

Material differences between the HSBC Program Agreement and the RBC Business Credit Card Agreement – Corporate Liability



Changes to the HSBC BusinessVantage® Mastercard® Schedule (F1032302) (“**HSBC Program Agreement**”) also include those identified in the box below. Please note that we only focused on the material differences between the HSBC Program Agreement and the RBC Royal Bank Business Credit Card Agreement (Corporate Liability, F80450) (“**RBC Business Credit Card Agreement**”).

The current wording of the HSBC Program Agreement appears in the left column and the revised wording of the RBC Business Credit Card Agreement appears in the right column. Note that these are excerpts only.

Current wording in the HSBC Program Agreement – Corporate Liability	Revised wording in the RBC Business Credit Card Agreement – Corporate Liability
<p>Unaddressed</p>	<p>2. Express Consent (...) It is your responsibility to ensure that each Signing authority receives a copy of this Agreement and any replacements of, or amendments to, this Agreement, as well as any notices that affect the use of the Cards or the Account(s). You are also responsible for ensuring that all Cardholders comply with the applicable terms and conditions of this Agreement.</p>
<p>6. Credit Card Issuance and Account Statements (a) Under the Program, Customer may, from time to time, request HSBC to issue a Card for use by a prospective Cardholder. Such request will contain the name, address, date of birth and telephone number of the prospective Cardholder, the relationship of the prospective Cardholder to the Customer, any security data requested by HSBC, any restrictions on use of the Card by the prospective Cardholder including, but not limited to, the proposed Cardholder Credit Limit and/or whether Cardholders will be restricted from making certain Purchases or Loans. (...)</p>	<p>13. Exchange of information/Verification/Communication with or About Cardholders <u>Applicable to Avion Visa Infinite Business, Avion Visa Business, Visa Business and Visa Business Gold card products only</u> <u>(Note: If you are being migrated to an RBC Business Cash Back credit card, this section 13.1 also applies to you)</u> Even though we may issue Cards to individuals who are not Owners at your request, our primary business relationship is with you. You will, prior to requesting the issuance of a Card for any individual who is not an Owner, obtain the following information with respect to each such individual: the legal first and last names, date of birth, personal home address and personal telephone number. You must keep this information for at least seven (7) years after a Cardholder’s Card has been cancelled and provide it to us, upon request, within thirty (30) days. (...)</p>

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<p>6. Credit Card Issuance and Account Statements</p> <p>(...)</p> <p>(c) Account statements will be mailed to Cardholders at the address provided by such Cardholder unless otherwise directed by an Authorized Representative. (...)</p>	<p>8. Account Statement, Verification and Disputes</p> <p>(...)Unless you have opted and consented to electronic Account Statements, we will send the Account Statement to you, directed to the Applicant’s address last appearing on our records or, in the case of Avion Visa Infinite Business, Avion Visa Business, Visa Business and Visa Business Gold card products, directly to Cardholders, at your request.</p> <p>(...)</p> <p>When available, you may choose to receive the Account Statements and Account Documentation through Electronic Channels. In that case, the Account Statement and Account Documentation will only be made available to the Applicant and will not be sent directly to Cardholders.</p>
<p>7. Promise to Pay</p> <p>(a) Customer will be liable to HSBC for payment of all liabilities and obligations owed with respect to all Credit Cards issued under the Program and promises to pay all Cardholder Account balances (including without limitation, all applicable interest and fees) specified on all Cardholder account statements by the payment due date indicated on the applicable accounts. Customer shall be liable for all transactions made on the Customer Account and agrees to pay HSBC according to the terms of this Agreement and the account statements for all Purchases made and Loans obtained by Customer, Cardholders, or any other person authorized by Customer to use the Customer Account or given access to the Customer Account by the Customer.</p> <p>(...)</p> <p>(c) Customer will be liable to HSBC on all Cards and by its execution of this Agreement, Customer agrees to be liable for all obligations arising under or in connection with all Cards issued to all Cardholders under this Agreement.</p>	<p>9.6. Liability for Debt</p> <p>Except as otherwise set out in this Agreement and, for the Avion Visa Infinite Business, Avion Visa Business, Visa Business and Visa Business Gold card products only, except as may otherwise be provided under the Liability Waiver Program, the Applicant is liable to us for all Debt charged to the Account, no matter how it is incurred or who has incurred it, and even though we may send Account Statements to Cardholders and not to you.</p> <p>(...)</p> <p>The Applicant is liable to us for everything else it has agreed to in this Agreement.</p> <p>(...)</p> <p>If there is any change to the ownership or structure of the Applicant, it is your responsibility to notify us as a new Agreement may need to be signed or entered into.</p> <p>(...)</p>

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<p>8. Rates and Fees Annex.</p> <p>(...)</p> <p>HSBC reserves the right to amend the HSBC BusinessVantage Mastercard program fees set out in the Rates and Fees Annex from time to time, upon thirty (30) days prior notice to the Customer.</p>	<p>17. Amending This Agreement</p> <p>We may amend, supplement, restate, or otherwise change this Agreement at any time. If we do make a change that we consider to be a material change, in our absolute discretion, such as changing the Interest Rates or the Fees applicable to your Business Card Product(s), we will notify you at least thirty (30) days before the change takes effect, by giving you notice of the change(s) in any one or more of the following way(s): by (a) sending you a notice by mail, (b) adding a message on the Account Statement(s), (c) posting a notice on our website and/or digital channels, (d) sending you a notice through Electronic Channel(s), (e) posting a notice in all of our branches, or (f) displaying a notice at our ATMs. If we send you a notice by mail, it will be directed to the Applicant's address last appearing on our records and it is your responsibility to ensure that each Owner (and Cardholders, where applicable) receive(s) a copy of such notice.</p> <p>If any Account, Card or Card Information is used or if any Debt remains unpaid after the effective date of a change, it will mean that you have agreed and consented to the change. If any change is not acceptable to you, you must immediately stop using the Account and the Cards and contact Royal Bank for assistance.</p> <p>You agree to be bound by the latest version of this Agreement made available from time to time on our website, or otherwise provided to you. You agree to regularly review it, and to review any notice of change we may give you, as outlined above.</p> <p>The benefits and services that are automatically provided with your Business Card Product(s) are subject to terms and conditions, which may also be amended by us or the third party(ies) that provide(s) them, from time to time, without notice to you or any Cardholder</p>
<p>9. Interest Rate and Calculation.</p> <p>(a) In the event the balance on the Customer Account or any Cardholder Account is not paid in full by the payment due date indicated on the account statement, interest will be charged on the unpaid amount at an annual interest rate disclosed in the Rates and Fees Annex or any amendments thereto. Interest accrues daily and is calculated by applying the daily periodic rate to the unpaid balance each day. Interest is calculated on the basis of a year of 365 days. Interest is charged to the Customer Account and Cardholder Accounts monthly and will appear on the account statement.</p> <p>(...)</p>	<p>2. Determination of Interest</p> <p>(c) <u>Applicable to all Business Card Products</u></p> <p>Fees are treated in the same manner as Purchases for the purpose of charging interest. The transaction date for a Fee is the date that the Fee is posted to the Account.</p> <p>We do not charge interest on interest.</p> <p>We calculate interest daily; however we only add it to the Account monthly. The amount of interest we charge is calculated as follows:</p> <ul style="list-style-type: none"> • We add the amount that you owe each day, and divide that total by the number of days in the Account Statement period. This is your average daily balance; and • We multiply the average daily balance by the applicable daily Interest Rate(s) (obtained by taking the annual Interest Rate(s) and dividing it by the number of days in the year). We then multiply this value by the total number of days in the Account Statement period to determine the interest that we charge you. <p>If there is more than one applicable Interest Rate, we calculate the amount of interest that you owe based on the average daily balances that apply to each Interest Rate.</p> <p>(...)</p>

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<p>10. Minimum Payment</p> <p>(a) (...) Each month, the Customer and/ or Cardholder must pay at least the amount shown as the total minimum payment due on each account statement by the payment due date.</p> <p>(b) If the amount due on a Cardholder’s Account is more than \$10, the minimum payment amount will be the greater of 5% of the amount due or \$10. If the amount due on a Cardholder’s Account is \$10 or less, the minimum payment amount will be the full amount.</p> <p>(c) Past due amounts and any amounts exceeding the Customer Credit Limit and/or Cardholder Credit Limit(s) will be included in the total minimum payment amount due.</p> <p>(...)</p>	<p>9.3 Minimum Payment and Other Payment Terms</p> <p>(...)</p> <p>(b) Except as otherwise set out in this Agreement, you must make a Minimum Payment by the Payment Due Date, equal to the lesser of</p> <p>(i) for all Business Card Products except CLSB: \$10.00, plus interest, plus Fees or, for CLSB: \$100.00, plus interest, plus Fees, and</p> <p>(ii) the New Balance, in order to keep the Account up to date. Each of these amounts will be indicated on the Account Statement. Any past-due amounts will be included in the Minimum Payment amount.</p> <p>(c) You must also pay any amount that exceeds either the Account Credit Limit or the Card Credit Limit immediately, even though we may not yet have sent an Account Statement on which that excess appears.</p> <p>(...)</p>
<p>Grace period: 21 days</p>	<p>9.3 Minimum Payment and Other Payment Terms</p> <p>[See section 10.3 for the standard Grace Period applicable to your credit card product]</p> <p>(g) If the New Balance on a previous Account Statement was paid in full by the Payment Due Date, the Grace Period for the current Account Statement will continue to be the minimum number of days applicable to the Business Card Product. If the New Balance on the previous Account Statement was not paid in full by the Payment Due Date, the Grace Period for the current Account Statement will be extended to twenty-five (25) days from the last Statement Date. This Section 9.3(g) does not apply to CLSB, which has no Grace Period.</p>
<p>11. Application of Payments</p> <p>(a) Payments made in respect of a Cardholder’s Account are applied in the following order: (i) Interest; (ii) Optional insurance premiums; (iii) Service fees; (iv) Annual card membership fees; (v) Cash advances; and (vi) Purchases.</p> <p>(b) Any payment amounts received in excess of a Cardholder’s balance will be applied to transactions that are not yet on the account statement but have been posted to the Cardholder’s Account in the following order: (i) Cash advances; (ii) Purchases; (iii) Interest; (iv) Service fees; (v) Premiums for optional insurance; and (vi) Annual card membership fees.</p>	<p>9.4 Payment Allocation</p> <p>When you make a payment, we apply the amount up to the Minimum Payment first to any interest and second to any Fees. We then apply the remainder of any Minimum Payment to the New Balance, generally starting with amounts bearing the lowest Interest Rate before amounts bearing a higher Interest Rate.</p> <p>If you pay more than the Minimum Payment, we will apply the amount over the Minimum Payment to the remainder of the New Balance. If the different amounts that make up the New Balance are subject to different Interest Rates, we will allocate your excess payment in the same proportion as each amount bears to the remainder of the New Balance. If the same Interest Rate is applicable to both a Cash Advance and a Purchase, we will apply your payment against the Cash Advance and the Purchase in a similar proportionate manner.</p> <p>If you have paid more than the New Balance, we will apply any payment in excess of the New Balance to amounts that have not yet appeared on your Account Statement in the same manner as set out above.</p> <p>Credits arising from returns or adjustments are generally first applied to transactions of a similar type, second to any interest and Fees, and the remainder to other Debt owing in the same manner as we apply payments in excess of the Minimum Payment.</p>

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<p>14. Liability and Dealings with Merchants</p> <p>(...)</p> <p>(c) Customer will immediately give notice to HSBC in the event of any loss, theft or unauthorized use of a Credit Card, personal identification number (PIN), Cardholder Account number or cheque. Any transactions made prior to such notification to HSBC will be liabilities and obligations of the Customer.</p> <p>(d) In the event of any or any suspected errors regarding a transaction, Customer shall give notice to HSBC of all known details, including the Customer Account, Credit Card or Cardholder Account involved, applicable reference numbers and a description of the loss, theft, unauthorized use or suspected error. Such notice must be received by HSBC within thirty (30) days of the date of the statement on which the suspected error first appeared. HSBC will investigate the suspected error and notify Customer whether the charge will be removed from the statement.</p>	<p>7.1. Lost, Stolen, or Unreceived Cards</p> <p>The Cardholder must inform us immediately if:</p> <ul style="list-style-type: none"> (a) their Card is lost, stolen or has never been received by the Cardholder after it has been requested by the Applicant or the Cardholder; (b) the Cardholder suspects that their Card is missing; (c) the Cardholder suspects that someone else may know their Personal Authentication Information; or (d) the Cardholder suspects that their Card or the associated Card Information is being used by someone else; <p>by calling our 24-hour toll-free number at 1-800-361-0152. If the Cardholder is outside North America, the Cardholder can call us collect at 1-514-392-9167. Operator assistance may be required.</p> <p>Once any of the above events has been reported to us, we will be able to prevent the use of the Card, Card Information and Personal Authentication Information, and you will not be liable for any unauthorized use following the receipt of such report.</p> <p>Also, if we suspect unauthorized or fraudulent use of a Card or the associated Card Information, we may block the Card and prevent the use of the associated Card Information without prior notice to the Cardholder.</p>

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	<p>7.2. Fraudulent Transactions with a Card</p> <p>For the purposes of this provision, “unauthorized use” of a Card, Card Information and/or Personal Authentication Information means use by a person, other than the Cardholder, who does not have actual, implied or apparent authority for such use, and from which neither you nor the Cardholder receives any benefit.</p> <p>If a Card, Card Information and/or Personal Authentication Information is used in an unauthorized manner, you will not be liable for those unauthorized charges provided that the Cardholder (a) is able to establish, to our reasonable satisfaction, that the Cardholder has taken reasonable measures to protect their Card against loss or theft and to safeguard their Card Information and/or Personal Authentication Information in the manner set out in this Agreement, or as we may otherwise advise Cardholders from time to time, and (b) the Cardholder fully cooperates with our investigation.</p> <p>You will, however, remain fully liable for all Debt incurred in connection with an unauthorized use of the Card or the associated Card Information if the Cardholder (a) contributed to the unauthorized or fraudulent use of the Card or the associated Card Information, or otherwise permitted access to the Account, (b) voluntarily disclosed their Personal Authentication Information, (c) failed to inform Royal Bank promptly that their Card had been lost, stolen or remained unreceived, (d) failed to inform Royal Bank promptly that they suspected that (i) their Card was missing, (ii) someone else may know their Personal Authentication Information, or (iii) the Card or the associated Card Information was being used by a person other than the Cardholder, or (e) allowed any other person to use their Card or the associated Card Information.</p> <p>7.3. Unauthorized Charges by Cardholders</p> <p>If you have an Avion Visa Infinite Business, Avion Visa Business, Visa Business or Visa Business Gold card product, you may request us to waive, in accordance with the Liability Waiver Program, your liability for certain unauthorized charges incurred by a Cardholder, as set out in the Liability Waiver Program Description.</p> <p>The Liability Waiver Program is made available at no cost to you, and you will abide by the provisions of the Liability Waiver Program Description, in effect from time to time. (...)</p>
<p>12. Foreign Exchange</p> <p>Purchases and Cash Advances made with a Credit Card in a foreign currency will be converted to a Canadian dollar amount at an exchange rate in effect on the date the conversion takes place. The exchange rate used for currency conversions is determined by Mastercard. In addition, for each foreign currency transaction, the Customer will be subject to the Foreign Exchange Conversion Fee set out in the Rates and Fees Annex. The account statement will reflect the transaction in Canadian dollars.</p> <p>Annex 1 – HSBC BusinessVantage® Mastercard® Schedule Rates and Fees Annex</p> <p>Foreign Exchange Conversion: 2.5%</p> <p>We will bill you in Canadian currency if you use your account to make transactions in foreign currency. We will convert it directly to Canadian dollars at the exchange rate in effect at the time we post the transaction to your account. When the transaction is posted to your account, in addition to the exchange rate, you will be charged a foreign exchange administration fee of 2.5% for each foreign currency transaction</p>	<p>10.6. Foreign Currency Conversion</p> <p>All transactions indicated on an Account Statement are billed in Canadian dollars.</p> <p>The exchange rate indicated on your Account Statement, to six (6) decimal places, is calculated by dividing the converted Canadian dollar (CAD) amount, rounded to the nearest cent, by the transaction currency amount. It may differ from the original benchmark rate because of this rounding. The CAD amount charged to your Account is 2.5% over the benchmark rate. Some foreign currency transactions are converted directly to CAD, while others may be converted first to U.S. dollars, then to CAD. In either case, the benchmark rate will be the actual exchange rate applied at the time of the conversion, and is generally set daily. The original benchmark rate at the time a transaction was converted may be obtained at visa.com/exchange, if set by Visa, or mastercard.ca/currency-converter, if set by Mastercard. If you are paying interest on your Account, interest will also be charged on the full value of your foreign purchases, as determined by our exchange rate. If you have any questions, please call us at 1-800 ROYAL® 1-2 (1-800-769-2512).</p>

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<p>Unaddressed</p>	<p>12. Communication Between You and Us</p> <p>12.1. Delivery of Account Documentation</p> <p>Any Account Documentation, including Account Statements, notices and disclosures, may be delivered using one or more means of communication, which may include (a) delivery in paper form, (b) delivery in electronic form using any Electronic Channel, or (c) posting on Royal Bank’s website.</p> <p>If we have important announcements to make, or important information to communicate to you, about your Account(s) and/ or your Business Card Product(s), we will normally do so by adding a message to the Account Statement(s). Each month, when you receive your Account Statement(s), you will look for these messages and read them carefully, where applicable.</p> <p>12.2. Electronic Communication</p> <p>For legal purposes, documents sent to you through Electronic Channels have the same legal effect as if in written paper form, and constitute a “writing” for the purposes of applicable law. You waive any right to raise a defense or a waiver of liability on the basis that a document was accessed, sent, received, accepted, or processed through an Electronic Channel, including on the basis that it was not “in writing”, or that it was not signed or delivered. We may rely upon, and treat as duly authorized and binding on you, any electronically authenticated document received through Electronic Channels from you, as applicable, or which appears to have been sent by you. (...)</p>
<p>15. Events of Default</p> <p>At HSBC’s option, any Customer Account balance may become immediately due and payable upon the happening of any of the following events (each an “Event of Default”), provided that HSBC shall provide Customer with five (5) business days’ prior written notice of the exercise of such option upon the happening of the Event of Default: (...)</p>	<p>18. Termination</p> <p>(b) If any one of the following events occurs, it will mean that you are in default. We may terminate this Agreement immediately, without giving you any prior notice, if: (...)</p>
<p>16. Remedies and Termination</p> <p>(...)</p> <p>(b) In addition, HSBC may terminate the Customer Account and this Agreement, and revoke all Cards issued to the Customer and all individual Cardholders, in its sole discretion, (i) at any time, for any reason, by providing thirty (30) days prior written notice of termination to Customer, or (ii) at any time, with or without notice, for the purpose of complying with applicable laws, regulations, rules and internal policies (including compliance obligations relating to the detection, investigation and prevention of financial crime or criminal activity).</p>	<p>18. Termination</p> <p>(a) We or you may terminate this Agreement at any time by giving notice of termination to the other party. We will direct our notice of termination to the Applicant’s address last appearing on our records. You will contact our Cards Customer Service at 1-800 ROYAL® 1-2 (1-800-769-2512) or visit your local branch to learn how to provide your notice of termination.</p>

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Unaddressed	<p>15. Loyalty Programs</p> <p>15.1. RBC Rewards Program (now Avion Rewards)</p> <p>If your Business Card Product allows Cardholders to earn RBC Rewards® points (now Avion points), which can be redeemed for merchandise, travel and other rewards, you acknowledge that your participation, and the Cardholders acknowledge that their participation (where applicable), in the RBC Rewards program (now Avion Rewards program) is subject to the RBC Rewards Terms and Conditions (now Avion Rewards Terms and Conditions), which are available for review at www.rbc rewards.com (now avionrewards.com). Paper copies are available upon request.</p> <p>15.2 RBC Cash Back Program</p> <p>If your Business Card Product allows you to earn back a certain percentage of the total amount of eligible net Purchases charged to the Account annually, as a credit to the Account, you acknowledge that your participation in the RBC Cash Back program is subject to the RBC Cash Back Terms and Conditions, which are available for review at www.rbc.com/cashbackterms. Paper copies are available upon request.</p>
Unaddressed	<p>19.2 Governing Law</p> <p>This Agreement shall be interpreted and governed in accordance with the laws of the province or territory in which the Applicant resides (or the laws of the Province of Ontario if the Applicant resides outside Canada) and the applicable laws of Canada. In the event of a dispute, you agree that the courts in the province or territory where the Applicant resides (or the courts in the Province of Ontario if the Applicant resides outside of Canada) shall be competent to hear such dispute, and you agree to be bound by any judgment of that court.</p>

