.

5. INTEREST CHARGES

How Interest Charges are Calculated

HSBC calculates interest using the daily balance method with compounding. This means the interest compounds daily.

To determine your periodic Interest Charges, we take the Average Daily Balance for each type of transaction, then multiply this number by the applicable DPR, then multiply this number by the total number of days in the billing cycle.

HSBC will not charge interest on purchases if you pay your non-promotional balance, including fees and interest charges, in full by the due date each month. This is called a grace period. If you do not take advantage of the grace period, we will charge interest starting the day you make the purchase. You also pay interest on cash advances and balance transfers starting from the date of those transactions.

How Daily Balance and Average Daily Balance is Determined

To determine your Daily Balance, we take the beginning balance on your Account and then add in any new purchases, advances, fees and charges; add in any previous day's periodic Interest Charges; and subtract any payments and/or credits. The result is the Daily Balance.

To calculate your Average Daily Balance, we add up all of the Daily Balances for each day of the billing cycle and then divide the total by the number of days in the billing cycle. This gives us the Average Daily Balance.

Paying Interest

We will not charge interest on new purchases if you pay your previous non-promotional balance, including fees and finance charges, by the due date each month. We will charge interest on cash advances, balance transfers and check transactions on the transaction date.

Minimum Interest

Refer to Part 2 of this Agreement under Minimum Interest Charge.

6. FEES

Refer to Part 2 of this Agreement for *Fee* information. Any fees or charges will be included as part of your purchase balance unless otherwise stated.

Annual Fees

If your Account has an Annual Fee, you agree to pay this fee every year your Account is open. Your monthly billing statement will provide a reminder message a month prior to the annual fee being assessed. Additional Annual Fee information is outlined in Part 2 of this Agreement.

We may reverse (or reimburse, if paid) the Annual Fee under the following circumstances:

- 1) You have not made a transaction and you close your Account within 90 days from the date the fee was assessed;
- 2) The total balance on your Account is the Annual Fee and you have not paid that balance within 90 days of the Payment Due Date (your Account will also be closed); or
- 3) Your Account is closed prior to the Payment Due Date in the month the fee is assessed. Any changes to the applicable relationship requirements may result in a prorated portion of the Annual Fee being reimbursed.

7. MILITARY LENDING ACT

Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: the costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit account). To hear this disclosure over the phone, please call our toll-free number, 866.258.9078.

8. OTHER IMPORTANT ACCOUNT INFORMATION

Authorized Users

If you request, we may issue cards to other people to allow others to use your Account. Authorized Users can purchase items, take cash advances and in general use your Account in the same ways as you can.

You are responsible to pay for any use of your Account by an Authorized User or anyone else that you permit to use your Account. We may provide information about this Account to credit reporting agencies for both the Account owner and any Authorized Users. If you wish to revoke an Authorized User's access to your Account, please call us. We may close your Account and open a new Account with a different account number.

Authorized Users are not permitted on HSBC Cash Rewards Mastercard® credit card Student Accounts.

Charges made in a foreign currency

Transactions made in a foreign currency will be converted by Mastercard® Currency Converter into a U.S. dollar amount in accordance with its operating regulations or conversion procedures in effect at the time the transaction is processed. The currency conversion rate in effect on the processing date may differ from the rate in effect on the transaction or posting date. Mastercard® may change the procedures, from time to time, at its own discretion.

Updating your Account Information

Notify us if you change any of your contact information (such as address, name, email and/or phone number) by calling the phone number on your billing statement or on the back of your credit card. We may update your billing address if we receive information from USPS that it has changed or is incorrect.

Voice Call/Text Messaging Communications

By providing your phone number(s), you give our affiliates, our service providers and us permission to contact you by voice call or by text message (SMS), either using an autodialing system and/or using prerecorded voice. You do not need to agree to receive these calls or texts in order to receive HSBC products or services. You may opt out of receiving autodialed or prerecorded calls or texts by calling us at the phone number on your billing statement or on the back of your credit card. Should you provide a phone number for which you are not the subscriber, you understand and agree that you will indemnify us for any and all costs and expenses incurred as a result of us trying to contact you at the number provided. Costs and expenses include reasonable attorney's fees. We may monitor and record calls for training and quality assurance purposes.

Account Closure

You may request to close your Account at any time by calling the number on the back of your Card or mailing your request to the "Billing Inquiries" address noted on your billing statement.

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

- close your Account;
- suspend your access to new credit;
- reduce your credit limit; and/or
- not renew your Card.

Once your Account is closed by you or HSBC, please destroy all card(s) and any unused checks. You will no longer be able to make transactions. You will still be responsible for all amounts owed according to the terms of this Agreement.

If you are enrolled in a Rewards Program, you will forfeit all your Rewards Program Points earned as of the date the Account is closed.

Account Default

Your Account will be in default if:

1. You do not pay at least the Minimum Payment amount when due;
2. You exceed your credit limit;
3. You fail to comply with this Agreement or other agreements with us or our affiliates;
4. Any payment you make is rejected, not paid or cannot be processed;
5. You provide us false, misleading, or fraudulent information;
6. You are unwilling or unable to pay your debt with us;
7. You file or become the subject of bankruptcy or insolvency proceedings;
8. We become aware that you are using your card for illegal or fraudulent purposes; or
9. You die or become incompetent or incapacitated.

HSBC may close your Account due to a default. You are responsible for any costs, including, without limitation, attorney fees and court costs, associated with our efforts to enforce our rights under this Agreement.

Credit Reporting and Sharing Data with Third-Parties

We may obtain and review your credit history from credit reporting agencies and others. We may obtain employment and income data from third parties to assist us in the ongoing administration of your Account. We may also provide information about you and your Account to credit reporting agencies and third parties to further administer, manage and collect on your Account. And we may provide information to credit reporting agencies and third parties about this Account in the name of an authorized user. If you think we provided incorrect information, please write to us and we will investigate.

Changing this Agreement

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.

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.

Lost or Stolen Card, Account Number or Checks

If your card, Account number or checks are lost or stolen, or if your Account is used without your permission, contact us immediately by calling the number on your billing statement or on the back of your card.

Recurring Bill Payments

If you authorize a merchant to charge your Account on a recurring basis, you must notify the merchant when you want to discontinue the recurring payments, when you close your Account, when there is a change of Account number, or when there are changes to your cards' expiration date. You are responsible for providing notification of these changes, and reinstating any recurring authorized transactions.

Account Assignment

We may sell, assign or transfer all or any part of your Agreement and Account without prior notice to you.

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 (without regard to its conflict of laws principles) and federal law. We make our credit decisions and extend credit to you under this Agreement from Virginia.

9. ARBITRATION

PLEASE READ THIS ARBITRATION PROVISION CAREFULLY. IF YOU DO NOT WANT DISPUTES TO BE RESOLVED THROUGH ARBITRATION, YOU MUST FOLLOW THE INSTRUCTIONS FOR REJECTING ARBITRATION NOTED BELOW

IF ARBITRATION IS CHOSEN BY ANY PARTY, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO HAVE A CLAIM HEARD IN COURT OR HAVE A JURY TRIAL ON THE CLAIM. IN ADDITION, YOU AND WE WILL NOT HAVE THE RIGHT TO PARTICIPATE IN A CLASS ACTION AS A REPRESENTATIVE OR MEMBER OF A CLASS. ARBITRATION PROCEDURES ARE GENERALLY SIMPLER THAN THE RULES THAT APPLY IN COURT, AND DISCOVERY IS MORE LIMITED. THE ARBITRATOR'S DECISIONS ARE AS ENFORCEABLE AS ANY COURT ORDER AND ARE SUBJECT TO VERY LIMITED REVIEW BY A COURT. EXCEPT AS SET FORTH BELOW, THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING. OTHER RIGHTS YOU OR WE WOULD HAVE IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

IF YOU ARE COVERED BY THE PROTECTIONS OF THE MILITARY LENDING ACT, THIS ARBITRATION PROVISION DOES NOT APPLY TO YOU.

DEFINITIONS

In this Arbitration provision, "we", "us" and "our" includes any corporate parents, successors, affiliates, assigns or related persons or entities. This Arbitration provision may also be enforced by any party named as a co-defendant with us in a Claim asserted by you. "Claim" means any past, current or future claim, dispute or controversy, whether known or unknown, arising from or relating to your Account, your application for an account, this Agreement or the relationship between you and us. If you have signed an Overdraft Protection Loan Agreement linking one or more checking accounts to your Account to provide overdraft protection, "Claim" also includes any past, current or future claim, dispute or controversy, whether known or unknown, arising from or relating to the Overdraft Protection Loan Agreement and related linked checking account transactions. "Claims" include any Claims related to advertising, debt collection or credit reporting and any Claim by or against any of our agents or any third parties. "Claims" include but are not limited to initial claims, cross-claims, counterclaims and third-party claims. "Claims" include but are not limited to Claims based in tort, contract, fraud, common law, equity, statutes and regulations of any kind.

CLAIMS SUBJECT TO ARBITRATION

Either you or we may require that any Claim be submitted to arbitration, except that: (1) only a court may decide any dispute about the validity, enforceability or scope of this Arbitration provision; however, any dispute or controversy that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator to decide; and (2) Claim that you or we file in a small claims court or your state's equivalent court is not subject to arbitration as long as the Claim is an individual Claim pending in that court.

You or we may demand to arbitrate any Claim at any time unless it has been filed in court and trial has begun or final judgment has been entered. Either you or we may delay enforcing or not exercise rights under this Arbitration provision, including the right to arbitrate a Claim, without waiving the right to exercise or enforce those rights.

LIMITATIONS ON ARBITRATION CLAIMS MAY ONLY BE ARBITRATED ON AN INDIVIDUAL BASIS. CLAIMS MAY NOT BE ARBITRATED ON A CLASS ACTION BASIS, ON A PRIVATE ATTORNEY GENERAL BASIS, ON A REPRESENTATIVE BASIS OR ON BEHALF OF THE GENERAL PUBLIC.

THE ARBITRATOR'S AUTHORITY IS LIMITED TO CLAIMS BY OR AGAINST YOU AND US ALONE. CLAIMS MAY NOT BE JOINED OR CONSOLIDATED UNLESS YOU AND WE AGREE IN WRITING. THE ARBITRATOR MAY NOT AWARD INJUNCTIVE OR OTHER RELIEF THAT IS FOR THE BENEFIT OF THE GENERAL PUBLIC.

(SEE THE 'CONTINUATION' SECTION BELOW FOR SPECIAL PROCEDURES THAT APPLY TO A CLAIM SEEKING PUBLIC INJUNCTIVE RELIEF).

HOW TO START AN ARBITRATION?

To start an arbitration, contact the American Arbitration Association ("AAA") (1.800.778.7879), (adr.org). AAA will administer the arbitration unless you and we agree in writing to use a different arbitration administrator or a different administrator is appointed by a court.

ARBITRATION PROCEDURES

This Arbitration provision is governed by the Federal Arbitration Act, 9 U.S.C. §§ 116 (the "FAA"). Virginia law shall apply to the extent state law is relevant under the FAA. The administrator's rules that are in effect when a Claim is filed will apply unless those rules conflict with this Arbitration provision. The arbitrator will apply applicable substantive law, consistent with the FAA, statutes of limitations and privileges.

The arbitrator will not apply any federal or state rules of civil procedure or evidence. Subject to the Limitations on Arbitration section above, the arbitrator may award any relief available in court on an individual claim consistent with the constitutional standards applicable in judicial proceedings. The arbitration will be confidential, but you may notify any government authority of your claim. If your claim is for \$10,000 or less, you may choose whether the arbitration will be conducted solely based on documents, through a telephonic hearing or by an in-person hearing. At any party's request, the arbitrator will offer a brief written explanation of the award. The arbitrator's award will be final and binding, except for any right of appeal provided by the FAA; however, any party will have 30 days to appeal the award by notifying the arbitration administrator and all parties in writing. The administrator will appoint a three-arbitrator panel to decide anew, by majority vote based on written submissions, any aspect of the decision objected to. Judgment upon any award may be entered in any court with jurisdiction. No arbitration award involving the parties will have any preclusive effect as to issues or claims in any dispute involving anyone who is not a party to the arbitration, nor will an arbitration award in prior disputes involving other parties have preclusive effect in an arbitration between the parties to the Arbitration provision. An arbitration award and any judgment confirming it cannot be used in any case or arbitration except to enforce the award. Arbitration hearings will take place by telephone or in the federal judicial district where you live.

ARBITRATION FEES AND COSTS

You will be responsible for paying your share of any arbitration fees (including filing, administrative, arbitrator hearing or other fees), but only up to the amount of the filing fees you would have incurred if you had brought a claim in court. We will be responsible for any additional Arbitration fees. At your written request, we will consider in good faith making a temporary advance of your share of any arbitration fees.

INSTRUCTIONS FOR REJECTING ARBITRATION

You may reject this Arbitration provision. To do so, you must send a written notice to us stating that you reject arbitration. Your rejection notice must be signed by you and include your name, address and Account number. Your letter notifying us that you reject this Arbitration provision must be postmarked within 60 days of the Account Opening Date. If you do not know your Account Opening Date, please call the number listed on the back of your card to obtain the date.

You must mail your rejection notice to:

HSBC Bank USA, N.A.
P.O. Box 9, Buffalo, NY 14240.

This is the only way that you can reject this Arbitration provision. If you reject this Arbitration provision, all other parts of the Agreement will continue to apply. Rejecting this Arbitration provision has no effect on any other agreements.

CONTINUATION

This Arbitration provision will survive termination of your Account, voluntary payment of your Account balance, any legal proceeding to collect a debt, any bankruptcy and any sale of your Account. If any portion of this Arbitration provision is deemed invalid or unenforceable, the remaining portions of this Arbitration provision will still apply, except that:

(a) If a court determines that the "Limitations on Arbitration" section above is unenforceable with respect to a Claim that does not seek public injunctive relief and all appeals from that ruling have been exhausted, then this Arbitration provision (other than this sentence) will be null and void in its entirety; and

(b) If a court determines that the "Limitations on Arbitration" section above is unenforceable with respect to a Claim that seeks public injunctive relief and all appeals from that ruling have been exhausted, then the Claim seeking public injunctive relief will be determined in court and any individual claims seeking monetary relief will be arbitrated, in which case the parties will ask the court to stay the claim seeking public injunctive relief until the arbitration award pertaining to individual relief has been entered in court.

10. YOUR BILLING RIGHTS

This section advises you of 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.

P.O. Box 9, Buffalo, NY 14240.

You must notify us of any potential errors in writing, as we are not required to investigate any potential errors unless we receive your requests in writing. In your letter, provide the following information: your name, account number, the dollar amount, and a detailed description of the suspected error.

You must contact us within 60 days after the error appeared on your statement and at least 3 business days before an automated payment is scheduled if you want to stop payment on the amount you think is in error.

What Will Happen After We Receive Your Letter

1. Within 30 days, we must advise you that we received your letter. We will also advise you if we have already corrected the error. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.
2. While we investigate, we cannot try to collect the amount in question or report your Account as delinquent on that amount. The charge 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.
3. After we complete 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.
4. 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 provide you with information as to whom we reported you as delinquent and we must let those organizations know when the matter has been settled between us.

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. 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.
2. 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 USA, N.A.

P.O. Box 9, Buffalo, NY 14240

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.