

# Material differences between the HSBC and RBC Account Agreements



RBC will honour the following existing HSBC Bank Canada account agreements:

1. Master Banking Agreement (MBA)
2. Commercial Account Operating Agreement (CAOA)
3. Master Services Agreement (MSA).

These agreements will continue to govern your business product and services with RBC, with some changes that may apply to your business.

## Important Information about changes to your HSBC Bank Canada account agreements:

The current wording of the applicable account agreement appears in the left column and the revised wording of the account agreement appears in the right column. Note that these are excerpts only.

You can find a full copy of all standard account agreements at [rbc.com/hsbc-canada-legal](http://rbc.com/hsbc-canada-legal).

## Master Banking Agreement

	Current wording in the HSBC Bank Canada account agreement	Revised wording
Introduction	This Master Banking Agreement sets out important terms and conditions that govern your accounts and Services. This Master Banking Agreement replaces and supersedes the terms and conditions of the Commercial Account Operating Agreement. References in any of the Bank's documents to the Commercial Account Operating Agreement shall mean this Master Banking Agreement. These terms and conditions may change from time to time upon notice. Refer to the Bank's website for the current version of the Master Banking Agreement.	This Master Banking Agreement sets out important terms and conditions that govern your accounts and Services. This Master Banking Agreement replaces and supersedes the terms and conditions of the Commercial Account Operating Agreement. References in any of the Bank's documents to the Commercial Account Operating Agreement shall mean this Master Banking Agreement. <u>References in any of the Bank's documents or a Supplementary Document applicable to you to the Master Client Agreement shall mean this Master Banking Agreement.</u> These terms and conditions may change from time to time upon notice. Refer to the Bank's website for the current version of the Master Banking Agreement.
Provision of Services	New clause 1.3.	<u>New Services. When a new service is offered by the Bank, the service is deemed to be a "Service" under this Agreement, subject to the terms and conditions of this Agreement, immediately when the Customer is enrolled in, authorized for, or uses the service, without any other action required by the Customer, the Bank, or any other Person.</u>

	Current wording in the HSBC Bank Canada account agreement	Revised wording
<b>Security Procedures, Instructions and Communications – Hold Periods</b>	New clause 3.12.	<p><u>Funds for cheques and other Instruments deposited to an Account may not be accessible immediately. The length of the hold period can vary depending on the location of the issuing financial institution. In general, the length of the hold period is:</u></p> <p>(i) <u>five (5) business days, or any shorter period required by law, for cheques and other Instruments in Canadian or US currency drawn on a Canadian branch of a Canadian financial institution;</u></p> <p>(ii) <u>fifteen (15) business days for cheques and other Instruments drawn on a US financial institution; and</u></p> <p>(iii) <u>twenty-five (25) business days for cheques and other Instruments drawn on a foreign financial institution other than in the US.</u></p> <p><u>After the hold period, the Customer may access the funds in the normal course. However, the Bank's release of funds to the Customer does not mean that the cheque or other Instrument cannot be returned. If the cheque or other Instrument is returned after the hold period, the Bank may charge the amount of the cheque or such other Instrument to the Account. For these purposes, the term "business day" means regular weekdays only and excludes Saturdays, Sundays, and holidays under applicable Laws.</u></p>
<b>Security Procedures, Instructions and Communications – Hold Periods</b>	The Customer acknowledges that the Bank may place a 'hold' on funds in an Account: (a) In accordance with the Bank's Hold Funds Policy (published on the Bank's website) in effect from time to time;	The Customer acknowledges that the Bank may place a 'hold' on funds in an Account: (a) <u>In accordance with Section 3.12;</u>
<b>Interest</b>	Interest will accrue or, if applicable, be charged on credit balances on the days and at the applicable rate for those days as set out in any relevant guide or as the Bank may agree with the Customer from time to time. Unless agreed otherwise by the Parties, the Bank may change such rates, and the Bank will notify the Customer or otherwise make available such changes.	Interest will accrue or, if applicable, be charged on credit balances on the days and at the applicable rate for those days as set out in any relevant guide or as the Bank may agree with the Customer from time to time. Unless agreed otherwise by the Parties, the Bank may change such rates, <u>including any reference rates, or determine whether or not interest will accrue,</u> and the Bank will notify the Customer or otherwise make available such changes.

	Current wording in the HSBC Bank Canada account agreement	Revised wording
<p><b>Representations, Warranties and Undertakings</b></p>	<p>The Customer represents and warrants that it will not access or use the Account or Services for any illegal purpose, to evade the application of any Laws, or for purposes of Financial Crime.</p>	<p>The Customer represents and warrants that it will not access or use the Account or Services for any illegal purpose, to evade the application of any Laws, or for purposes of Financial Crime. <u>No Service may be used for, or in connection with, any fraudulent, dishonest, or other activity unsatisfactory to the Bank, including for any malicious, or defamatory or improper purpose, and nothing will be done which could undermine the security, integrity, effectiveness, goodwill, or connectivity of any Service, including any activity that could threaten or cause harm to the Bank or any other Person. The Customer is responsible for the contents of any messages or information sent or received using the Services, and is prohibited from sending or receiving any Harmful Content or potentially Harmful Content.</u></p>
<p><b>Trust Funds</b></p>	<p>New section 10 added.</p> <p>All following Sections are renumbered and all references to the section numbers are amended accordingly.</p>	<p><b>10. Trust Funds</b></p> <p><u>10.1 The Customer continuously represents, warrants, covenants, and agrees that there are no funds in any Account which are subject to a trust or ownership interest in favour of any other person (a “Beneficiary”), except to the extent the Bank has agreed to the use of the Account for such purpose.</u></p> <p><u>If an Account contains trust funds, the Customer continuously represents, warrants, covenants, and agrees that:</u></p> <p><u>(i) the Customer has the legal capacity and power, authority, and discretion to deposit the trust funds in the Account and provide any other instructions regarding any trust funds or Account, including with respect to the deposit, investment, and withdrawal of the trust funds and the opening, operating, and closing of any Account, and that this power, authority, and discretion may be delegated by the Customer to any person, including as specified in any authorization forms, Service Materials, or other Supplementary Document held by the Bank;</u></p> <p><u>(ii) the Customer is in compliance, and will comply, with all applicable Laws and other obligations, including those applicable to any trust funds, Account, or Beneficiary;</u></p> <p><u>(iii) The Bank does not have knowledge of, and is not bound to see to the execution of, any trust, applicable Laws, or other obligation to which any trust funds, Account, or Beneficiary is subject;</u></p> <p><u>(iv) the Customer will keep all trust funds separate and apart from any other funds, investments, or other assets of the Customer, and will ensure they are not comingled, to the extent required by any applicable Laws or other obligation. The Customer will keep the trust funds segregated for each Beneficiary to the extent required by any applicable Laws or other obligation; and</u></p>

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		<p><u>(v) no trust funds or Account will be used, directly or indirectly, for any person other than as described herein and no person other than the Customer and its delegates pursuant to subsection (i) above may provide instructions with respect to any Account containing trust funds.</u></p> <p><u>The eligibility of trust funds for separate Canada Deposit Insurance Corporation (“CDIC”) coverage per Beneficiary is subject to the Customer’s compliance with the applicable by-laws and other requirements of CDIC. CDIC by-laws prescribe the time, form, and manner in which the Customer must disclose the interest of a Beneficiary to the Bank. The Customer should visit <a href="http://cdic.ca">cdic.ca</a> or call 1-800-461-2342 for details. The Bank is not responsible for ensuring that such CDIC coverage requirements are met, and the Bank makes no representation in this regard.</u></p> <p><u>The Customer will direct the Bank as to what investments are required for any trust funds in accordance with Applicable Laws and other applicable obligations. Subject to the Customer’s direction, trust funds deposited in an Account may pay interest through GICs of varying terms or other interest-bearing deposits offered to the Customer by the Bank from time to time. The Bank will rely on the Customer’s direction respecting the investment of trust funds. If payable, interest will be credited to an Account in accordance with the type of GIC or other deposit held in the Account, and on the termination of the Account.</u></p> <p><u>Unless otherwise agreed in writing by the Bank, the Bank will automatically renew any GIC or other investment on maturity and on each succeeding maturity date for the term originally or most recently instructed by the Customer. The amount re-invested will be the original amount of trust funds deposited, plus all paid interest to the maturity date.</u></p> <p><u>The withdrawal of trust funds in an investment, and the cancellation of a GIC or other investment prior to its maturity, is subject to the terms of the investment or the Bank’s discretion. The Customer will provide any Supplementary Document requested by the Bank for such purpose, in form and substance satisfactory to the Bank. None of the Bank or its Representatives will be responsible for any Losses arising in connection with any trust funds or Beneficiary. The Customer will pay, indemnify, and hold harmless the Bank and its Representatives for, any Loss arising in connection with any trust funds, Account, or Beneficiary, including in connection with any Instrument or any other deposit, investment, or withdrawal of the trust funds which does not comply with any applicable Laws or other applicable obligation.</u></p>

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<b>Collection and Use of Customer Information (including Confidential Information)</b>	Protection of Customer Information. Customer Information will be protected by a strict code of secrecy and security which all members of the Group, their staff and third parties are subject to. Customer Information will be treated with the same degree of care that the Group exercises to protect its own Confidential Information of a similar nature.	Protection of Customer Information. Customer Information will be protected <u>according to the Bank's Our Code of Conduct and, for Personal Information, the Bank's Global Privacy Notice</u> , which all members of the Group, their staff and third parties are subject to. Customer Information will be treated with the same degree of care that the Group exercises to protect its own Confidential Information of a similar nature.
<b>Tax Compliance</b>	13.2 Neither the Bank, nor any member of the Group, provides tax advice, nor is it responsible for the Customer's tax obligations in any jurisdiction, even if they relate to opening and using Accounts and Services that HSBC or members of the Group provide. The Customer shall seek its own independent legal and tax advice.	14.2 Neither the Bank, nor any member of the Group, provides tax advice, nor is it responsible for the Customer's tax obligations in any jurisdiction, even if they relate to opening and using Accounts and Services that <u>the Bank</u> or members of the Group provide. The Customer shall seek its own independent legal and tax advice.
<b>Amendments and Assignment</b>	The Bank may make amendments to this Agreement, as contemplated by this Agreement or for purposes of Compliance Activity, and may change provisions relating to fees and charges applicable to Services at any time by providing the Customer with at least 30 days' notice, which may be provided in writing or posted on the Bank's website. The notice will be deemed received by the Customer on the earlier of actual receipt of the notice by the Customer or on the date that the notice of the amended provisions is posted on the Bank's website. If the Customer issues instructions or continues to access an Account or the Services after the effective date of the changes, the Customer will be deemed to have been notified and accepted the amended terms.	The Bank may make amendments to this Agreement, as contemplated by this Agreement or for purposes of Compliance Activity, and may change provisions relating to fees and charges applicable to Services at any time by providing the Customer with at least 30 days' notice, which may be provided in writing or posted on the Bank's website. The notice will be deemed received by the Customer on the earlier of actual receipt of the notice by the Customer or on the date that the notice of the amended provisions is posted on the Bank's website. <u>If the Customer issues instructions or continues to access an Account or the Services after the effective date of the changes, the Customer will be deemed to have been notified and accepted the amended terms. If any change is not acceptable to the Customer, the Customer must immediately stop use of the affected Services and contact the Bank for assistance. The Customer agrees to be bound by the latest version of the Supplementary Documents and Service Materials from time to time made available on the Bank's website for the Services, or otherwise provided to the Customer. The Customer agrees to regularly review these and any notice of change outlined above.</u>

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Electronic Disclosure	The Customer designates facsimile, electronic mail and all internet banking services and electronic channels to which the Customer subscribes as information systems through which the Bank may deliver notices, documents and other information to the Customer.	The Customer designates <u>the message centre available on RBC Edge as its designated information system, and consents to the provision by the Bank, and receipt by the Customer, of any Supplementary Document through that Communication Channel. If there is no message centre available on RBC Edge or if the Customer is not enrolled in RBC Edge, the Customer designates the RBC Express Message Centre as its designated information system, and consents to the provision by the Bank, and receipt by the Customer, of any Document through that Communication Channel. Where the Services provided to the Customer do not include RBC Express or RBC Edge, the Customer designates its Online Banking Message Centre as its designated information system. Where the Services provided to the Customer do not include either RBC Express, RBC Edge or Online Banking, the Customer designates either: (i) facsimile (at the facsimile number provided by the Customer); or (ii) electronic mail (at the e-mail address provided by the Customer) as its designated information system.</u>
Electronic Banking	Heading: Electronic Signatures	Heading: <u>Electronic Banking and Electronic Signatures</u>
Electronic Banking	New section 26.1.	<u>26.1 Digital images or electronic representations of Instruments (including copies of same) may be made or captured and used as if it were the original paper Instrument, including in the exchange and clearing of payments in Canada and other jurisdictions. Original paper Instruments may be destroyed and not returned to the Customer. The Bank is entitled to act on any such image or representation for all purposes as if it were an original paper Instrument.</u>
Electronic Banking	26.1 If the Bank makes available to the Customer and the Customer uses, any electronic method of providing consent and agreement in connection with the provision of the Bank's products and services (including use of digital or electronic signatures or any other form of electronic consent and agreement), such consent and agreement shall, subject to any additional terms and conditions provided to the Customer prior to such use, constitute full and binding consent and agreement by the Customer as if the Customer had provided such consent executed in writing.	<u>26.2 In the applicable schedule, the Customer will provide the Bank with specimens of the mechanical, electronic, or other non-manual signatures which may be used for its Supplementary Documents. Any Supplementary Document, including Instruments, bearing any such signature shall have the same legal effect as if in written paper form signed by the Customer, and the Customer is bound by, and responsible for, the resulting transactions. The Bank is authorized to give effect to any Supplementary Document, including any Instrument, bearing such mechanical, electronic, or other non-manual signature, and regardless of who actually affixed the mechanical, electronic, or other non-manual signature, how that signature came to be affixed, or whether it is genuine.</u>
Definitions	<b>Account</b> means any account which is to be opened or which has been opened by the Customer with the Bank under this Agreement.	<u><b>Account</b> means each account the Customer holds with the Bank from time to time.</u>
Definitions	<b>Bank</b> means HSBC Bank Canada	<u><b>Bank</b> means Royal Bank of Canada</u>

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Definitions	<b>Communication Channels</b> means digitally enabled systems, platforms and communication channels provided by the Bank to the Customer (e.g. HSBCnet) from time to time to access relevant Services under this Agreement.	<b>Communication Channels</b> means digitally enabled systems, platforms and communication channels provided by the Bank to the Customer from time to time to access relevant Services under this Agreement
Definitions	New definition for Disabling Code added	<b>Disabling Code</b> means any clock, timer, counter, virus, worm, software lock, drop dead device, trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Communication Channel, including any related hardware or software.
Definitions	<b>Group</b> means HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches.	<b>Group</b> means Royal Bank of Canada, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches.
Definitions	New definition for Harmful Content added	<b>Harmful Content</b> means: (i) content, information, or message that is harmful to the Bank, the recipient, or any other Person; (ii) personal information of an individual unless the individual has provided appropriate consent to the collection, use, and disclosure of the personal information in accordance with applicable Laws, including personal information protection laws; (iii) a uniform resource identifier such as a uniform resource locator (URL), hyperlink, Disabling Code; (iv) any deceptive or malicious content, including, but not limited to, a deceptive or malicious URL that may cause harm to any Person that transmits, receives or processes the URL; (v) content, information, or message that is offensive, defamatory, illegal, relates to illegal activities, or the inclusion or transmission of which is otherwise in contravention of applicable Laws; (vi) content, information, or message that infringes intellectual property rights; and/or (vii) content, information, or message intended to market products or services;
Definitions	New definition for Representatives added.	<b>Representatives</b> means directors, officers, employees, signing authorities, agents, contractors, subcontractors, service providers, consultants, internal or external auditors, legal or other professional advisors, or other persons acting on a party's behalf, including a person specified in an authorization form provided to the Bank and the person's delegates.

## Commercial Account Operating Agreement

	Current wording in the HSBC Bank Canada account agreement	Revised wording
Entire Agreement	Reference to HSBC	All references to HSBC have been changed to “the Bank” throughout the Agreement.
Definitions	New definition for “ <b>Bank</b> ” is added.	“ <b>Bank</b> ” means Royal Bank of Canada.
Definitions	New definition for “ <b>Disabling Code</b> ” is added.	“ <b>Disabling Code</b> ” means any clock, timer, counter, virus, worm, software lock, drop dead device, trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any communication channel, including any related hardware or software;
Definitions	Definition for HSBC has been removed: “ <b>HSBC</b> ” means HSBC Bank Canada.	n/a
Definitions	“ <b>HSBC Group</b> ” and “ <b>Member of HSBC Group</b> ” means HSBC Holdings plc., its affiliates, subsidiaries, associated entities, and their branches and offices (together or individually).	“ <b>HSBC Group</b> ” and “ <b>Member of HSBC Group</b> ” means Royal Bank of Canada, its affiliates, subsidiaries, associated entities, and their branches and offices (together or individually).
Definitions	New definition for “ <b>Harmful Content</b> ” is added	“ <b>Harmful Content</b> ” means: (i) content, information, or message that is harmful to the Bank, the recipient, or any other person; (ii) personal information of an individual unless the individual has provided appropriate consent to the collection, use, and disclosure of the personal information in accordance with applicable Laws, including personal information protection laws; (iii) a uniform resource identifier such as a uniform resource locator (URL), hyperlink, Disabling Code; (iv) any deceptive or malicious content, including, but not limited to, a deceptive or malicious URL that may cause harm to any person that transmits, receives or processes the URL; (v) content, information, or message that is offensive, defamatory, illegal, relates to illegal activities, or the inclusion or transmission of which is otherwise in contravention of applicable Laws; (vi) content, information, or message that infringes intellectual property rights; and/or (vii) content, information, or message intended to market products or services;
Definitions	New definition for “ <b>Party</b> ” is added.	“ <b>Party</b> ” means the Customer or the Bank, and “ <b>Parties</b> ” means the Customer and the Bank.
Definitions	New definition for “ <b>Representatives</b> ” is added.	“ <b>Representatives</b> ” means directors, officers, employees, signing authorities, agents, contractors, subcontractors, service providers, consultants, internal or external auditors, legal or other professional advisors, or other persons acting on a party’s behalf, including a person specified in an authorization form provided to the Bank and the person’s delegates.

	Current wording in the HSBC Bank Canada account agreement	Revised wording
Definitions	New definition for “Service Materials” is added.	<u>“Service Materials” means all hardware, software, equipment, information, and documents provided by the Bank for the use of the Services, including all schedules, security devices, guides (including administrator and user guides), rules and manuals of operation, training materials or other reference materials applicable to the Services.</u>
Definitions	New definition for “Supplementary Documents” is added.	<u>“Supplementary Documents” means all information, forms (including application forms), schedules, Service Materials, user guides and any other agreement, amendment, statement, disclosure, notice, request, consent, information, instruction or communication made, given, sent, received, accepted, signed or processed verbally or in paper or in electronic form through any communication channel in connection with the provision of Services by the Bank to the Customer.</u>
Use of Account/Services	A new clause is added.	<u>When a new service is offered by the Bank, the service is deemed to be a “Service” under this Agreement, subject to the terms and conditions of this Agreement, immediately when the Customer is enrolled in, authorized for, or uses the service, without any other action required by the Customer, the Bank, or any other person.</u>
Electronic Signatures	<p><b>7. Electronic Banking and Electronic Signatures</b></p> <p>Customer authorizes HSBC to accept electronic, digital, mechanical or hand-written signatures or affirmations, which may be transmitted electronically or by other means acceptable to HSBC, on Instruments, behalf of the Customer. HSBC will not be liable for any Instructions and agreements and for all other purposes in connection with banking activity of the Customer, as binding on behalf of the Customer. HSBC will not be liable for any obligations or Losses arising due to any reliance upon or dealings with an Instrument, Instruction or agreement bearing or purporting to bear an electronic, digital or mechanical Signature or affirmation, whether or not made with the Customer’s authority.</p> <p>The Customer agrees that HSBC may, on the Customer’s behalf, make, accept and act upon Digital Reproductions, subject to any requirements of HSBC, for all purposes as though they were original Instruments delivered to HSBC. HSBC may destroy the original paper Instrument (if any) represented by a Digital Reproduction and is not required to return originals to the Customer. HSBC</p>	<p><b>7. Electronic Banking and Electronic Signatures</b></p> <p><u>Digital images or electronic representations of Instruments (including copies of same) may be made or captured and used as if it were the original paper Instrument, including in the exchange and clearing of payments in Canada and other jurisdictions. Original paper Instruments may be destroyed and not returned to the Customer. The Bank is entitled to act on any such image or representation for all purposes as if it were an original paper Instrument.</u></p> <p><u>In the applicable schedule, the Customer will provide the Bank with specimens of the mechanical, electronic, or other non-manual signatures which may be used for its Supplementary Documents. Any Supplementary Document, including Instruments, bearing any such signature shall have the same legal effect as if in written paper form signed by the Customer, and the Customer is bound by, and responsible for, the resulting transactions. The Bank is authorized to give effect to any Supplementary Document, including any Instrument, bearing such mechanical, electronic, or other non-manual signature, and regardless of who actually affixed the mechanical, electronic, or other non-manual signature, how that signature came to be affixed, or whether it is genuine.</u></p>

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Interest	<p><b>12. Interest</b></p> <p>(a) Positive Account balances will bear interest at an annual rate as disclosed to the Customer in accordance with the Bank Act (Canada) failing which positive Account balances will not bear interest.</p> <p>(b) Where interest is calculated on Amounts Owing by the Customer to HSBC, including the amount of any credit advances, loans, overdrafts, lines of credit, outstanding fees, letters of credit, and other credit support made available by HSBC to the Customer, the applicable rate of interest payable by the Customer shall not be less than zero, even if the reference rate (whether an HSBC or external reference rate) used for the calculation of such interest, or the total of the reference rate and any applicable interest spread, is less than zero.</p>	<p><b>12. Interest</b></p> <p><u>Interest will accrue or, if applicable, be charged on credit balances on the days and at the applicable rate for those days as set out in any relevant guide or as the Bank may agree with the Customer from time to time. Unless agreed otherwise by the Parties, the Bank may change such rates, including any reference rates, or determine whether or not interest will accrue, and the Bank will notify the Customer or otherwise make available such changes. The Customer acknowledges that:</u></p> <p>(a) <u>interest payments made by the Bank may be made net of taxes and subject to deduction or withholding;</u></p> <p>(b) <u>the Bank may debit from an Account interest to be charged when due and such payment will be free of any deduction or withholding of tax or other charges so the Bank receives the full amount of such interest;</u></p> <p>(c) <u>where interest is calculated on amounts owing by the Customer to the Bank (including the amount of credit advances, loans, overdrafts, lines of credit, outstanding fees, letters of credit, and other credit support made available by the Bank to the Customer), the applicable rate of interest payable by the Customer shall not be less than zero, even if the reference rate (whether the Bank's or an external reference rate) used for the calculation of such interest, is less than zero;</u></p> <p>(d) <u>where on overdrafts shall accrue interest at the Bank's prevailing rates for overdrafts unless otherwise specifically agreed with the Bank; and</u></p> <p>(e) <u>the Bank may charge a fee or interest respecting balances held in certain foreign currencies.</u></p>

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<p><b>Hold on Funds</b></p>	<p><b>14. Hold on Funds</b></p> <p>Customer acknowledges that HSBC may place a “hold” on funds in an Account:</p> <p>(a) in accordance with HSBC’s Hold Funds Policy in effect from time to time Any credit to an Account for any non-cash Instrument before HSBC receives actual irrevocable payment is provisional and subject to reversal;</p> <p>(b) if HSBC becomes aware of suspicious or possible fraudulent, illegal or unauthorized Account activity;</p> <p>(c) if HSBC is required to do so to comply with Laws or Authorities’ directions or requirements.</p> <p>(d) if in HSBC’s sole opinion, a potentially legitimate claim is made by a third party respecting funds in an Account.</p> <p>HSBC will not be liable for any Loss in respect of any “hold” placed or removed by HSBC.</p>	<p><b>14. Hold on Funds</b></p> <p><u>Funds for cheques and other Instruments deposited to an Account may not be accessible immediately. The length of the hold period can vary depending on the location of the issuing financial institution. In general, the length of the hold period is:</u></p> <p>(a) <u>five (5) business days, or any shorter period required by law, for cheques and other Instruments in Canadian or US currency drawn on a Canadian branch of a Canadian financial institution;</u></p> <p>(b) <u>fifteen (15) business days for cheques and other Instruments drawn on a US financial institution; and</u></p> <p>(c) <u>twenty-five (25) business days for cheques and other Instruments drawn on a foreign financial institution other than in the US.</u></p> <p><u>After the hold period, the Customer may access the funds in the normal course. However, the Bank’s release of funds to the Customer does not mean that the cheque or other Instrument cannot be returned. If the cheque or other Instrument is returned after the hold period, the Bank may charge the amount of the cheque or such other Instrument to the Account. For these purposes, the term “business day” means regular weekdays only and excludes Saturdays, Sundays, and holidays under applicable Laws.</u></p> <p>Customer acknowledges that the Bank may place a “hold” on funds in an Account:</p> <p>(a) in accordance with <u>section 14(a)</u>. Any credit to an Account for any non-cash Instrument before <u>the Bank</u> receives actual irrevocable payment is provisional and subject to reversal;</p> <p>(b) in order to complete a transaction relating to Customer’s Account;</p> <p>(e) if the Bank becomes aware of suspicious or possible fraudulent, illegal or unauthorized Account activity, or internal disputes such as shareholders’ disputes;</p> <p>(f) if the Bank is required to do so to comply with Laws or Authorities’ directions or requirements.</p> <p>(g) if in the Bank’s sole opinion, a claim has been made or may be made by a third party respecting funds in an Account</p> <p><u>The Bank will not be liable for any Loss in respect of any “hold” placed or removed by the Bank.</u></p>

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<p><b>Holdback Accounts; Trust Arrangements</b></p>	<p><b>17. Holdback Accounts; Trust Arrangements</b></p> <p>Customer acknowledges that HSBC does not act as trustee for any Account, funds or property, including any holdback account or Account designated as a “trust” Account or in respect of which the Customer may be subject to other obligations, and does not supervise the operation of any Account or property held by HSBC to ensure that it is operated in accordance with the provisions of any trust document or other obligations of the Customer, whether or not HSBC has notice of the existence of any such trust, the specific provisions governing the same, or other obligations.</p>	<p><b>17. Holdback Accounts; Trust Arrangements</b></p> <p><u>Customer continuously represents, warrants, covenants, and agrees that there are no funds in any Account which are subject to a trust or ownership interest in favour of any other person (a “Beneficiary”), except to the extent the Bank has agreed to the use of the Account for such purpose.</u></p> <p><u>If an Account contains trust funds, the Customer continuously represents, warrants, covenants, and agrees that:</u></p> <p>(a) <u>the Customer has the legal capacity and power, authority, and discretion to deposit the trust funds in the Account and provide any other instructions regarding any trust funds or Account, including with respect to the deposit, investment, and withdrawal of the trust funds and the opening, operating, and closing of any Account, and that this power, authority, and discretion may be delegated by the Customer to any person, including as specified in any authorization forms, Service Materials, or other Supplementary Document held by the Bank;</u></p> <p>(b) <u>the Customer is in compliance, and will comply, with all applicable Laws and other obligations, including those applicable to any trust funds, Account, or Beneficiary;</u></p> <p>(c) <u>The Bank does not have knowledge of, and is not bound to see to the execution of, any trust, applicable Laws, or other obligation to which any trust funds, Account, or Beneficiary is subject;</u></p> <p>(d) <u>the Customer will keep all trust funds separate and apart from any other funds, investments, or other assets of the Customer, and will ensure they are not comingled, to the extent required by any applicable Laws or other obligation. The Customer will keep the trust funds segregated for each Beneficiary to the extent required by any applicable Laws or other obligation; and</u></p> <p>(e) <u>no trust funds or Account will be used, directly or indirectly, for any person other than as described herein and no person other than the Customer and its delegates pursuant to subsection (i) above may provide instructions with respect to any Account containing trust funds.</u></p>

	Current wording in the HSBC Bank Canada account agreement	Revised wording
		<p><u>The eligibility of trust funds for separate Canada Deposit Insurance Corporation (“CDIC”) coverage per Beneficiary is subject to the Customer’s compliance with the applicable by-laws and other requirements of CDIC. CDIC by-laws prescribe the time, form, and manner in which the Customer must disclose the interest of a Beneficiary to the Bank. The Customer should visit <a href="http://cdic.ca">cdic.ca</a> or call 1-800-461-2342 for details. The Bank is not responsible for ensuring that such CDIC coverage requirements are met, and the Bank makes no representation in this regard.</u></p> <p><u>The Customer will direct the Bank as to what investments are required for any trust funds in accordance with Applicable Laws and other applicable obligations. Subject to the Customer’s direction, trust funds deposited in an Account may pay interest through GICs of varying terms or other interest-bearing deposits offered to the Customer by the Bank from time to time. The Bank will rely on the Customer’s direction respecting the investment of trust funds. If payable, interest will be credited to an Account in accordance with the type of GIC or other deposit held in the Account, and on the termination of the Account.</u></p> <p><u>Unless otherwise agreed in writing by the Bank, the Bank will automatically renew any GIC or other investment on maturity and on each succeeding maturity date for the term originally or most recently instructed by the Customer. The amount re-invested will be the original amount of trust funds deposited, plus all paid interest to the maturity date.</u></p> <p><u>The withdrawal of trust funds in an investment, and the cancellation of a GIC or other investment prior to its maturity, is subject to the terms of the investment or the Bank’s discretion. The Customer will provide any Supplementary Document requested by the Bank for such purpose, in form and substance satisfactory to the Bank. None of the Bank or its Representatives will be responsible for any Losses arising in connection with any trust funds or Beneficiary. The Customer will pay, indemnify, and hold harmless the Bank and its Representatives for, any Loss arising in connection with any trust funds, Account, or Beneficiary, including in connection with any Instrument or any other deposit, investment, or withdrawal of the trust funds which does not comply with any applicable Laws or other applicable obligation.</u></p>

	Current wording in the HSBC Bank Canada account agreement	Revised wording
<b>Termination and Changes</b>	A new paragraph is added to Clause 18	<p><b>18. Termination and Changes</b></p> <p><u>If any change is not acceptable to the Customer, the Customer must immediately stop use of the affected Services and contact the Bank for assistance. The Customer agrees to be bound by the latest version of the Supplementary Documents and Service Materials from time to time made available on the Bank's website for the Services, or otherwise provided to the Customer. The Customer agrees to regularly review these and any notice of change outlined above.</u></p>
<b>Collection and Disclosure of Customer Information</b>	<p>(iv) Before the Customer gives HSBC or a Member of the HSBC Group information (including Personal Information or Tax Information) about a Connected Person, Customer must: ...</p> <ul style="list-style-type: none"> <li>advise the Connected Person that they may have rights to access and correct their Personal Information which are further outlined in HSBC's Privacy Policy available at <a href="http://www.hsbc.ca/1/2/personal/privacy">www.hsbc.ca/1/2/personal/privacy</a>.</li> </ul>	<p>(iv) Before the Customer gives the Bank or a Member of the Group information (including Personal Information or Tax Information) about a Connected Person, Customer must:</p> <ul style="list-style-type: none"> <li>advise the Connected Person that they may have rights to access and correct their Personal Information. <u>More information about the Bank's privacy policies may be obtained by asking for a copy of the "Financial fraud prevention and privacy protection" brochure at the Customer's main branch, or visiting the web site <a href="http://www.rbc.com/privacysecurity">www.rbc.com/privacysecurity</a>.</u></li> </ul>
<b>Disclosure of Customer Information</b>	<p>(b) <b>Data protection:</b> In accordance with data protection legislation, Members of the HSBC Group, their staff, and third parties to whom information is transferred by HSBC, whether located in Canada or another country, are required to protect Customer Information by a strict code of secrecy and security</p>	<p>(b) <b>Protection of Customer Information:</b> <u>Customer Information will be protected according to the Bank's Our Code of Conduct and, for Personal Information, the Bank's Global Privacy Notice, which all members of the Group, their staff and third parties are subject to. Customer Information will be treated with the same degree of care that the Group exercises to protect its own Confidential Information of a similar nature.</u></p>

	Current wording in the HSBC Bank Canada account agreement	Revised wording
<p><b>Electronic Disclosure and Communications</b></p>	<p><b>25. Electronic Disclosure and Communications</b></p> <p>Customer designates fax, electronic mail and internet banking services to which Customer has subscribed or will subscribe as information systems through which HSBC may deliver information to the Customer. Customer consents to HSBC sending commercial electronic messages to the Customer and to HSBC providing the Customer with all communications, notices and the following disclosures through those information systems: all communications, notices and documents (including disclosure statements, rate and fee schedules, agreements, amendments to agreements and charges, designations of Authorized Signatories, Account Statements, Instruments and Transaction Records) and other information that HSBC provides or is required by law to provide to the Customer (including product and service features, rates, fees, HSBC's policies and procedures and HSBC's collection practices.) Customer understands that: a) Customer's consent is effective immediately; b) Customer can revoke its consent at any time; c) Customer must inform HSBC of any changes to Customer's designated information systems, such as Customer's fax number or email address, or if it revokes its consent; and d) Customer must print and keep a copy of each document HSBC provides to Customer electronically.</p>	<p><b>25. Electronic Disclosure and Communications</b></p> <p><u>Customer designates the message centre available on RBC Edge as its designated information system, and consents to the provision by the Bank, and receipt by the Customer, of any Supplementary Document through that communication channel. If there is no message centre available on RBC Edge or if the Customer is not enrolled in RBC Edge, the Customer designates the RBC Express Message Centre as its designated information system, and consents to the provision by the Bank, and receipt by the Customer, of any Document through that communication channel. Where the Services provided to the Customer do not include RBC Express or RBC Edge, the Customer designates its Online Banking Message Centre as its designated information system. Where the Services provided to the Customer do not include either RBC Express, RBC Edge or Online Banking, the Customer designates either:</u></p> <p>(a) <u>facsimile (at the facsimile number provided by the Customer); or</u></p> <p>(b) <u>electronic mail (at the e-mail address provided by the Customer) as its designated information system.</u></p> <p><u>Customer consents to the Bank using the above information systems to deliver notices, documents (such as disclosure statements and agreements) and other information that the Bank is required by law to provide to the Customer about product and service features, rates, fees, the Bank's policies and procedures and collection practices. Customer understands that:</u></p> <p>(a) <u>Customer's consent is effective immediately;</u></p> <p>(b) <u>Customer may revoke its consent at any time;</u></p> <p>(c) <u>Customer must inform the Bank of any changes to Customer's designated information systems, such as Customer's fax number or email address, or if it revokes its consent; and</u></p> <p>(d) <u>Customer should print and keep a copy of each document the Bank provides to Customer via its designated information systems and that the Bank may only keep and make copies available to it for the period specified in the Bank's record retention policy.</u></p>

	Current wording in the HSBC Bank Canada account agreement	Revised wording
General – Harmful Content	A new paragraph (c) is added	(c) <u>it will not access or use the Account or Services for any illegal purpose, to evade the application of any Laws, or for purposes of Financial Crime. No Service may be used for, or in connection with, any fraudulent, dishonest, or other activity unsatisfactory to the Bank, including for any malicious, or defamatory or improper purpose, and nothing will be done which could undermine the security, integrity, effectiveness, goodwill, or connectivity of any Service, including any activity that could threaten or cause harm to the Bank or any other person. The Customer is responsible for the contents of any messages or information sent or received using the Services, and is prohibited from sending or receiving any Harmful Content or potentially Harmful Content.</u>
General	A new paragraph (i) is added	(i) <u>References in any of the Bank's documents or a Supplementary Document applicable to you to the Master Client Agreement shall mean this Commercial Account Operating Agreement.</u>

## Master Service Agreement

There are no changes to the Master Service Agreement. The items below represent key operational differences or notifications of which we want clients to be aware:

Section	To:
Hold Periods	<p>Funds for cheques and other Instruments deposited to an Account may not be accessible immediately. The length of the hold period can vary depending on the location of the issuing financial institution. In general, the length of the hold period is: (i) five (5) business days, or any shorter period required by law, for cheques and other Instruments in Canadian or US currency drawn on a Canadian branch of a Canadian financial institution; (ii) fifteen (15) business days for cheques and other Instruments drawn on a US financial institution; and (iii) twenty-five (25) business days for cheques and other Instruments drawn on a foreign financial institution other than in the US. After the hold period, you may access the funds in the normal course. However, RBC's release of funds to you do not mean that the cheque or other Instrument cannot be returned. If the cheque or other Instrument is returned after the hold period, RBC may charge the amount of the cheque or such other Instrument.</p> <p>For full details see the RBC Cheque Hold Policy here: <a href="http://www.rbcroyalbank.com/business/pdf/holds_policy.pdf">www.rbcroyalbank.com/business/pdf/holds_policy.pdf</a></p>
Protection of Customer Information	<p>In connection with the acquisition of HSBC Bank Canada by RBC, any personal information associated with your business has been shared by HSBC Bank Canada and its subsidiaries to RBC and its subsidiaries, as applicable. At RBC, we are dedicated to protecting your privacy and safeguarding your personal and business information. After the acquisition of HSBC Bank Canada, your personal and business information at RBC and its subsidiaries, applicable will be processed, protected, retained and disposed of in accordance with RBC's Global Privacy Notice available at <a href="http://www.rbc.com/privacysecurity/ca/index.html">www.rbc.com/privacysecurity/ca/index.html</a></p>

