



HSBC Bank Canada

Terms and Conditions relating to the HSBC RRSP Ascending Rate GIC® (Deposit)

Read these terms and conditions (**Terms and Conditions**) together with the Confirmation.

Definitions

We, us, our means HSBC Bank Canada and its successors and assigns.

You, your means the person (also called the annuitant) who has an HSBC Bank Canada Retirement Savings Plan (**Plan**) and is the registered owner of the Deposit.

Confirmation means the confirmation or statement of contribution we give you for the Deposit. It sets out the amount, term, Start Date, Maturity Date, Issue Rate and Redemption Rate and other details of the Deposit.

Plan Agreement means the agreement between you and us that covers your Plan, as supplemented or as amended from time to time. It includes the HSBC Retirement Savings Application and any addendum attached.

Start Date means the date set out in the Confirmation as the date on which the term of the Deposit begins.

Maturity Date means the date set forth in the Confirmation as the date on which the term of the Deposit ends.

Issue Rate means the annual rate at which we pay interest on the Deposit for each applicable year if you hold the Deposit until the Maturity Date (as stated on the Confirmation).

Redemption Rate means the annual rate at which we pay interest on the Deposit for each applicable year if you redeem the Deposit prior to the Maturity Date (as stated on the Confirmation).

1. **No transfer or security grant**

The Confirmation is non negotiable. The Deposit cannot be assigned (or transferred) to someone else as security (or collateral). The Deposit must be held in the name of the Plan and cannot be transferred to anyone else.

2. **Other agreements**

These Terms and Conditions are in addition to any other agreement, instrument or writing that you may have with us now or in the future regarding your accounts and our business relationship, including the Plan Agreement. If there is a conflict between these Terms and Conditions and your Plan Agreement, your Plan Agreement governs the part that is inconsistent. These Terms and Conditions are subject to all laws, regulations or orders applicable to deposits. In the event of any uncertainty or ambiguity between these Terms and Conditions and the applicable laws, regulations or orders, these Terms and Conditions and the attached Confirmation will be interpreted to comply with applicable laws, regulations or orders.

Review the terms and conditions of your Plan Agreement carefully and consult a professional advisor about the difference between holding deposits in non-registered and registered accounts.

3. **Redeeming your Deposit before Maturity Date**

You can redeem the Deposit before the Maturity Date. You can only redeem the Deposit in full. We do not allow redeeming part of the Deposit. If you redeem the Deposit on the 3rd or 4th anniversary of the Start Date, we will pay interest at the Issue Rate for each year between the Start Date and the date you redeem the Deposit. If you redeem the Deposit at any other time, we will pay interest on the Deposit at the Redemption Rate for each year or part of the year between the Start Date and the date you redeem the Deposit.

For any year, the Redemption Rate may be lower than the Issue Rate. Section 7 gives an example of interest calculation that would apply if you redeem the Deposit before the Maturity Date.

Unless we receive different instructions from you in writing before you redeem the Deposit, on redemption we place the Deposit (principal plus interest earned) into the variable savings part of your Plan.

4. Transfer to another institution

After you redeem the Deposit, you may transfer the amounts you receive on redemption to another financial institution, as long as this is allowed under the Plan Agreement and by applicable laws, regulations or orders.

5. No automatic renewal

Your Deposit does not automatically renew. Unless we receive different instructions from you in writing before the Maturity Date, on the Maturity Date we place the Deposit (principal plus interest earned) into the variable savings part of your Plan.

6. What happens if you die

If you die, we will pay the Deposit and interest at the Issue Rate accrued to the day of payment to the beneficiary(ies) under your Plan or to your estate, in accordance with your Plan Agreement.

7. Interest

We calculate interest from the Start Date to, but not including, the Maturity Date or the date you redeem the Deposit. Interest is compounded annually on the anniversary of the Start Date.

An example of how interest is calculated

A customer deposits \$1,000 into an HSBC RRSP Ascending Rate GIC. The customer receives a confirmation that sets out the issue rate and redemption rate listed in the second and third columns of the table below. Each year, accrued interest is added to the principal. The fourth and fifth columns of the table below describe the rate at which we will pay interest to the customer for each year or part of the year the funds are on deposit with us, depending on the timing of the redemption.

If the customer redeems the deposit 2 months before the 4th anniversary date, the customer earns interest at these rates: (i) 0% for the first year, (ii) 0% for the 2nd year, (iii) 3% for the 3rd year, and (iv) 4% for 10 months of the 4th year.

Please note: The rates in the table below are examples only, not the rates that apply to your Deposit. Please refer to the Confirmation for rates that apply to your Deposit.

Year of term in which deposit is redeemed	Issue rate for each year (as listed in the confirmation)	Redemption rate for each year (as listed in the confirmation)	The rate that applies if the deposit is redeemed before the anniversary date	The rate that applies if the deposit is redeemed on the anniversary date or is held until maturity date
1	2% p.a.	0% p.a.	0% for 1st year	0% for 1st year
2	4% p.a.	0% p.a.	0% for 1st year 0% for 2nd year	0% for 1st year 0% for 2nd year
3	6% p.a.	3% p.a.	0% for 1st year 0% for 2nd year 3% for 3rd year	2% for 1st year 4% for 2nd year 6% for 3rd year
4	8% p.a.	4% p.a.	0% for 1st year 0% for 2nd year 3% for 3rd year 4% for 4th year	2% for 1st year 4% for 2nd year 6% for 3rd year 8% for 4th year
5	10% p.a.	5% p.a.	0% for 1st year 0% for 2nd year 3% for 3rd year 4% for 4th year 5% for 5th year	2% for 1st year 4% for 2nd year 6% for 3rd year 8% for 4th year 10% for 5th year

8. Payment

If a payment is due on a non-business day, the payment will be made on the following business day.

9. Choice of language

You have requested these Terms and Conditions and all related documents be in English. Toutes les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés en anglais.