

HSBC Mutual Funds

**Important Information for Investors &
Declaration of Trust**

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For All Account Holders

Definitions in this Important Information Booklet

This section defines important terms used in this Important Information Booklet.

“Account” means the HSBC Mutual Funds Account you have applied to open with us and we have agreed to open for you with respect to the purchase, redemption or transfer of units of HSBC Mutual Funds, including an HSBC Mutual Funds Retirement Savings Plan account, an HSBC Mutual Funds Retirement Income Fund account, an HSBC Mutual Funds TFSA and an HSBC Mutual Fund Education Savings (Family) Plan Account.

“Application” means our HSBC Mutual Funds Account application form and the HSBC Investment Funds (Canada) Inc. contribution form completed to apply to open an Account and, if applicable, apply to become an annuitant under the HSBC Mutual Funds Retirement Savings Plan or HSBC Mutual Funds Retirement Income Fund, a holder under an HSBC Mutual Funds TFSA or a Subscriber under the HSBC Mutual Fund Education Savings (Family) Plan.

“Banking Information” means the most recent banking information you have provided to us about your bank account at a Financial Institution, in the form requested and accepted by us, from which you want Transactions to be conducted. Banking Information may differ depending on whether the Transaction is based on Instructions given from time to time or continuous through a Regular Investment Plan or Monthly Withdrawal Plan.

“Electronic Instruction” means any Instruction that is given by you in a form accepted by us, which may include, telephone, personal computer, telex, mobile device, facsimile or other method of communication and includes Instructions provided through Telephone Mutual Funds Services or Internet Mutual Funds Services.

“Financial Institution” means HSBC Bank or any other financial institution named in the Banking Information.

“HSBC Bank” means HSBC Bank Canada.

“Instructions” means any instruction, agreement or document to open or close an HSBC Mutual Fund Account, related to a Transaction, or to initiate, amend or cancel a Regular Investment Plan or a Monthly Withdrawal Plan, that is or reasonably appears to be given to us by you or your agent.

“Internet Mutual Funds Services” means our internet services accessed by you using a Secret Code and by which you can obtain Account information and give Instructions on your Account.

“Monthly Withdrawal Plan” means the service offered by us that allows you to set up a plan to make monthly withdrawals from Investor Series units of the HSBC Mutual Funds as explained in the current HSBC Mutual Funds Simplified Prospectus.

“Regular Investment Plan” means the service offered by us that allows you to set up a plan to make regular investments in units of the HSBC Mutual Funds as explained in the current HSBC Mutual Funds Simplified Prospectus.

“Secret Code” means each access code (whether a combination of letters, numbers or both) for your confidential use that confirms your identity, allows you to access your Account and authorize Transactions on your Account or use a particular Service. Examples are your TelePIN (personal identification number to access our Telephone Mutual Funds Service) and your access code for our Internet Mutual Funds Services.

“**Service**” means any and all of the services we offer to you, such as:

- Telephone Mutual Funds Services
- Internet Mutual Funds Services
- giving Instructions through a HSBC Bank branch, Telephone Mutual Funds Services, Internet Mutual Funds Services, facsimile, your personal computer or any other method accepted by us from time to time
- Regular Investment Plan
- Monthly Withdrawal Plan

“**Telephone Mutual Funds Services**” means our telephone services accessed by you using a Secret Code and by which you can obtain Account information and give Instructions on the Account.

“**Transaction**” means a purchase, sale or switch of units of an HSBC Mutual Fund using any Service or pursuant to any Instruction and includes a request for information about any Account.

“**Trustee**” means HSBC Trust Company (Canada).

“**We**”, “**us**” and “**our**” means HSBC Investment Funds (Canada) Inc.

“**You**” and “**your**” means the Applicant and Co-Applicant(s), or Annuitant, or Subscriber (as applicable) stated in the Application, and each of their heirs, executors, administrators, successors and assigns.

Signature on Application

When you sign the Application, you confirm that you have read, understood and agree to be bound by the terms and conditions set out in this Important Information Booklet, as amended from time to time.

HSBC Mutual Funds Account Agreement

Mutual Fund Services

- You are applying to open an Account with us.
- You have received and read a copy of the Simplified Prospectus for the HSBC Mutual Funds. You understand that HSBC Global Asset Management (Canada) Limited manages the HSBC Mutual Funds. HSBC Mutual Funds are available for investment under the HSBC Mutual Funds Retirement Savings Plan, the HSBC Mutual Funds Retirement Income Fund, the HSBC Mutual Funds TFSA and the HSBC Mutual Funds Education Savings (Family) Plan.
- The purchase or sale of HSBC Mutual Funds is made on the terms and conditions described in the HSBC Mutual Funds Simplified Prospectus and this HSBC Mutual Funds Account Agreement. The purchase or sale of HSBC Mutual Funds is subject to approval by us.
- All information you provide to us in the Application and in connection with the Account now or in the future is accurate and complete. You will notify us immediately if any of the information changes. At any time and as requested by us in our sole discretion and in accordance with applicable laws and regulations, you will provide us with any information we require to operate the Account or provide Services to you.
- You agree to indemnify, defend and hold harmless us and our affiliates and our respective directors, officers, employees, agents, personnel, service providers, representatives, successors, assigns, licensees, licensors, related persons and each of them from and against any and all claims, demands, suits, complaints, costs, damages, expenses, liabilities and losses (including without limitation legal fees and disbursements we reasonably incur) incurred, sustained or suffered by any of them, arising from, connected with or relating to this Agreement, your Account, a Service, your use of a Service, your breach of this Agreement, or any wrongful conduct by you or any person for whom you are responsible under this Agreement or at law, other than claims, demands, suits, complaints, costs, damages, expenses, liabilities and losses incurred, sustained or suffered as a direct result of our gross negligence, recklessness or wilful or unlawful misconduct. You will

assist and co-operate as fully as reasonably required by us in the defence of any such claim, demand, suit or complaint. This indemnity is in addition to any other indemnity you have provided to us relating to your Account or any Service. This indemnity will survive termination of this Agreement or closure of your Account.

- You understand that we, HSBC Global Asset Management (Canada) Limited, HSBC Trust Company (Canada) and HSBC Bank are separate corporate entities, and that we, HSBC Global Asset Management (Canada) Limited and the Trustee are subsidiaries of HSBC Bank. We are a direct subsidiary of HSBC Global Asset Management (Canada) Limited. Unless otherwise advised by us, securities purchased from or through us are not insured by a government deposit insurer, are not guaranteed by HSBC Bank or any other financial institution and may fluctuate in value. Activities carried on, for, or on behalf of us are not the business nor responsibility of HSBC Bank.

Joint Accounts

This section applies to joint accounts only:

- Unless you specify to us in writing that you must give us Instructions together, any one of you can give Instructions to us with respect to the Account and such Instructions shall be valid and binding upon each of you, together and separately, and your respective heirs, executors, successors and assigns.
- The following paragraph is not applicable in Quebec: Any interest in your Account shall be and continue to be the joint property of all of you with the right of survivorship. The death of one of you shall not affect the right of the survivor to deal in any manner with your Account.
- For Accounts in Quebec: Accounts in Quebec do not have a right of survivorship. Upon the death of one of you, rights and obligations related to the Account will be governed by the Federal Laws of Canada and the laws of Quebec in force and in effect as amended from time to time.

Giving Instructions

- You are responsible for ensuring that any Instructions regarding your Account received by us through any Service are true, accurate and complete. You acknowledge that we will rely upon the truth, accuracy and completeness of the Instructions.
- We, in our sole discretion, may rely upon any Instructions, including Electronic Instructions, that appear to be given by you or your agent, if we reasonably believe that the Instructions have come from you or your agent. You authorize us to accept such Instructions, without any further verification, and you agree to be responsible for such Instructions. When your signature is required in relation to an Instruction, you agree that what in our reasonable determination appears as your signature or electronic signature (whether or not actually signed by you) binds you legally and makes you responsible to the same extent and effect as if you had given original signed Instructions, (except if we have been grossly negligent or acted with wilful misconduct). There are some types of Instructions and documents we will not accept as Electronic Instruction and you understand that we, in our sole discretion, reserve the right to refuse any Electronic Instruction.
- If you are a corporation, trust, partnership, sole proprietorship, estate or other entity and there are two or more authorized signatories required for providing Instructions related to your Account, we will not accept Instructions from you through Telephone Mutual Funds Services or Internet Mutual Funds Services and we will only accept Instructions from you by written means accepted by us. We reserve the right to apply this restriction to joint accounts held by a legal entity and/or individuals where there are two or more authorized signatories and you have indicated to us that all such authorized signatories are required to provide instructions.
- **Indemnity for telephone, facsimile and email Instructions:** You agree that you will indemnify and save us harmless from all direct or indirect losses,

costs, fees, damages, expenses, claims, suits, demands and liabilities whatsoever including without limitation legal expenses suffered or incurred by or brought against us in connection with either acting or failing to act with respect to Instructions you gave to us by telephone, facsimile (fax) or email. Instructions that you provide to us through Telephone Mutual Funds Services and Internet Mutual Funds Services are excluded from this indemnity.

- **Recordings:** You consent to us making an audio recording of any telephone call, or a record of any electronic communication, with us to preserve the context of all Instructions or other information you provide to us and for us to use these recordings for the following purposes:
 - so that we have a record of Instructions and information provided;
 - so that we can meet your financial and investment service needs as may be sought by you; and
 - so that we can monitor the service levels of Telephone Mutual Funds Services or telephone banking staff.
- **Identity or Authority:** We are not required to confirm the identity or authority of any person using your HSBC bank card or related Secret Codes to make Transactions. We can in our discretion require proof satisfying to us at any time of the authority of any person seeking to make Transactions on your behalf (including a person purporting to act on your behalf pursuant to a power of attorney) and may defer acting on such Instructions while conducting any such searches or investigations as we consider appropriate. We can refuse to accept Instructions from any such person if we are not entirely satisfied with such proof of authority, and in the case of a power of attorney, proof satisfactory to us that the power of attorney has been validly granted and is effective and is being used for lawful purpose. We will not be liable for any loss or damage suffered by you or by a third party because of any failure of or refusal by us to give effect to any Instructions or for any delay in implementing Instructions regardless of the reasons for such failure, refusal or delay (other than our gross negligence and willful misconduct).

Statements of Accounts and Records

- **Receipt of Records:** We will send you statements, confirmations and other documents (the "Records") relating to the Account from time to time. We will send the Records by ordinary mail to your most recent address appearing on our records or through such other method as applicable to the Account. It is your responsibility to verify that each Transaction has been properly executed. You will be deemed to have received and reviewed a Record, whether you actually receive one or not, on the earlier of: the day you actually receive or review a Record; the day on which you become aware of facts that reasonably put you on enquiry as to the possibility of errors, omissions or irregularities affecting the Account including any fraud or unauthorized activity; or 10 days after the last day of each month, whether you actually receive a statement of the Account or not.
- **Review of Records:** You agree to examine every Record as soon as you receive it or are deemed to have received it. You shall immediately, and in any event no later than 30 days after receiving or being deemed to have received a Record, give notice to us of any errors, omissions or irregularities, including any fraud or unauthorized activity, included in or preceding each such Record. Unless objected to in writing within 30 days of the date on which the Record is received or is deemed to have been received by you, you agree that our records are conclusive evidence of your dealings with us regarding the Account and are correct, complete, authorized and binding upon you, and we will be released from all responsibility for Account activity preceding the Record pertaining to such errors, omissions, irregularities, fraud or unauthorized activity, including our negligence (but excluding such due to our gross negligence or willful misconduct).
- **Immediate Notice Requirement:** If you become aware of facts that reasonably put you on enquiry as to the possibility of errors, omissions or irregularities affecting the Account, including any fraud or unauthorized activity, you shall immediately notify us directly or through your HSBC Bank

branch so as to prevent any ongoing fraud or unauthorized activity. If you fail to do so, any preventable subsequent loss shall not be our responsibility.

- **Consequence of Breach:** In addition to the consequences set out elsewhere, if you fail to abide by your obligations under this section "Statements of Accounts and Records" of the Agreement, and if your conduct or omission causes or contributes to a loss on the Account, then you agree that we shall not have any responsibility to you with respect to such loss.
- **Admissibility of Records:** You will not object to the admission of Records as evidence in any legal proceeding on the ground that such Records are not originals, are not in writing, are hearsay, or are documents containing information extracted from a computer. The Records are conclusive for all purposes, including litigation, in respect of any Instructions given and any other matter or thing relating to the state of the Account in respect of any Transaction.

Processing Transactions

- **Refused Transactions:** In accordance with the HSBC Mutual Funds Prospectus, we, in our sole discretion, reserve the right to refuse any Transaction and all Instructions and Transactions are subject to verification and acceptance by us. Without limiting the generality of the foregoing, the following are situations in which we may refuse to complete any Transaction: (a) the Transaction is one that cannot be processed by us or cannot be completed for any cause beyond our reasonable control; (b) there is an operational failure, malfunction or unavailability of the applicable Service; (c) we do not receive proof satisfactory to us of the authority of a person giving Instructions on your behalf; (d) you do not have sufficient funds to complete the Transaction; (e) the Transaction is inconsistent with your stated objectives and trading practices; (f) the Transaction violates any provision in any other agreement you have with us; or (g) completion of the Transaction could violate any policies or procedures or any law, regulation, rule, standard or guideline with any governmental authority to which we or our affiliates are subject.
- **Effective Transactions:** You understand that Transactions are not effective until they are processed in accordance with the disclosure in the HSBC Mutual Funds Prospectus.
- **Liability:** We are not liable for any loss or damage suffered by you or a third party by reason of any failure of or refusal by us to give effect to any of your Instructions or requested Transactions for or any delay by us in implementing any Instructions or Transactions.
- **Compliance with Laws:** You acknowledge that we and other members of the HSBC Group who assist us in providing Services to you must comply with the laws of the countries in which we or they are located. These include laws related to the prevention of money laundering, terrorist financing and dealings with persons or entities who are subject to sanctions. You agree that we and the HSBC group may take any action which we or they, in our or their sole discretion, think is necessary to comply with the law, including, but not limited to, refusing or reversing any of your Transactions and intercepting and investigating any information being sent as part of a Transaction. Notwithstanding anything else in this Agreement, you agree that neither us nor the HSBC Group will be liable for any direct or indirect losses or other damages of any kind that you suffer because we or other members of the HSBC Group have delayed or failed to execute your Transactions for the reasons above.
- **Authorizing Use of Bank Account:** You authorize us to process Transactions in accordance with the Instructions using the Banking Information you provided to us. You and we understand and agree that the Banking Information you provided to us may be different for processing single Transactions, Transactions through a Regular Investment Plan or Transactions through a Monthly Withdrawal Plan. You and we understand and agree that the terms and conditions set out in this Agreement, including

the authorizations provided by you to us, govern all Instructions and related Transactions. We will not be liable for any loss resulting from the fault or negligence of the Financial Institution or any delay in giving effect to Instructions due to incomplete or inaccurate information provided to us.

- **HSBC Bank Customers:** If HSBC Bank is the financial institution named in the Banking Information, we will withdraw funds from your HSBC Bank account listed in the Banking Information to pay for purchases or deposit the proceeds of redemptions.
- **Other Customers:** If the financial institution in the Banking Information is not HSBC Bank, we will accept payment for purchases by money order, bank draft, certified cheque or personal cheque (a "Payment") or any other method determined at our discretion. We will mail a cheque for the proceeds of redemptions to your most recent address appearing on our records. A Payment that is mailed to us will be deemed not to have been received by us until actually received by us. You bear all risk of loss for any items mailed by you that are not received by us.
- **Release of Information:** You hereby authorize us to request confirmation of the Banking Information from the Financial Institution and the Financial Institution is hereby authorized by you to confirm such information. In addition, you hereby authorize us to furnish the Financial Institution with all data, information, instructions and authorizations that may be required by it to complete a Transaction.
- **Direction to Financial Institution:** You hereby authorize the Financial Institution to withdraw funds from the bank account named in the Banking Information in order to conduct the Transactions.
- **Regular Investment Plan Contributions:** If you wish to make regular contributions to your Account from your bank account held at HSBC Bank pursuant to our Regular Investment Plan, you must provide us with your authorization and Banking Information in writing or by telephone via Telephone Mutual Funds Services or Internet Mutual Funds Services. If you wish to make regular contributions to your Account from a bank account held by a financial institution other than HSBC Bank pursuant to our Regular Investment Plan, you must provide us with your authorization and Banking Information in writing. You acknowledge and agree that any authorization to debit your bank account shall be governed by the terms and conditions contained in the Pre-Authorized Debit Agreement attached as Schedule "C".

Changes in Service

- We can periodically and without prior notice to you change, discontinue or add to any Service and the procedures, hours or operation and other attributes of a Service. We will not be liable for any loss or damage suffered by you as a result of any change, discontinuance or addition to any Service, or (subject to this Agreement) the operational failure, malfunction or unavailability of any Service for any reason.

Changes to this Agreement

- We may change this Agreement periodically. We will notify you of a change to this Agreement by doing one of the following at least 30 days prior to the change: (a) displaying the notice at the HSBC branches; (b) mailing you a copy of the revised agreement; (c) posting the changes on our website at www.hsbc.ca; or (d) sending you an electronic message.
- This Agreement is in addition to any other agreements you have with us (now or in the future) concerning your HSBC Mutual Fund Account(s). If there is a conflict between this Agreement and any of the other agreements you have with us, this Agreement will prevail.

Terminating this Agreement or a Service

- The terms of this Agreement shall survive termination or withdrawal of a Service or this Agreement and shall continue to apply with respect to determination or responsibility and resolution of all disputes for events, acts

or omissions occurring before or circumstances as exist as at the time of the termination or withdrawal.

- **By Us:** We may terminate this Agreement and your right to use the Services or withdraw any Service at any time without notice if (a) you are in breach or default of any of your representations, warranties, covenants or obligations under this Agreement or related to the Account, (b) any of the information you provided to us related to this Agreement or the Account is incorrect or inaccurate in any way, or (c) required by law or regulation. In addition, we may terminate this Agreement and your right to use the Services or withdraw any Service at any time by providing you with written notice at least 30 days prior to the date the termination or withdrawal becomes effective. We will have no liability to you for any loss or inconvenience that may result from any withdrawal or termination of a Service or this Agreement by us, unless such was caused by our gross negligence or intentional wrongful act.
- **By You:** You can terminate this Agreement at any time upon written notice to us and effective only when we receive the notice. You can give us notice at the HSBC Branch where you have the Account, or in any other way permitted by us. This Agreement will also be terminated upon receipt by us of written proof of your death.

Personal Information Consent

We, HSBC Bank, its subsidiaries and affiliates and others may, where permitted by law, collect, use and disclose your personal information in accordance with the terms set out in Schedule "A" attached hereto, of which you acknowledge receipt.

Disclosure Regarding Leveraging

We are required to provide you information on borrowing money to buy investments – leveraging. The information is set out in Schedule "B", of which you acknowledge receipt.

Dual Employment

HSBC Mutual Fund Advisors are dually employed by HSBC Bank. Activities carried on for, or on behalf of HSBC Bank are neither the business, nor the responsibility of HSBC Investment Funds (Canada) Inc. or HSBC Global Asset Management (Canada) Limited.

Additional Information About Your Relationship with HSBC Investment Funds (Canada) Inc.

We want you to be fully informed about matters that are important to your relationship with us. Canadian securities laws also require us to provide you with certain information about our relationship. The information in Schedule "F" contains additional information regarding your relationship with us and supplements the information set out elsewhere in this Agreement. This information is important and we encourage you to review it carefully.

Amounts Owing to HSBC

Notwithstanding any other term or condition in this Agreement, we may, subject to applicable law, in our sole discretion and without notice to you, set-off or compensate any amount which you owe to us or to any of our affiliates, including HSBC Bank Canada, against any of the assets in the Account. To the extent allowable by law, we can enforce our rights under this section by (a) redeeming the securities in the Account to pay a debt or liability with us or any of our affiliates or (b) using any funds in the Account to buy currency to pay a debt or liability for an account with us or any of our affiliates that is in a different currency, or both. For joint Accounts, each of you agree that the full amount in the Account can be applied to the payment of any indebtedness or liability to us or them, irrespective of contribution.

Secret Codes

- **Security and Confidentiality of Secret Codes:** Your Secret Codes are for your use alone and you will keep them confidential and not reveal them to any person. You will take all reasonable precautions to maintain the secrecy and prevent unauthorized use of your Secret Codes. You will not use your birth date, your telephone number or your address or other readily identifiable combination of letters or numbers in your Secret Code. You will commit all of your Secret Codes to memory and keep any record of them sufficiently separate from other Account information so as to prevent unauthorized discovery or theft of both at the same time or place.
- You agree to notify us immediately through HSBC Telephone Mutual Funds Services at 1-800-830-8888 if your Secret Code is lost or stolen or if your Secret Code has become or may have become known to another person or might otherwise be available for unauthorized use of any Service. Until you give such notice to us and we actually receive it, you will be liable for all Transactions that may occur as a result of authorized or unauthorized use of your Secret Code.
- Your Secret Code remains our or, if applicable, HSBC Bank Canada's, property and may be cancelled or suspended at any time by us or, if applicable, HSBC Bank Canada without prior notice to you.

Liability and Loss

- **Losses Involving Secret Codes:** You will be liable for all losses that occur with respect to the Account or any Service as a result of authorized or unauthorized use of any Secret Code or Service, except those losses that occur after you notify us that (i) you suspect your Secret Codes might be known by anyone else or (ii) that any other unauthorized use of the Account or Service may be occurring.
- **General:** Notwithstanding any other provision in this Agreement, you agree that in no event, even if we are negligent, will we be liable to you for any loss or damage suffered by you in connection with:
 - Any fraud or unauthorized Account activity by you;
 - Any system malfunction, interruption or unavailability with respect to any Account or Service;
 - Any delay, failure or error in implementing or executing any Instruction;
 - Any improper, inaccurate or incomplete Instructions or information received by us from you.

We will also not be responsible or liable for any delay or failure in the performance of our obligations under this Agreement as a result of any act of God, strike, lockout or labour disruption, war, riot, civil commotion, fire, flood, loss of power, computer hardware or software malfunction, or other event beyond our reasonable control.

General Terms

Notices

- Except as expressly set forth in this Agreement, all notices required to be given under this Agreement will be in writing and communicated by postal mail, courier or hand delivery. If by postal mail, the document is deemed received 5 calendar days after posting.

Severance

- If any part of this Agreement is held unenforceable for any reason, the unenforceable portion of this Agreement will not affect the enforceability of the remainder of this Agreement, which will continue in full force and effect as if this Agreement had been executed without the unenforceable portion.

No Waiver

- No waiver by us of any breach of or default under this Agreement shall be deemed to be a waiver of any preceding or subsequent breach or default.

Language

- The language version of this Agreement (either French or English) customarily used by us in our communications with you shall prevail with respect to the interpretation of the terms of this Agreement.
- We and you have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Nous et vous avons expressément demandé que la présente convention et tous les documents y afférent, y compris tous les avis, soient rédigés en anglais.

Jurisdiction

- This Agreement is governed by the laws of the Canadian province in which you reside and by applicable Canadian laws. If you do not reside in Canada, the laws of British Columbia shall apply. This Agreement is binding upon the parties and their respective heirs, executors, administrators, legal representatives, successors and anyone else assigned to act on their behalf.

Schedule "A" – Personal Information Consent

For Personal Clients (Individuals)

In this Schedule, "Personal Information" means any identifiable information about you. It may include, but is not limited to your name, address, e-mail address, date of birth, gender, identification numbers, income, employment, assets, liabilities, source of funds, payment records, personal references, investment objectives, financial plans, credit reports and other financially related information. It may also include habits, personality, travel or movement details, lifestyle, leisure activities, qualifications, skills and career history.

We, HSBC Bank Canada ("HSBC Bank") and its subsidiaries and affiliates (together the "HSBC Group") and their service providers may, where permitted by law, collect your Personal Information from and disclose such Personal Information to each other and to third parties such as those income sources and personal references that you advise to us. We may collect and update your Personal Information during the course of our relationship. You understand and acknowledge that we are a subsidiary of HSBC Bank.

Your Personal Information will be collected, used and disclosed for the following purposes: to evaluate your application for products and services; to open and operate your account(s); to provide ongoing service to you as a customer; to honour your privacy choices; to verify your identity; to meet legal and regulatory requirements; and for internal audit (including security), statistical, and record-keeping purposes.

Within HSBC Investment Funds (Canada) Inc. or HSBC Global Asset Management (Canada) Limited, as applicable, the following categories of persons shall have the right of access to your Personal Information: the mutual funds advisor; the portfolio manager; the investment counselor; the investment-related administrative assistants; the management of the branch or office where your files are held; and members of the Operational, Compliance, Legal, Internal Audit and Corporate Security departments.

For regulatory purposes, you consent to us disclosing your Personal Information to applicable regulators and self-regulatory organizations including, the Investment Industry Regulatory Organization of Canada, the Mutual Fund Dealers Association of Canada, Bourse de Montreal Inc., and the Canadian Investor Protection Fund, as applicable (collectively, "SROs"). SROs collect, use or disclose such personal information for regulatory purposes including surveillance of trading-related activity, regulatory reviews and audits, investigations of potential regulatory and statutory violations, regulatory databases, enforcement or disciplinary proceedings, reporting to securities regulators and information-sharing with securities regulatory authorities, regulated marketplaces, other SROs and law enforcement agencies in any jurisdiction in connection with any of the above. You may refuse this consent; however, you recognize that we have the right to cancel or withhold products or services upon your refusal, if required to do so by the SRO.

We may also collect and use your Personal Information to promote the products and services of select third parties that may be of interest to you. You may at any time refuse or withdraw this consent by: contacting HSBC at 1-888-310-4722 or visiting HSBC's website at www.hsbc.ca. You understand that if you do refuse or withdraw this consent it will not affect your eligibility for credit or other products or services.

Social Insurance Number (SIN)

The government requires that we ask you for your SIN when it is necessary for tax reporting purposes. You understand that if you provide us with your SIN, we and the HSBC Group will collect, use and share your SIN for tax reporting purposes where applicable. We may also collect, use and share your SIN for the additional purposes of meeting legal and regulatory requirements, collections, and for internal audit (including security), statistical, and record-keeping purposes. You may at any time refuse or withdraw your consent to the use of your SIN for these additional purposes by contacting HSBC at 1-888-310-4722 or by visiting HSBC's website at www.hsbc.ca. This will not affect your eligibility for products or services.

Use of Agents

We may use the services of any financial institution or other reliable third party of our choice as our agent or service provider in connection with the provision of data processing or other services. In particular, we may use other HSBC Group companies and/or third parties in Canada and in other countries to process Personal Information on our behalf. You understand that, as a result, your Personal Information may be accessed under the laws of Canada or such other countries to which the information has been transferred. Whenever Personal Information is transferred to an agent or service provider, we will require that they protect your Personal Information to the standards of confidentiality and security adhered to by all members of the HSBC Group.

HSBC Privacy Policies

For more information about the principles of privacy we observe, consult the HSBC Privacy Code, available at the nearest HSBC branch or www.hsbc.ca, or the brochure "Strictly between us – protecting your privacy" available at the nearest HSBC branch. You understand that you may access your Personal Information in our possession or make corrections to it by contacting us.

Personal Information Consent – for Non-Personal Clients

As part of the account opening process, we collect Personal Information from each authorized signatory on the Account with us. This information may include the authorized signatory's name, home address, date of birth, home phone number, fax number, employer's name and type of business. We collect, use and share this information within the HSBC Group solely for account opening, internal audit (including security), statistical and record-keeping purposes. This information will not be disclosed to any party outside the HSBC Group except when required to comply with legal, regulatory and audit (including security) obligations. By signing below as authorized signatory, each authorized signatory acknowledges that the authorized signatory has received, read, understood and consents to the collection, use and disclosure of such authorized signatory's personal information as set out above.

Schedule "B" – Borrowing Money to Buy Investments (Leveraging)

Risk of Borrowing to Invest

Here are some risks and factors that you should consider before borrowing to invest:

Is it Right for You?

Borrowing money to invest is risky. You should only consider borrowing to invest if:

- You are comfortable with taking risk.
- You are comfortable taking on debt to buy investments that may go up or down in value.
- You are investing for the long-term.
- You have a stable income.

You should not borrow to invest if:

- You have a low tolerance for risk.
- You are investing for a short period of time.
- You intend to rely on income from the investments to pay living expenses.
- You intend to rely on income from the investments to repay the loan. If this income stops or decreases you may not be able to pay back the loan.

You Can End Up Losing Money

- If the investments go down in value and you have borrowed money, your losses would be larger than had you invested using your own money.
- Whether your investments make money or not you will still have to pay back the loan plus interest. You may have to sell other assets or use money you had set aside for other purposes to pay back the loan.
- If you used your home as security for the loan, you may lose your home.
- If the investments go up in value, you may still not make enough money to cover the costs of borrowing.

Tax Considerations

- You should not borrow to invest just to receive a tax deduction.
- Interest costs are not always tax deductible. You may not be entitled to a tax deduction and may be reassessed for past deductions. You may want to consult a tax professional to determine whether your interest costs will be deductible before borrowing to invest.

Your advisor should discuss with you the risks of borrowing to invest.

Schedule "C" – Pre-Authorized Debit Agreement

1. You acknowledge that the Pre-Authorized Debit Authorization ("Authorization") is provided for our benefit and the benefit of the banks identified in the Authorization (collectively, the "Banks"), and is provided in consideration of us and the Banks agreeing to process debits against your Bank accounts in accordance with rule H1 of the Canadian Payments Association Rules Manual (the "Rules").
2. You warrant that all persons whose signatures are required to sign on your account with us and the Bank accounts identified in the Authorization have signed the Authorization.
3. You hereby authorize us and the Banks to draw on the accounts set forth in the Authorization for the purpose of funds transfers for investment purposes.
4. The Authorization and this Pre-Authorized Debit Agreement (this "Debit Agreement") may be cancelled at any time if you provide us with notice, either in writing or by telephone via Telephone Mutual Funds Services with proper verification of your identity, at least 5 business days before your next pre-authorized debit is to be issued.
5. You acknowledge that the delivery of the Authorization to us constitutes delivery of such Authorization by you to the Banks.
6. You guarantee and certify that all information provided in the

Authorization is up-to-date and accurate at all times. You will advise us immediately in writing of any change to the information in the Authorization (including increases or adjustments in transfer or purchase amounts) by cancelling the existing Authorization as per section 4 above, and submitting a new signed Authorization to us at least 5 business days before the first pre-authorized debit is to be issued under the new Authorization.

7. You acknowledge that the Banks are not required to verify:
 - (a) that a pre-authorized debit has been issued in accordance with the particulars of the Authorization or this Debit Agreement including, but not limited to, the amount; and
 - (b) that any purpose of payment for which a pre-authorized debit was issued has been fulfilled by us as a condition to honouring a debit issued or caused to be issued by us on your account.
8. Revocation of the Authorization does not terminate any contract for goods or services that exists between you and us. The Authorization and this Debit Agreement only apply to the method of payment and do not otherwise have any bearing on the contract for goods or services exchanged.
9. You agree to waive the pre-notification requirements for your initial pre-authorized debit or as a result of changes arising from any modification to, or replacement of, an Authorization.
10. A pre-authorized debit may be disputed by you under the following conditions:
 - (a) the debit was not issued in accordance with the Authorization or this Debit Agreement; or
 - (b) the Authorization was revoked pursuant to section 4 above.
11. To be reimbursed due to a dispute under section 10 you must provide the Bank holding the Bank account which you allege was improperly debited with a fully executed written declaration in a form available from such Bank, within 90 calendar days of the date on which the debit in dispute was posted to your account.
12. You acknowledge that (1) any pre-authorized debit that you dispute more than 90 calendar days following the date on which such debit was posted to your Bank account and (2) any dispute that we protest the validity of, will be resolved solely between you, the applicable Bank and us without reference to the Rules.
13. You consent to the disclosure to the Banks of any personal information that may be contained in the Authorization, but only as directly related to and necessary for the proper application of the Rules and this Debit Agreement.
14. You will indemnify us and the Banks, and each of our respective employees and agents, and hold all such parties harmless from all loss, fees, damages, expenses and costs incurred by any of them, and all claims made by and liability to anyone by reason of our, the Banks, and each of our respective employees or agents acting pursuant to the Authorization.
15. Without limiting the generality of the preceding paragraph, you agree that the Banks and us shall not be liable to you for direct or consequential damages arising from any failure to process the Authorization which is attributable, whether wholly or partly, to any recalled instructions received, or purporting to be received, from you, or to any cause beyond our or the Banks' control, including any equipment or data disk malfunction or failure.

Schedule "D" – Disclosure Regarding Conflicts of Interest

In this schedule, references to "we", "us" and "our" mean HSBC Investment Funds (Canada) Inc., and to "you" and "your" mean clients of HSBC Investment Funds (Canada) Inc.

We are a member of a group of related companies known as the HSBC Group. In the course of providing services to you, we may from time to time provide you with advice or otherwise assist you with the purchase or

sale (redemption) of securities issued by mutual funds that are managed, administered or promoted by us or other members of the HSBC Group or for which other members of the HSBC Group act as the portfolio adviser, including funds managed, advised or promoted by our affiliate HSBC Global Asset Management (Canada) Limited, or provide you with assistance related to services provided by other members of the HSBC Group. In most cases, our connection to these funds and members of the HSBC Group will be obvious to you because the names of the funds and companies will be sufficiently similar to our name. For example, the names of most of these funds and companies will include the word "HSBC" as part of their name. If we believe that the name of any fund or related company is not similar enough to convey its relationship to us, we will provide you with specific disclosure regarding that relationship at the appropriate time. We will only engage in these types of transactions where they are permitted under applicable securities laws and where we believe they are in your best interests in the applicable circumstances.

The information disclosed in this schedule may change from time to time. You can obtain an updated copy of this information free of charge at any time by visiting our website at www.hsbc.ca/important-info-investors.

Schedule "E" – Account Held by Non-Resident of Canada (if applicable)

If you are or become a non-resident of Canada, you acknowledge that you have received, read, understood, and agree to the following:

- a) You may be required, under the laws of the foreign jurisdiction, to report investments. You also may be restricted in holding or trading certain investments and subject to taxes or penalties of that foreign jurisdiction. It is your responsibility to determine if this is relevant to your situation and to satisfy any requirements.
- b) Depending upon your country of residence your account may be restricted from providing instructions for purchases, switches, and automatic investment plans.
- c) If regulations or policies in Canada or any other jurisdiction that affect you change, you may be required to close or move the Account. This may have tax implications. You may also be required to sell all your investments to liquidate your holdings.
- d) HSBC Investment Funds (Canada) Inc. does not provide legal, tax or other professional advice. You are advised to seek independent legal, tax and other professional advice.
- e) Your custodian or sub-custodian may withhold tax on non-Canadian investments at the maximum rate for that country. You are responsible for filing any forms needed to reclaim this withheld tax from the applicable country's tax authorities, according to any existing tax treaty between the applicable country and your country of residence.

Schedule "F" – Additional Information Regarding your Relationship with HSBC Investment Funds (Canada) Inc.

General

We want you to be fully informed about matters that are important to your relationship with us. Canadian securities laws also require us to provide you with certain information about our relationship. This schedule contains additional information regarding your relationship with us, supplementing the information set out elsewhere in the HSBC Mutual Funds Account Agreement, which we encourage you to review carefully.

In this schedule references to "Funds" mean the HSBC Mutual Funds, references to "you" or "your" mean the Applicant and Co-Applicant(s),

or Annuitant, or Subscriber (as applicable) stated in the Application and references to “we”, “us” or “our”, mean HSBC Investment Funds (Canada) Inc. (“HIFC”). Any capitalized words not defined in this schedule will have the meaning used in the HSBC Mutual Funds Account Agreement.

Our Advisory Relationship with You

As the principal distributor of the HSBC Mutual Funds, we market and distribute to the public, units of the Funds, managed by HSBC Global Asset Management (Canada) Limited (the “Manager”).

We are registered as a Mutual Fund Dealer in all provinces of Canada, except Prince Edward Island, and are a member of the Mutual Fund Dealers Association of Canada. As a Mutual Fund Dealer, we and our HSBC Mutual Fund Advisors have the authority to distribute mutual funds and to provide advice to clients that is incidental to those trades. You are responsible for making investment decisions but can rely on the recommendations given by Mutual Fund Advisors, who are responsible for ensuring that the recommendation is suitable based on your documented investment needs and objectives. We and our Mutual Fund Advisors are not permitted to provide discretionary investment advice.

HSBC Mutual Fund Advisors are dually employed by HSBC Bank Canada and HIFC, and are located within an HSBC Branch. When our Mutual Fund Advisors are involved in activities related to the Funds, they are acting on behalf of HIFC. Any activities carried out by these individuals for, or on behalf of HSBC Bank Canada, are not the business, nor the responsibility of HIFC.

Our Products and Services Offered

We only distribute the HSBC Mutual Funds managed by our parent company, the Manager. The HSBC Mutual Funds include a wide range of money market, fixed income, equity and balanced mutual funds, and include Funds which invest in a diversified mix of other mutual funds.

Services we offer to you include, but are not limited to:

- purchasing, redeeming or transferring units of the Funds based on your instructions,
- conducting regular reviews of your Account,
- responding to enquiries about your Account,
- sending you statements, confirmations and other documents relating to your Account from time to time,
- updating information relating to you and/or your Account, and
- initiating or cancelling your enrolment in the Regular Investment Plan, Mutual Fund Allocation Service or the Monthly Withdrawal Plan.

The above services may be available through an HSBC Branch either in person, by phone or by electronic means accepted by us.

For more information regarding the Funds or these services, please read the HSBC Mutual Funds Simplified Prospectus.

Procedures Regarding the Receipt and Handling of Client Cash and Cheques

We will accept payment for purchases by money order, bank draft, certified cheque or personal cheque made payable to HSBC Investment Funds (Canada) Inc., in trust. Money orders, bank drafts, certified cheques or personal cheques made payable to any other name will not be accepted. We will not accept cash directly for the purchase of the Funds. We will consider that a money order, bank draft, certified or personal cheque that is mailed to us to have been received by us only once it’s actually been received by us. You bear all risk of loss for any items mailed by you that are not received by us. If you have provided us written authorization to make payments from your HSBC bank account, we will withdraw the funds directly from your HSBC

bank account to pay for purchases or deposit the proceeds of redemptions, in accordance with the terms of your authorization.

Suitability of Orders Accepted/Recommendations Made

We have an obligation under applicable securities laws to take reasonable steps to ensure that we have sufficient information regarding your investment needs and objectives, financial circumstances and level of risk tolerance. This is referred to as Know Your Client information. We require this to ensure that the investment recommendations we make to you are suitable, and that the purchases and sales of Funds that you decide upon, are suitable for you. This assessment is performed for each of your Accounts. This suitability obligation applies to trades proposed by you, whether or not a recommendation is made by us to you. Where investments in your Account are determined to be unsuitable, we will advise you and make recommendations to address any inconsistencies between the Funds held in your Account and the Know Your Client information that we have on record.

We are required to assess the suitability of your Account if you advise us that there has been a material change to your financial position, personal circumstances, or investment objectives, or when you transfer new assets to your Account. We rely on this information to determine if your investment in the Funds continues to be suitable for you. Accordingly, it is important that you inform us promptly of any change in your personal circumstances.

Defining “Know-Your-Client” Terms

We collect Know Your Client (“KYC”) information by asking you questions regarding your investment objectives, your investment knowledge, your financial position, your time horizon and your tolerance for investment risk to assist us in determining whether investment in the Funds is suitable for you. We will record your investment objectives, risk tolerance and time horizon for each of your Accounts and give you an opportunity to review it prior to authorizing any transaction in your Account. In order to help you understand how to answer these questions we have provided definitions for certain key terms:

Investment Objectives

- **Preserve Capital** - Your objective is to have stability and minimal volatility in your investments. You are willing to accept a lower, more predictable return and will hold money market investments to help protect your capital.
- **Moderate Income & Growth** - Your objective is to achieve a combination of income and growth. An account with a Moderate Income and Growth investment objective should typically include at least 65% in fixed income and money market investments and generally no more than 35% in equity investments.
- **Primarily Growth & Moderate Income** - Your objective is to achieve a combination of income and growth. An account with a Primarily Growth & Moderate Income investment objective should typically include at least 30% in fixed income investments and generally no more than 70% in equity investments.
- **Long Term Growth** - Your objective is to achieve capital appreciation. Current income from investments is not a requirement. This may lead you to hold a relatively high proportion of your investments in equities if you also have a higher risk tolerance and long term time horizon.
- **Aggressive Long Term Growth** - Your objective is to generate maximum capital appreciation. Likely, you will invest exclusively in equities and be concentrated in a sector, region or fund. You should be prepared to accept very high volatility and risk, as well as have a long time horizon.

Time Horizon

Time Horizon means the period from now until when you will need to access a significant portion of the money you have invested in your Account.

Risk Tolerance

- **Very Low** - Very low risk investors generally desire minimal volatility in their investment portfolios and may invest in investment vehicles such as Canada Savings Bonds, GICs and money market mutual funds. They are willing to accept lower returns for greater safety of capital.
- **Low** - Low risk investors are generally prepared to accept only low volatility in their investment portfolio. They are willing to accept lower returns for greater safety of capital through investments such as a mortgage mutual fund.
- **Moderate** - Moderate risk investors are generally willing to accept medium volatility in their investment portfolio and are looking for moderate growth over a longer period of time through investments which may include income mutual funds, balanced mutual funds, U.S. and Canadian equity mutual funds or certain international equity mutual funds.
- **Moderate/High** – Moderate/high risk investors can generally accept medium to high volatility in their investment portfolio and are looking for longer term growth through investments which may include income mutual funds, balanced mutual funds, U.S. and Canadian equity mutual funds or certain international equity mutual funds, but in more concentrated allocations within their investment portfolio.
- **High** - High risk investors can generally accept high volatility in their investment portfolio. They are typically growth oriented and willing to accept significant short term fluctuations in the value of their portfolio in exchange for potentially higher long term returns through investments which may include mutual funds that invest in equities in specific market sectors or geographic areas including emerging markets.
- **Very High** - Very high risk investors can generally accept substantial risk and volatility in their investment portfolio. They are looking for aggressive long term growth and are prepared to accept very significant price fluctuations in the value of their portfolio in order to maximize their total return potential over the long term. Likely, their investments are exclusively in equity mutual funds that may be concentrated in a sector or region.

Content and Frequency of Reporting

We will send you an account statement on a quarterly basis, as of each calendar quarter, whether or not you've made any transactions within that quarter. The statement will report your position as of quarter end, and details of each transaction that took place during that calendar quarter. We also provide you a summary of the performance of your Account. The performance of your Account has been prepared using the Modified Dietz method. The Modified Dietz method is an industry standard calculation used to determine the portfolio performance based on money-weighted cash flow. This formula factors in the amount of time you held the investment, the performance of your investment over that time period, and the amount and timing of contributions and withdrawals that you have made in your Account. The statement will report the performance of your Account for the period year-to-date, the 1, 3 and 5 year periods ending the date of the statement if available, and since inception. Any returns for a period greater than one year will be an annualized rate of return.

Your account statement also includes the following details:

- the account number, type of account, and period covered by the statement;
- the opening balance, all debits and credits and the closing balance;
- the quantity and description of each Fund purchased, sold or transferred and the dates of each transaction; and

- the quantity, description and market value of each Fund held for the account.

Following each transaction we will also send you a confirmation slip confirming the details of your transaction. If you have set up a Regular Investment Plan or Mutual Fund Allocation Service, we will send you a confirmation after the initial investment has been made, but not for each of the subsequent regular investments.

The confirmation includes the following details:

- the quantity and description of the Fund;
- the price per share or unit at which the trade was effected;
- the amount paid, or proceeds received; and
- the date of the trade and the settlement date.

Compensation and Expenses

Compensation

We receive a fee from the Manager for our services as the principal distributor of the Funds. This compensation is negotiated between the Manager and us from time to time, and is a percentage of the net management fees retained by the Manager on the units distributed by us.

Mutual Fund Advisors are paid a salary and may receive incentives, in the form of cash or merchandise, for selling the Funds. Incentives are generally based on pre-set sales targets and are designed so that the Funds will not be promoted over any of the other financial products that we, our Mutual Fund Advisors or HSBC Bank Canada sell, and to ensure that the Funds are only introduced to clients if it is an appropriate investment. The cost of these incentives is generally paid by the Manager.

Please refer to the HSBC Mutual Funds Simplified Prospectus, or speak to a Mutual Fund Advisor for more information regarding the nature of any fees or compensation we may receive as principal distributor of the Funds.

Other Fees and Expenses

There may also be other fees or expenses related to making or holding an investment in a Fund. These other fees and expenses may be charged by us or the Manager and are further described below.

We may charge you \$15, plus applicable taxes, per year to cover the annual administration costs for each RRSP, RRIF, RESP and TFSA account established with us. This will be charged each year in two installments on the last business days of June and December, with each payment in the amount of \$7.50 plus applicable taxes. We collect these payments by redeeming sufficient units of the Fund with the highest market value in your registered plan.

We charge a fee of \$40, plus applicable taxes, if you transfer your RRSP account that was opened with us after November 1, 1997 to another financial institution.

We charge a fee of \$25, plus applicable taxes, if you transfer your RRIF account or TFSA to another financial institution.

Additional Information For Registered Account Holders

RSP Declaration of Trust

(This Declaration of Trust is for Registered Savings Plans only.)

HSBC Trust Company (Canada), a trust company incorporated under the laws of Canada (hereinafter referred to as the "Trustee") hereby declares that it agrees to act as Trustee for the applicant (hereinafter referred to as

“you”) named in the application under the HSBC Mutual Funds Retirement Savings Plan (hereinafter referred to as “the Plan”) upon the following terms and conditions:

1. **Registration:** The Trustee will apply for registration of the Plan pursuant to the provisions of the Income Tax Act (Canada) as amended from time to time (hereinafter referred to as the “Act”), and any applicable income tax legislation in the province or territory of residence designated by you in the application upon the face hereof (the Act and such provincial or territorial income tax legislation being hereinafter collectively referred to as “Applicable Tax Legislation”). The Trustee will give all notices as to commencement and termination of the Plan required under applicable legislation.
2. **Delegation:** Without limiting the responsibilities of the Trustee under the Plan, you expressly authorize the Trustee to delegate to HSBC Investment Funds (Canada) Inc. or such other duly authorized agent or agents as it may appoint (hereinafter referred to as the “Agent”) the performance of such duties and responsibilities of the Trustee under the Plan as may be agreed upon from time to time between the Trustee and the Agent and which the Trustee may by law delegate to the Agent. Notwithstanding the foregoing, the Trustee acknowledges and confirms that the ultimate responsibility for the administration of the Plan remains with the Trustee.

You also authorize the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by you to the Trustee under the Plan and may reimburse the Agent for its out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge you therefor.

3. **Your Account:** The Trustee will maintain an account in your name which will record all contributions made to the Plan, all investment transactions, investment income earned and expenses incurred and all payments from the Fund (as defined herein).

The Trustee will send you annual or more frequent statements setting forth the particulars of each transaction since the last statement. Upon the expiration of ninety (90) days from the date of the mailing of the statement to you, the Trustee shall be released and discharged from all liability and accountability to you or anyone else with respect to the Trustee’s acts and transactions during the period of time covered by the statement.

4. **Contributions:** The Trustee shall accept only such contributions of cash or units of a fund managed by HSBC Global Asset Management (Canada) Limited in a form acceptable to it, which are qualified investments for registered retirement savings plans within the meaning of the Act, as may be directed by you or your spouse to be contributed to the Trustee. The contributions, together with any income therefrom, shall constitute a trust fund (hereinafter referred to as the “Fund”) to be used, invested and held subject to the terms of this Declaration of Trust.

5. **Investment:** The Trustee shall invest the contributions received in the Fund from time to time in units of any one or more of the mutual funds distributed by the Agent, as directed by you.

Income earned on any investment held by the Trustee for the Plan shall be automatically reinvested at the net asset value thereof as at the close of business on the next valuation date following such receipt in units of the fund from which the distribution was made and the investment so purchased shall be held by the Trustee for the Plan.

6. **Qualified Investment:** It is your sole responsibility to determine whether any investment is a “qualified investment” under the Act and to determine whether such investment could result in the imposition of any penalty. Neither the Trustee nor the Agent shall be liable for or in respect of any taxes, interest or penalties which may be imposed under applicable legislation, including the Act, whether by way of assessment, reassessment or otherwise or for any other charges levied or imposed by any governmental authority due to payments out of the Plan or the purchase, sale or retention of any investment,

including “non-qualified investment” within the meaning of the Act. The Trustee is hereby authorized to reimburse itself and the Agent for, or may pay, any such taxes, interest, penalties or other charges out of whichever assets of the Plan it may choose in its absolute discretion and where necessary, the Trustee, in its absolute discretion, may liquidate investments of the Plan to provide payment of such taxes, interest, penalties, reimbursements or other charges. You and your heirs, executors and administrators shall indemnify and hold harmless at all times both the Trustee and the Agent in respect of any such taxes, interest, penalties or other charges imposed on either the Trustee or the Agent. Neither the Trustee nor the Agent shall be liable for any loss to or diminution of the assets of the Plan resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee’s breach of the standard of care referred to in Paragraph 20 hereof.

7. **Retirement Income:**

- (a) The whole of the Fund shall be invested, used and applied by the Trustee for the purpose of providing retirement income. You are required, upon ninety (90) days written notice to the Trustee, to specify the date for the commencement of a retirement income, which date shall not be later than the latest maturity date permitted by the Act (such date being hereinafter referred to as “Maturity”). Such notice shall indicate the name of the company from which such retirement income shall be purchased and shall instruct the Trustee to liquidate the assets in the Plan and apply the proceeds for the provision of a retirement income for you in accordance with the terms hereinafter set out, or shall instruct the Trustee to amend the Plan in order to permit the transfer of the value of the Fund to a registered retirement income fund of which you are the annuitant. Any retirement income purchased by the Trustee shall, at your option, be:
 - (i) an annuity payable to you for your life (or if you so designate, to you for the lives jointly of you and your spouse and to the survivor of you and your spouse for the survivor’s life) commencing at Maturity and with or without a guaranteed term not exceeding the period of time calculated in accordance with the formula set out in accordance with the formula set out in (a)(ii) of this Paragraph 7; or
 - (ii) an annuity commencing at Maturity payable to you, or to you for your life and to your spouse after your death, for a term of years equal to ninety (90) minus either your age in whole years at Maturity, or, where your spouse is younger than you, and you so elect, the age in whole years of your spouse at Maturity.
- (b) Any annuity acquired:
 - (i) shall be provided by a company qualified under the Applicable Tax Legislation to provide a retirement income;
 - (ii) may be integrated with any Old Age Security pension;
 - (iii) may be increased in whole or in part to reflect increases in the Consumer Price Index or at such other rate not exceeding 4% per annum as may be specified under the terms of such annuity;
 - (iv) shall not provide for the aggregate of the periodic payments in a year after your death to exceed the aggregate of the payments in a year before your death;
 - (v) shall be payable by equal annual or more frequent periodic payments until such time as there is a payment in full or partial commutation of the retirement income, and where such commutation is partial, equal annual or more frequent periodic payments thereafter;
 - (vi) shall by its terms not be capable, either in whole or in part, of assignment; and
 - (vii) shall provide for commutation if such annuity would otherwise become payable to a person other than you or, on or after your death, your spouse.
- (c) In the event that you do not provide written notice to the Trustee at least

ninety (90) days prior to the latest maturity date permitted by the Act to purchase a retirement income for you, the Trustee may, prior to the end of such year, transfer the property in the Plan to a registered retirement income fund under which you are the annuitant. The choice of a registered retirement income fund shall be at the Trustee's sole discretion. You hereby appoint the Trustee as your attorney in fact to execute all such documents as are necessary to establish the registered retirement income fund and effect the transfer.

8. Splitting of Assets on Breakdown of Marriage or Common-Law Partnership: The Trustee will, upon receipt of written direction by you, allow and arrange for the splitting of assets on breakdown of marriage or common-law partnership and transfer on your behalf any property held thereunder to a registered retirement savings plan or a registered retirement income fund under which your spouse or former spouse is the annuitant if, at the time of any such transfer, you and your spouse or former spouse are living separate and apart and the payment or transfer is being effected pursuant to a decree, order or judgement of a competent tribunal, or in accordance with a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership, in accordance with paragraph 146(16)(b) of the Act or in any amended or substituted provision therefor.

9. Refund of Excess Amounts: The Trustee shall, upon written application by you or your spouse, in form satisfactory to the Trustee, pay an amount to the taxpayer in order to reduce the amount of tax otherwise payable under Part X.1 of the Act. The Trustee will not have any responsibility whatsoever for determining the amount as stated in the preceding sentence in respect of any registered retirement savings plan.

10. Transfers: Upon receipt at least ninety (90) days prior to Maturity by the Trustee of a written direction from you in a form satisfactory to the Trustee, the Trustee shall forthwith transfer in such form and manner as is prescribed under the Applicable Tax Legislation, all of the assets of the Fund or such part thereof as is specified in your written direction together with all relevant information with respect to the Plan:

- a) to the person who has agreed to be the issuer of another registered retirement savings plan or the carrier of a registered retirement income fund under which you are the annuitant, or your spouse or former spouse is the annuitant if, at the time of such transfer, you and your spouse or former spouse are living separate and apart and the transfer is being effected pursuant to a decree, order or judgment of a competent tribunal, or in accordance with a written separation agreement relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership; or
- b) as a contribution to or under a registered pension fund or plan.

Such transfer shall take effect in accordance with the Applicable Tax Legislation and other applicable laws and within a reasonable time after all forms required by law and by the Trustee to be completed in respect of such transfer have been completed. Upon such transfer, the Trustee shall be subject to no further liability or duty with respect to the Plan, or the portion thereof, so transferred, as the case may be.

11. Withdrawals: You may, by written application, at any time before the commencement of a retirement income, request that the Trustee pay to you all or part of the assets held under the Plan, and the Trustee may liquidate any investments held under the Plan, to the extent deemed necessary for that purpose. Such payment shall be made by the Trustee subject to the deduction of all proper charges, including income tax, if any, required to be withheld.

12. Payment on Death: In the event of your death prior to Maturity, the Trustee shall, upon receipt of satisfactory evidence of your death and all

other documents that the Trustee may reasonably require, redeem the investments then held by the Trustee for your account and, subject to the deduction of all proper charges including income tax, if any, required to be withheld, the proceeds of such realization shall be held by the Trustee for payment to or for the benefit of the beneficiary, if any, designated pursuant to Paragraph 13, or to your legal personal representatives, upon such beneficiary or representatives furnishing the Trustee with such releases and other documents as may be required or as counsel may advise.

13. Designation of Beneficiary: If you are domiciled in a jurisdiction designated by the Trustee as one in which a participant in a retirement savings plan may validly designate a beneficiary other than by will, you may by instrument in writing in the form prescribed by the Trustee and delivered in accordance with the terms of this Plan to the Trustee prior to your death, designate any person as beneficiary to be entitled to receive the proceeds payable under the Plan in the event of your death prior to the provision of a retirement income hereunder.

Subject to the applicable laws, such person shall be deemed to be your designated beneficiary for the purposes hereof unless such person shall predecease you or unless you by instrument in writing in the form prescribed by the Trustee and delivered to the Trustee prior to your death revoke such designation.

A designation shall only be made, altered or revoked by an instrument in a form provided by the Trustee for such purpose, dated and signed by you and filed with the Trustee prior to your death or, if a provincial law does not allow such a designation, by your Will.

If no beneficiary has been designated, or if all designated beneficiaries predecease you or if applicable law requires it, the proceeds will be paid to your legal personal representatives.

If more than one designation has been filed in the form provided by the Trustee and if such designations are inconsistent, then to the extent of such inconsistency, payment shall be made only in accordance with the designation bearing the latest execution date and such designation shall be determinative of any inconsistency. The Trustee shall be fully discharged from any further obligations and liability in connection with the Plan upon payment being made in accordance with this Declaration of Trust.

14. No Advantages: No advantage that is conditional in any way on the existence of the Plan may be extended to you or to any person with whom you do not deal at arm's length other than those advantages which may be permitted from time to time under paragraph 146(2)(c.4) of the Act or in any amended or substituted provision therefor.

15. Trustee Fees and Disbursements:

- (a) The Trustee shall be entitled to compensation for its services, and reimbursement of disbursements hereunder, in accordance with the fee schedule provided to you, as amended from time to time. Notice of amendments to such schedule shall be given to you and shall take effect no earlier than thirty (30) days from the date of such notice which may be effected in accordance with the method set out in Paragraph 19 hereof.
- (b) All fees, taxes and reimbursements of disbursements provided for hereunder shall be charged against and deducted from the investments of the Plan, at such time or times during each year as the Trustee may, in its absolute discretion determine, and where necessary, the Trustee, in its sole and absolute discretion, may liquidate investments of the Plan to provide for payment of such fees, taxes and reimbursements. The Trustee shall not be responsible for any loss which results from such liquidation.

16. Income Tax Information: The Trustee will forward, or cause to be forwarded, to you or your spouse appropriate receipts for income tax purposes for all contributions made to the Plan and such other information regarding the Plan as may be required under the Applicable Tax Legislation. Such receipts or other information shall be forwarded to the address set out in

the application for the Plan, or at any subsequent address of which you shall have notified the Trustee.

17. Tax Information for Citizens and Residents of Countries Outside of

Canada: If you are also a citizen or resident of a country other than Canada, we strongly advise you to contact your professional tax advisor before investing in a Canadian registered plan, and on a regular basis thereafter. It is important that you are aware of the foreign tax consequences and reporting and filing requirements, if any, associated with being an owner or part-owner of a Canadian registered plan. Failure to comply with any such requirements can have significant penalties.

18. Amendments to Plan: The Trustee may, from time to time at its discretion, amend this Declaration of Trust with the concurrence of the authorities administering the Applicable Tax Legislation:

- a) without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation; and
- b) in all other cases, by giving thirty (30) days notice, provided that in all cases no such amendment will have the effect of disqualifying the Plan as a registered retirement savings plan within the meaning of the Applicable Tax Legislation.

19. Notices: Any notice given by the Trustee to you shall be sufficiently given if in writing and sent to your postal mailing address or electronic mailing (e-mail) address as set out in the application for the Plan, or at any subsequent address of which you shall have notified the Trustee. If by postal mail, the notice shall be deemed to have been given on the second business day following the day of posting. If by electronic mail, the notice shall be deemed to have been given immediately upon being sent by us to your electronic mailing address.

Any notice to the Trustee hereunder shall be sufficiently given if delivered or mailed postage prepaid to HSBC Mutual Funds Retirement Savings Plan c/o HSBC Investment Funds (Canada) Inc., or at such other address as the Trustee may from time to time specify in writing, and shall be deemed to have been given on the date that such notice is actually delivered to or received by the Trustee or HSBC Investment Funds (Canada) Inc. as the case may be.

20. Standard of Care and Trustee's Liability: In exercising its powers and performing its responsibilities hereunder, the Trustee shall act honestly and in good faith. The Trustee shall not be liable for any loss to, or diminution of the assets of the Plan, resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to herein.

21. Agent's Liability: The Trustee's Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for the following:

- a) Any loss or diminution suffered by the Plan or by you or any beneficiary under the Plan as a result of the acquisition, disposition or retention of any investments; or
- b) Any loss to or diminution of the assets of the Plan except for any loss or diminution caused by the Agent's wilful misconduct or lack of good faith.

The Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for any loss or damages whether direct or indirect resulting from the delay or failure of any of them in forwarding to you any information received by them concerning investments.

22. Indemnity: You, any beneficiary receiving proceeds payable under Paragraph 12, and your heirs, executors and legal representatives agree to indemnify at all times the Trustee, the Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents against and hold them harmless from all taxes, interest, penalties, assessments, expense, loss, liability, claims, and demands whatsoever arising out of the holding and

depositing of the investments to the Fund or anything done hereunder.

23. Proof of Age: The statement of your date of birth on the application for the Plan shall constitute a certification by you and an undertaking to furnish such further evidence of proof of age as may be required for the provision of a retirement income.

24. No Pledge or Assignment: No property held under the Plan can be pledged, assigned, or in any way alienated as security for a loan or for any other purpose other than that of providing for you a retirement income in accordance with the terms of the Plan.

25. Trustee as Subsidiary: You acknowledge that the Trustee is a wholly-owned subsidiary of HSBC Bank Canada and that it may periodically have dealings with HSBC Bank Canada, its affiliates or other subsidiaries (the "Bank") in the performance of its duties. You authorize and direct the Trustee, in the exercise of its powers under this agreement to have such dealings (and enter into transactions) with the Bank, to purchase securities or deposit instruments of or guaranteed by the Bank, to deposit cash with the Bank, or to purchase services from the Bank, provided such dealings and transactions are made on terms no less favourable than market terms and conditions and competitive and fair rates.

26. Replacement of Trustee: The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon sixty (60) days' notice in writing to you, or such shorter notice as you shall accept as sufficient, provided that a successor trustee has been appointed in writing by HSBC Investment Funds (Canada) Inc. and the successor trustee has accepted such appointment. In the event of a change of trustee, the Trustee shall transfer the Fund in such form and manner as may be prescribed by the Act together with such information as is necessary to continue the administration thereof to the successor trustee within ninety (90) days after giving notice in writing to you of such resignation.

If a successor trustee cannot be found, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. In such event, HSBC Investment Funds (Canada) Inc. shall bear the costs incurred by the Trustee in appointing a successor trustee.

27. Applicable Laws: This Declaration of Trust shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein except that the term "spouse" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Act respecting retirement savings plans.

28. Quebec Only: It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

29. Locked-In Account: If an addendum concerning a Locked-in Retirement Account or Locked-In Retirement Savings Plan is attached to this agreement, the following provisions shall apply:

- a) In case of conflict between the addendum and this agreement, the provisions of the addendum shall prevail;
- b) Locked-In Funds shall be accounted for separately from non Locked-In Funds; and
- c) The terms of the addendum may be amended from time to time without notice to you in order to ensure that the Locked-In account continues to comply with all legislation including without limitation applicable pension benefits legislation governing locked-in funds.

30. Binding Agreement: The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Trustee.

RIF Declaration of Trust

(This Declaration of Trust is for Registered Income Funds only.)

HSBC Trust Company (Canada), a trust company incorporated under the laws of Canada (hereinafter referred to as the "Trustee") hereby declares that it agrees to act as Trustee for the applicant (hereinafter referred to as "you") named in application under the HSBC Mutual Funds Retirement Income Fund (hereinafter referred to as "the Plan") upon the following terms and conditions:

1. **Registration:** The Trustee will apply for registration of the Plan pursuant to the provisions of the Income Tax Act (Canada) as amended from time to time (hereinafter referred to as the "Act"), and any applicable income tax legislation in the province or territory of residence designated by you in the application upon the face hereof (the Act and such provincial or territorial income tax legislation being hereinafter collectively referred to as "Applicable Tax Legislation"). The Trustee will give all notices as to commencement and termination of the Plan required under applicable legislation.

2. **Delegation:** Without limiting the responsibilities of the Trustee under the Plan, you expressly authorize the Trustee to delegate to HSBC Investment Funds (Canada) Inc. or such other duly authorized agent or agents as it may appoint (hereinafter referred to as the "Agent") the performance of such duties and responsibilities of the Trustee under the Plan as may be agreed upon from time to time between the Trustee and the Agent and which the Trustee may by law delegate to the Agent. Notwithstanding the foregoing, the Trustee acknowledges and confirms that the ultimate responsibility for the administration of the Plan remains with the Trustee.

You also authorize the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by you to the Trustee under the Plan and may reimburse the Agent for its out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge you therefor.

3. **Your Account:** The Trustee will maintain an account in your name which will record all the transfers-in, all investment transactions, investment income earned and expenses incurred and all payments of Retirement Income from the Fund (as defined herein).

The Trustee will send you annual or more frequent statements setting forth the particulars of each transaction since the last statement. Upon the expiration of ninety (90) days from the date of the mailing of the statement to you, the Trustee shall be released and discharged from all liability and accountability to you or anyone else with respect to the Trustee's acts and transactions during the period of time covered by the statement.

4. **Contributions:** The Trustee shall accept only such transfer of cash or units of certain mutual funds in a form acceptable to it, which are qualified investments for registered retirement income funds within the meaning of the Act, as may be directed by you to be transferred to the Trustee, provided the contributions may only be transferred under the terms listed in paragraph 146.3(2)(f) of the Act or such other legislation as may succeed, amend or supplement that paragraph, which may include the following:

- a) A registered retirement savings plan under which you are the annuitant; or
- b) Another registered retirement income fund under which you are the annuitant; or
- c) You to the extent only that the amount of the consideration was an amount described in Subparagraph 60(1)(v) of the Act or in any amended or substituted provision therefor; or
- d) A registered retirement income fund or registered retirement savings plan of your spouse (as defined herein) or former spouse pursuant to a decree, order, or judgement of a competent tribunal or a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of, or on the breakdown

of, your marriage or common-law partnership; or

- e) A registered pension plan of which you are a member; or
- f) A registered pension plan in accordance with subsection 147.3(5) or (7) of the Act or any amended or substituted provision therefor; or
- g) A provincial pension plan in circumstances to which subsection 146(21) of the Act or any amended or substituted provision thereof applies.

The contributions, together with any income therefrom, shall constitute a trust fund (hereinafter referred to as the "Fund") to be used, invested and held subject to the terms of this Declaration of Trust.

5. **Investment:** The Trustee shall invest the contributions received in the Fund from time to time in units of any one or more of the mutual funds distributed by the Agent, as directed by you.

Income earned on any investment held by the Trustee for the Plan shall be automatically reinvested at the net asset value thereof as at the close of business on the next valuation date following such receipt in units of the fund from which the distribution was made and the investment so purchased shall be held by the Trustee for the Plan.

6. **Qualified Investment:** It is your sole responsibility to determine whether any investment is a "qualified investment" under the Act and to determine whether such investment could result in the imposition of any penalty. Neither the Trustee nor the Agent shall be liable for or in respect of any taxes, interest or penalties which may be imposed under applicable legislation, including the Act, whether by way of assessment, reassessment or otherwise or for any other charges levied or imposed by any governmental authority due to payments out of the Plan or the purchase, sale or retention of any investment, including "non-qualified investment" within the meaning of the Act. The Trustee is hereby authorized to reimburse itself and the Agent for, or may pay, any such taxes, interest, penalties or other charges out of whichever assets of the Plan it may choose in its absolute discretion and where necessary, the Trustee in its absolute discretion, may liquidate investments of the Plan to provide payment of such taxes, interest, penalties, reimbursements or other charges. You and your heirs, executors and administrators shall indemnify and hold harmless at all times both the Trustee and the Agent in respect of any such taxes, interest, penalties or other charges imposed on either the Trustee or the Agent. Neither the Trustee nor the Agent shall be liable for any loss to or diminution of the assets of the Plan resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to in Paragraph 16 hereof.

7. **Retirement Income:** The whole of the Fund shall be invested, used and applied by the Trustee only for the provision of payments to you or, if applicable, to your spouse as the successor annuitant after your death as follows:

- a) In each year commencing not later than the first calendar year after the year the Plan is established, the Trustee shall make one or more payments, the aggregate of which is not less than the minimum amount established in accordance with Subsection 146.3(1) of the Act or in any amended or substituted provision therefor and not exceeding the value of the Fund immediately before any payment. The minimum amount for the year in which the Plan commences is nil.
- b) The amount and frequency of the payment or payments referred to in Paragraph 7(a) above in respect of any year shall be as specified in writing by you on the face hereof or on such form as may be provided for this purpose. You may change the amount and frequency of the said payment or payments or request additional payments in writing on such form as may be provided for this purpose. If you do not specify the payment or payments to be made in a year or if the payment or payments are less than the minimum amount for the year, the Trustee shall make such additional payment or payments as it deems necessary so that the minimum amount for that year is paid to you.

- c) No payment required to be made in accordance with the provisions hereof may be assigned in whole or in part.
- d) On thirty (30) days written notice from you, the Trustee shall in the prescribed form and manner, transfer all or part of the Fund together with all information necessary for the continuance of the Fund to another carrier of a registered retirement income fund of which you are the annuitant provided that the Trustee retains property required to be retained in accordance with paragraph 146.3(2)(e) and paragraph 146.3(2)(e.1) or 146.3(2)(e.2), as applicable, of the Act.
- e) On thirty (30) days written notice from you, the Trustee shall in the prescribed form and manner, transfer all or part of the Fund in accordance with subsection 146.3(14.1) of the Act to a money purchase registered pension plan of which, at any time before the transfer, you were member, provided that the Trustee retains property required to be retained in accordance with paragraph 146.3(2)(e.1) or 146.3(2)(e.2), as applicable, of the Act.

After effecting the transfer on such basis as described in paragraphs d) and e) above, the Trustee shall be discharged from all further duties and liabilities hereunder immediately following payment of all amounts required hereunder.

8. Splitting of Assets on Breakdown of Marriage or Common-Law Partnership: The Trustee will, upon receipt of written direction by you, allow and arrange for the splitting of assets on breakdown of marriage or common-law partnership and transfer on your behalf any property held thereunder to a registered retirement savings plan or a registered retirement income fund under which your spouse or former spouse is the annuitant if, at the time of any such transfer, you and your spouse or former spouse are living separate and apart and the payment or transfer is being effected pursuant to a decree, order or judgement of a competent tribunal, or in accordance with a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership, in accordance with subsection 146.3(14) of the Act or in any amended or substituted provision therefor.

9. Payment on Death: In the event of your death prior to the Trustee paying all amounts required as provided in Paragraph 7 and upon receipt of satisfactory evidence of your death and all other documents that the Trustee may reasonably request, the Trustee shall:

- a) if your spouse has been designated as the successor annuitant in accordance with this Declaration of Trust and any applicable laws, or under your Will, continue the payments of a Retirement Income to your spouse in accordance with the provisions of paragraph 7; or
- b) if your spouse has not been so designated as the successor annuitant and if there is no designation of beneficiary in accordance with the terms of this Declaration of Trust and any applicable laws, or under your Will, and with the consent of your personal representative, continue the payments of a Retirement Income to your spouse in accordance with the provisions of paragraph 7; or
- c) if your spouse has not been designated as the successor annuitant and if permitted by applicable law, redeem the investments held in your Plan and distribute in a lump sum the value of the Plan, after deduction of all proper charges including any applicable income tax to the beneficiary designated by you in accordance with this Declaration of Trust, or, if a provincial law does not allow a designation under this Declaration of Trust, to the beneficiary designated by you under your Will; or
- d) if your spouse has not been designated as the successor annuitant and if no beneficiary has been designated in accordance with this Declaration of Trust, or if all the beneficiaries so designated have predeceased you, or the value of the Plan cannot be distributed to your designated beneficiary because it is not permitted by applicable law, redeem the investments held in your Plan, and distribute in a lump sum the value of the Plan, after

deduction of all proper charges, including any applicable income tax, to the personal representative of your estate.

10. Designation of Successor Annuitant or Beneficiary: If you are domiciled in a jurisdiction designated by the Trustee as one in which a participant in a retirement income fund may validly designate a beneficiary or a successor annuitant other than by will, you may by instrument in writing in the form prescribed by the Trustee and delivered in accordance with the terms of this Plan to the Trustee prior to your death, designate your spouse as successor annuitant or any person as beneficiary to be entitled to receive your share of the Plan in the event of your death.

Subject to the applicable laws, such person shall be deemed to be your successor annuitant or designated beneficiary, as the case may be, for the purposes hereof unless such person shall predecease you or unless you by instrument in writing in the form prescribed by the Trustee and delivered to the Trustee prior to your death, revoke such designation.

A designation shall only be made, altered or revoked by an instrument in a form provided by the Trustee for such purpose, dated and signed by you and filed with the Trustee prior to your death or, if a provincial law does not allow such a designation, by your Will.

If no beneficiary has been designated, or if all designated beneficiaries predecease you or if applicable law requires it, the proceeds will be paid to your legal personal representatives.

If more than one designation has been filed in the form provided by the Trustee and if such designations are inconsistent, then to the extent of such inconsistency, payment shall be made only in accordance with the designation bearing the latest execution date and such designation shall be determinative of any inconsistency. The Trustee shall be fully discharged from any further obligations and liability in connection with the Plan upon payment being made in accordance with this Declaration of Trust.

11. No Benefit or Loan: No benefit or loan that is conditional in anyway on the existence of the Plan may be extended to you or to any person with whom you do not deal at arm's length other than those loans or benefits which may be permitted from time to time under paragraph 146.3(2)(g) of the Act or in any amended or substituted provision therefor.

12. Trustee Fees and Disbursements

- a) The Trustee shall be entitled to compensation for its services, and reimbursement of disbursements hereunder, in accordance with the fee schedule provided to you, as amended from time to time. Notice of amendments to such schedule shall be given to you and shall take effect no earlier than thirty (30) days from the date of such notice which may be effected in accordance with the method set out in Paragraph 15 hereof.
- b) All fees, taxes and reimbursements of disbursements provided for hereunder shall be charged against and deducted from the investments of the Plan, at such time or times during each year as the Trustee may, in its absolute discretion determine, and where necessary, the Trustee, in its sole and absolute discretion, may liquidate investments of the Plan to provide for payment of such fees, taxes and reimbursements. The Trustee shall not be responsible for any loss which results from such liquidation.

13. Tax Information for Citizens and Residents of countries outside of Canada: If you are also a citizen of a country other than Canada, we strongly advise you to contact your professional tax advisor before investing in a Canadian registered plan, and on a regular basis thereafter. It is important that you are aware of the foreign tax consequences and reporting and filing requirements, if any, associated with being an owner or part-owner of a Canadian registered plan. Failure to comply with any such requirements can have significant penalties.

14. Amendments to Plan: The Trustee may, from time to time at its discretion, amend this Declaration of Trust with the concurrence of the authorities administering the Applicable Tax Legislation:

- a) without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation; and
- b) in all other cases, by giving thirty (30) days notice, provided that in all cases no such amendment will have the effect of disqualifying the Plan as a registered retirement income fund within the meaning of the Applicable Tax Legislation.

15. Notices: Any notice given by the Trustee to you shall be sufficiently given if in writing and sent to your postal mailing address or electronic mailing (e-mail) address as set out in the application for the Plan, or at any subsequent address of which you shall have notified the Trustee. If by postal mail, the notice shall be deemed to have been given on the second business day following the day of posting. If by electronic mail, the notice shall be deemed to have been given immediately upon being sent by us to your electronic mailing address.

Any notice to the Trustee hereunder shall be sufficiently given if delivered or mailed postage prepaid, addressed to HSBC Mutual Funds Retirement Income Fund c/o HSBC Investment Funds (Canada) Inc., or at such other address as the Trustee may from time to time specify in writing, and shall be deemed to have been given on the date that such notice is actually delivered to or received by the Trustee or HSBC Investment Funds (Canada) Inc. as the case may be.

16. Standard of Care and Trustee's Liability: In exercising its powers and performing its responsibilities hereunder, the Trustee shall act honestly and in good faith. The Trustee shall not be liable for any loss to, or diminution of the assets of the Plan, resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to herein.

17. Agent's Liability: Neither the Trustee's Agent nor their nominees, agents or correspondents shall be liable for the following:

- a) Any loss or diminution suffered by the Plan or by you or any successor annuitant or beneficiary under the Plan as a result of the acquisition, disposition or retention of any investment; or
- b) Any loss to or diminution of the assets of the Plan except for any loss or diminution caused by the Agent's wilful misconduct or lack of good faith.

The Agent, their nominees, agents or correspondents shall not be liable for any loss or damages whether direct or indirect resulting from the delay or failure of the Agent, their nominees, agents or correspondents in forwarding to you any information received by them concerning investments.

18. Indemnity: You, any successor annuitant, any beneficiary receiving proceeds payable under Paragraph 9, and your heirs, executors and legal representatives agree to indemnify at all times the Trustee, the Agent, and their nominees, agents and correspondents against and hold them harmless from all taxes, interest, penalties, assessments, expense, loss, liability, claims, and demands whatsoever arising out of the holding and depositing of the investments to the Fund or anything done hereunder.

19. Proof of Age: The statement of your date of birth on the application for the Plan shall constitute a certification by you and an undertaking to furnish such further evidence of proof of age as may be required for the provision of a retirement income.

20. No Pledge or Assignment: No property held under the Plan can be pledged, assigned, or in any way alienated as security for a loan or for any other purpose other than that of providing for you a retirement income in accordance with the terms of the Plan.

21. Trustee as Subsidiary: You acknowledge that the Trustee is a wholly-owned subsidiary of HSBC Bank Canada and that it may periodically have dealings with HSBC Bank Canada, its affiliates or other subsidiaries (the "Bank") in the performance of its duties. You authorize and direct the Trustee, in the exercise of its powers under this agreement to have such dealings

(and enter into transactions) with the Bank, to purchase securities or deposit instruments of or guaranteed by the Bank, to deposit cash with the Bank, or to purchase services from the Bank, provided such dealings and transactions are made on terms no less favourable than market terms and conditions and competitive and fair rates.

22. Replacement of Trustee: The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon sixty (60) days' notice in writing to you, or such shorter notice as you shall accept as sufficient, provided that a successor trustee has been appointed in writing by HSBC Investment Funds (Canada) Inc. and the successor trustee has accepted such appointment. In the event of a change of trustee, the Trustee shall transfer the Fund in such form and manner as may be prescribed by the Act together with such information as is necessary to continue the administration thereof to the successor trustee within ninety (90) days after giving notice in writing to you of such resignation.

If a successor trustee cannot be found, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. In such event, HSBC Investment Funds (Canada) Inc. shall bear the costs incurred by the Trustee in appointing a successor trustee.

23. Applicable Laws: This Declaration of Trust shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein except that the term "spouse" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Act respecting retirement income funds.

24. Quebec Only: It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

25. Locked-In Account: If an addendum concerning a Life Income Fund or Locked-In Retirement Income Fund is attached to this agreement, the following provisions shall apply:

- a) In case of conflict between the addendum and this agreement, the provisions of the addendum shall prevail;
- b) Locked-In Funds shall be accounted for separately from non Locked-In Funds; and
- c) The terms of the addendum may be amended from time to time without notice to you in order to ensure that the Locked-In account continues to comply with all legislation including, without limitation, applicable pension benefits legislation governing locked-in funds.

26. Binding Agreement: The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Trustee.

TFSA Declaration of Trust

(This Declaration of Trust is for Tax-Free Savings Accounts only)

HSBC Trust Company (Canada), a trust company incorporated under the laws of Canada (hereinafter referred to as the "Trustee") hereby declares that it agrees to act as Trustee for the applicant/holder (hereinafter referred to as "you") named in the application under the HSBC Mutual Funds Tax-Free Savings Account (hereinafter referred to as "the Account") upon the following terms and conditions:

1. Registration: The Trustee will file an election to register the Account as a tax-free savings account pursuant to the provisions of the Income Tax Act (Canada) as amended from time to time (hereinafter referred to as the "Act"), and any applicable income tax legislation in the province or territory of residence designated by you in the application upon the face hereof (the Act and such provincial or territorial income tax legislation being hereinafter

collectively referred to as “Applicable Tax Legislation”). The Trustee will give all notices as to commencement and termination of the Account required under applicable legislation. The Account will comply with any applicable conditions from time to time imposed by the Act on tax-free savings accounts.

2. **Delegation:** Without limiting the responsibilities of the Trustee under the Account, you expressly authorize the Trustee to delegate to HSBC Investment Funds (Canada) Inc. or such other duly authorized agent or agents as it may appoint (hereinafter referred to as the “Agent”) the performance of such duties and responsibilities of the Trustee under the Account as may be agreed upon from time to time between the Trustee and the Agent and which the Trustee may by law delegate to the Agent. Notwithstanding the foregoing, the Trustee acknowledges and confirms that the ultimate responsibility for the administration of the Account remains with the Trustee.

You also authorize the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by you to the Trustee under the Account and may reimburse the Agent for its out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge you therefor.

3. **Minimum Age:** At the time of entering into the Account, you have attained the minimum age as specified in the Act.

4. **Your Account:** The Trustee will maintain an account in your name which will record all contributions made to the Account, all investment transactions, investment income earned and expenses incurred and all payments from the Account.

The Trustee will send you annual or more frequent statements setting forth the particulars of each transaction since the last statement. Upon the expiration of ninety (90) days from the date of the mailing of the statement to you, the Trustee shall be released and discharged from all liability and accountability to you or anyone else with respect to the Trustee’s acts and transactions during the period of time covered by the statement.

5. **Use of Account:** The Account will be maintained for the exclusive benefit of the holder (as hereinafter defined), disregarding any right of a person to receive a payment out of or under the Account only on or after the death of the holder. While there continues to be a holder of the Account, only the holder and the Trustee have any rights under the Account relating to the amount and timing of withdrawals and the investing of funds. In this Declaration of Trust, “holder” means, until your death, you, and at and after your death, your validly designated successor holder (as described in Paragraph 15(a)), if any.

6. **Purpose of Account:** Contributions to the Account shall be invested, used and applied by the Trustee for the purpose of making distributions under the Account to the holder in accordance with the Act.

7. **Contributions:** No person other than the holder may make contributions to the Account. The Trustee shall accept only such contributions, in a form acceptable to it, of cash or units of a fund managed by HSBC Global Asset Management (Canada) Limited, which are qualified investments for tax-free savings accounts within the meaning of the Act, as may be directed by you to be contributed to the Account. The contributions, together with any income therefrom, shall constitute a trust fund to be used, invested and held subject to the terms of this Declaration of Trust.

You are solely responsible for ensuring that contributions to your Account do not exceed the maximum contribution limits permitted for tax-free savings accounts by the Act and that you do not make contributions to your Account while you are a non-resident of Canada for purposes of the Act. Neither the Trustee nor the Agent shall be liable for or in respect of any taxes, interest or penalties which may be imposed under the Applicable Tax Legislation if such excess contributions or contributions while a non-resident are made.

8. **Investment:** The Trustee shall invest the contributions made to the Account from time to time in units of any one or more of the mutual

funds distributed by the Agent, as directed by you. Income earned on any investment held by the Trustee for the Account shall be automatically reinvested at the net asset value thereof as at the close of business on the next valuation date following such receipt in units of the fund from which the distribution was made and the investment so purchased shall be held by the Trustee for the Account.

9. **Qualified Investment:** You are solely responsible for ensuring that the investments held in your Account are at all times qualified investments for your Account under the Act. The Trustee will notify you in accordance with the Act if an investment that is a non-qualified investment for your Account under the Act has been acquired or sold, or where an existing investment has become or ceased to be a non-qualified investment.

10. **Prohibited Investment:** You are solely responsible for ensuring that the investments held in your Account do not at any time include a prohibited investment for your Account under the Act. It is your sole responsibility to determine whether any investment is a prohibited investment for your Account under the Act and to determine whether such investment could result in the imposition of any tax or penalty.

11. **Taxes and Penalties on Non-Qualified and Prohibited Investments:** Neither the Trustee nor the Agent shall be liable for or in respect of any taxes, interest or penalties which may be imposed on you, the Account, the Trustee or the Agent under applicable legislation, including the Act, whether by way of assessment, reassessment or otherwise or for any other charges levied or imposed by any governmental authority, due to payments out of the Account or the purchase, sale or retention of any investment, including an investment that is a non-qualified investment or a prohibited investment for your Account under the Act. The Trustee is hereby authorized to reimburse itself and the Agent for, or may pay, any such taxes, interest, penalties or other charges out of whichever assets of the Account it may choose in its absolute discretion and where necessary, the Trustee, in its absolute discretion, may liquidate investments of the Account to provide payment of such taxes, interest, penalties, reimbursements or other charges. You and your heirs, executors and administrators shall indemnify and hold harmless at all times both the Trustee and the Agent in respect of any such taxes, interest, penalties or other charges imposed on either the Trustee or the Agent. Neither the Trustee nor the Agent shall be liable for any loss to or diminution of the assets of the Account resulting from any act or omission in connection with the affairs of the Account, except to the extent that such loss or diminution is directly caused by the Trustee’s breach of the standard of care referred to in Paragraph 23 hereof.

12. **Refund of Certain Contributions:** The Trustee shall, upon written application by you, in a form satisfactory to the Trustee, pay a distribution out of the Account to you in order to reduce the amount of tax otherwise payable under the Act in respect of contributions made while a non-resident of Canada and contributions in excess of the maximum contribution limits permitted by the Act. The Trustee will not have any responsibility whatsoever for determining the amount of such distribution.

13. **Transfers:** Upon receipt of a written direction from you in a form satisfactory to the Trustee, the Trustee shall forthwith transfer, in accordance with the Act, all of the assets of the Account or such part thereof as is specified in your written direction together with all relevant information with respect to the Account to a person who has agreed to be the issuer of:

- a) another tax-free savings account under which you are the holder; or
- b) a tax-free savings account held by your spouse or former spouse if, at the time of such transfer, you and your spouse or former spouse are living separate and apart and the transfer is being effected pursuant to a decree, order or judgment of a competent tribunal, or in accordance with a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of, or on the breakdown of, the marriage or common-law partnership.

Such transfer shall take effect in accordance with the Act and other applicable

laws and within a reasonable time after all forms required by law and by the Trustee to be completed in respect of such transfer have been completed. Upon such transfer, the Trustee shall be subject to no further liability or duty with respect to the Account, or the portion thereof, so transferred, as the case may be.

14. Withdrawals: You may, by written application, at any time, request that the Trustee pay as distributions to you all or part of the assets held under the Account, and the Trustee may liquidate any investments held under the Account, to the extent deemed necessary for that purpose. Such payment shall be made by the Trustee subject to the deduction of all proper charges, if any.

15. Death of Account Holder: In the event of your death and upon receipt of satisfactory evidence of your death and all other documents the Trustee may reasonably request, the following will apply:

- (a) if a designation has been validly made in accordance with Paragraph 16 hereof, and if one or more of the person or persons so designated are alive at the time of your death, then
 - (i) if your spouse has been designated as the successor holder in accordance with this Declaration of Trust and any applicable laws, and is then alive, no payment is required on death. Your spouse will become holder of the Account and acquire all of your obligations and rights as holder of the Account (including the unconditional right to revoke any beneficiary designation made, or similar direction imposed, by you under the Account or relating to property held in connection with the Account), and all references herein to "you" will be deemed to refer to him or her. Notwithstanding the foregoing, a successor holder may not designate a subsequent spouse to hold the Account after his or her death pursuant to Paragraph 16(a); or
 - (ii) if your spouse has not been designated as the successor holder or has been so designated but is not alive at the time of your death, and if an individual has been designated by you as beneficiary in accordance with Paragraph 16 hereof who is alive at the time of your death, and if permitted by applicable law, the Trustee shall redeem the investments held in your Account and distribute in a lump sum the value of the Account, after deduction of all proper charges, to the beneficiary designated by you in accordance with this Declaration of Trust; and
- (b) in any other case:
 - (i) if your spouse has been designated as the successor holder by you by way of validly executed will and if your spouse is alive at the time of your death, no payment is required on death, and your spouse will be subject to the provisions described in (a)(i) of this Paragraph 15 as if your spouse had been designated as the successor holder in accordance with this Declaration of Trust and any applicable laws;
 - (ii) if your spouse has not been designated as the successor holder or has been so designated, but is not alive at the time of your death, and if an individual has been designated by you as beneficiary by way of validly executed will who is alive at the time of your death, the Trustee shall redeem the investments held in your Account and distribute in a lump sum the value of the Account, after deduction of all proper charges, to the beneficiary designated by you in such will; or
 - (iii) in any other case the Trustee shall redeem the investments held in your Account and distribute in a lump sum the value of the Account, after deduction of all proper charges, to your personal representatives.
- (c) Notwithstanding the provisions of (a)(ii), (b)(ii) or (b)(iii) of this Paragraph 15, as the case may be, in the event that the Trustee is not, for any reason, able to distribute the value of the Account, after deduction of proper charges, to the named beneficiary or your personal representatives, as the case may be, in accordance with such provisions prior to December 1st of the year following the year of your death, the Trustee is authorized to transfer the value of the Account, after deduction of proper charges, to a non-registered

account established in the name of the beneficiary or your personal representatives, as the case may be, and to maintain such non-registered account until such time as the Trustee is able to distribute the proceeds of the account to the beneficiary or your personal representatives, as the case may be. For the sake of certainty, the foregoing transfer by the Trustee shall in no way be or be deemed to be a change or amendment to the person or persons beneficially entitled to the value of the Account, after deduction of proper charges.

16. Designation of Successor Holder or Beneficiary: If you are domiciled in a jurisdiction in which a participant in a tax-free savings account may validly designate a successor holder or beneficiary other than by will, you may by instrument in writing in the form prescribed by the Trustee and delivered in accordance with the terms of this Account to the Trustee prior to your death, designate (a) your spouse as successor holder of the Account; or (b) any person as beneficiary to be entitled to receive the proceeds payable under the Account in the event of your death.

Subject to the applicable laws, such person shall be deemed to be your successor holder or designated beneficiary, as the case may be, for the purposes hereof unless such person shall predecease you or unless you by instrument in writing in the form prescribed by the Trustee and delivered to the Trustee prior to your death or by your Will, revoke such designation.

A designation shall only be made, altered or revoked by an instrument in a form provided by the Trustee for such purpose, dated and signed by you and filed with the Trustee prior to your death or by your Will.

If more than one valid designation has been filed in the form provided by the Trustee and if such designations are inconsistent, then to the extent of such inconsistency, payment shall be made only in accordance with the designation bearing the latest execution date and such designation shall be determinative of any inconsistency. If a will has been validly executed after the date of the last valid designation and if the will contains a designation that is inconsistent with such designation, the Trustee may treat the will as containing the last valid designation. The Trustee shall be fully discharged from any further obligations and liability in connection with the Account upon payment being made in accordance with this Declaration of Trust.

17. No Advantages: No benefit, loan or indebtedness that is conditional in any way on the existence of the Account or other advantage within the meaning of the Act may be extended to you or to any person with whom you do not deal at arm's length, other than those advantages which may be permitted from time to time under the Act.

18. Trustee Fees and Disbursements:

- (a) The Trustee shall be entitled to compensation for its services, and reimbursement of disbursements hereunder, in accordance with the fee schedule provided to you, as amended from time to time. Notice of amendments to such schedule shall be given to you and shall take effect no earlier than thirty (30) days from the date of such notice which may be effected in accordance with the method set out in Paragraph 22 hereof.
- (b) All fees, taxes and reimbursements of disbursements provided for hereunder shall be charged against and deducted from the investments of the Account, at such time or times during each year as the Trustee may, in its absolute discretion determine, and where necessary, the Trustee, in its sole and absolute discretion, may liquidate investments of the Account to provide for payment of such fees, taxes and reimbursements. The Trustee shall not be responsible for any loss which results from such liquidation.

19. Income Tax Information: The Trustee will forward, or cause to be forwarded, to you appropriate forms and information regarding the Account as may be required under the Applicable Tax Legislation. Such forms and information shall be forwarded to the address set out in the application for the Account, or at any subsequent address of which you shall have notified the Trustee.

20. Tax Information for Citizens and Residents of Countries Outside of

Canada: If you are a citizen or resident of a country other than Canada, we strongly advise you to contact your professional tax advisor before investing in a Canadian tax-free savings account, and on a regular basis thereafter. It is important that you are aware of the foreign tax consequences and reporting and filing requirements, if any, associated with being the holder of a tax-free savings account. Failure to comply with any such foreign requirements can have significant penalties. As well, contributions to the Account while you are a non-resident of Canada may result in taxes, interest and penalties being imposed under the Act.

21. **Amendments to Plan:** The Trustee may, from time to time at its discretion, amend this Declaration of Trust with the concurrence of the authorities administering the Applicable Tax Legislation:

- a) without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation; and
- b) in all other cases, by giving thirty (30) days notice, provided that in all cases no such amendment will have the effect of disqualifying the Account as a tax-free savings account within the meaning of the Act.

22. **Notices:** Any notice given by the Trustee to you shall be sufficiently given if in writing and sent to your postal mailing address or electronic mailing (e-mail) address as set out in the application for the Plan, or at any subsequent address of which you shall have notified the Trustee. If by postal mail, the notice shall be deemed to have been given on the second business day following the day of posting. If by electronic mail, the notice shall be deemed to have been given immediately upon being sent by us to your electronic mailing address.

Any notice to the Trustee hereunder shall be sufficiently given if delivered or mailed postage prepaid to HSBC Mutual Funds Tax-Free Savings Account c/o HSBC Investment Funds (Canada) Inc., or at such other address as the Trustee may from time to time specify in writing, and shall be deemed to have been given on the date that such notice is actually delivered to or received by the Trustee or HSBC Investment Funds (Canada) Inc. as the case may be.

23. **Standard of Care and Trustee's Liability:** In exercising its powers and performing its responsibilities hereunder, the Trustee shall act honestly and in good faith. The Trustee shall not be liable for any loss to, or diminution of the assets of the Account, or for any loss suffered by you or any beneficiary under the Account, resulting from any act or omission in connection with the affairs of the Account, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to herein.

24. **Agent's Liability:** The Trustee's Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for the following:

- a) Any loss or diminution suffered by the Account, by you or any beneficiary under the Account as a result of the acquisition, disposition or retention of any investments; or
- b) Any loss to or diminution of the assets of the Account except for any loss or diminution caused by the Agent's wilful misconduct or lack of good faith.

The Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for any loss or damages whether direct or indirect resulting from the delay or failure of any of them in forwarding to you any information received by them concerning investments.

25. **Indemnity:** You, any beneficiary receiving proceeds payable under Paragraph 15, and your heirs, executors and legal representatives agree to indemnify at all times the Trustee, the Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents against and hold them harmless from all taxes, interest, penalties,

assessments, expense, loss, liability, claims, and demands whatsoever arising out of the holding and depositing of the investments to the Account or anything done hereunder.

26. **Proof of Age:** The statement of your date of birth on the application for the Account shall constitute a certification by you and an undertaking to furnish such further evidence of proof of age as may be required for purposes of the Account.

27. **Use as Security for a Loan:** You may use your interest or, for civil law, right in the Account as security for a loan or other indebtedness provided that:

- (a) the terms and conditions of the indebtedness are those which persons dealing at arm's length with each other would have entered into; and
- (b) it can reasonably be concluded that none of the main purposes for such use is to enable a person (other than the holder) or a partnership to benefit from the exemption from tax provided by the Account.

To the extent the rights outlined in Paragraph 5 and Paragraph 13(a) are inconsistent with using an interest or right in the Account as security for a loan or other indebtedness, Paragraph 5 and Paragraph 13(a) will not apply.

28. **Borrowing Money:** The Account may not borrow money or other property.

29. **Trustee as Subsidiary:** You acknowledge that the Trustee is a wholly-owned subsidiary of HSBC Bank Canada and that it may periodically have dealings with HSBC Bank Canada, its affiliates or other subsidiaries (the "Bank") in the performance of its duties. You authorize and direct the Trustee, in the exercise of its powers under this Declaration of Trust to have such dealings (and enter into transactions) with the Bank, to purchase securities or deposit instruments of or guaranteed by the Bank, to deposit cash with the Bank, or to purchase services from the Bank, provided such dealings and transactions are made on terms no less favourable than market terms and conditions and competitive and fair rates.

30. **Replacement of Trustee:** The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon sixty (60) days' notice in writing to you, or such shorter notice as you shall accept as sufficient, provided that a successor trustee has been appointed in writing by HSBC Investment Funds (Canada) Inc. and the successor trustee has accepted such appointment. In the event of a change of trustee, the Trustee shall transfer the Account in such form and manner as may be prescribed by the Act together with such information as is necessary to continue the administration thereof to the successor trustee within ninety (90) days after giving notice in writing to you of such resignation.

If a successor trustee cannot be found, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. In such event, HSBC Investment Funds (Canada) Inc. shall bear the costs incurred by the Trustee in appointing a successor trustee.

31. **Applicable Laws:** This Declaration of Trust shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein except that the term "spouse" includes any person who is recognized as a spouse or common-law partner for the purposes of any provision of the Act respecting tax-free savings accounts.

32. **Quebec Only:** It is the express wish of the parties that this Declaration of Trust and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

33. **Binding Agreement:** The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Trustee.

Additional Information For Education Savings Plan Account Subscribers

Terms and Conditions

We, HSBC Investment Funds (Canada) Inc. (the “**Promoter**”), are the promoters of the HSBC Mutual Funds Education Savings (Family) Plan (the “**Plan**”). The words “we”, “us” and “our” refer only to HSBC Investment Funds (Canada) Inc. You are the person or persons named as the subscriber (as defined below) in the application (the “**Application**”). This agreement contains the terms and conditions applicable to the Plan. Under the Terms and Conditions stated herein, the Promoter agrees to pay, or cause to be paid, educational assistance payments to or for one or more beneficiaries. HSBC Trust Company (Canada), a subsidiary of HSBC Bank Canada is licensed to carry on in Canada the business of offering to the public its services as a trustee (the “**Trustee**”) (see paragraph 11) will be the trustee for the Plan Assets (as defined herein), but as the promoter of the Plan we have ultimate responsibility. As required by the Income Tax Act (Canada) (the “**Act**”) we are “resident” in Canada. A “**subscriber**” under an education savings plan at any time means:

- (a) each individual or the public primary caregiver with whom the promoter of the Plan entered into the Plan,
- (b) another individual or another public primary caregiver who has before that time, under a written agreement, acquired a public primary caregiver’s rights as a subscriber under the Plan,
- (c) an individual who has before that time acquired a subscriber’s rights under the Plan pursuant to a decree, order or judgment of a competent tribunal, or under a written agreement, relating to a division of property between the individual and a subscriber under the Plan in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership (as defined in the Act), or
- (d) after the death of an individual described in any of paragraphs (a) to (c), any other person (including the estate of the deceased individual) who acquires the individual’s rights as a subscriber under the Plan or who makes contributions into the Plan in respect of a beneficiary

but does not include an individual or a public primary caregiver whose rights as a subscriber under the Plan had, before that time, been acquired by an individual or public primary caregiver in the circumstances described in paragraph (b) or (c) above. For greater certainty, a spouse or common-law partner may be added as a joint subscriber at any time prior to the termination of the Plan.

A “**public primary caregiver**” of a Beneficiary in respect of whom a special allowance is payable under the Children’s Special Allowances Act, means the department, agency or institution that maintains the Beneficiary or the public trustee or public curator of the province in which the Beneficiary resides.

We will ensure that all Grants are applied for as requested. Once received, Grants will be invested in accordance with the terms hereof. We will make Grant repayments in accordance with the provisions of the Canada Education Savings Act and the Regulations thereto and any other applicable legislation. The Plan will comply with the conditions imposed by the Canada Education Savings Act. The subscriber agrees to provide any information required by us to enable us to apply for and administer Grants in accordance with the applicable legislation.

In this agreement, “**Grant**” means the Canada Education Savings Grant, the enhanced Canada Education Savings Grant and the Canada Learning Bond provided for under the Canada Education Savings Act and any amount under a designated provincial program. A “**designated provincial program**” means

a program administered pursuant to an agreement entered into under section 12 of the Canada Education Savings Act or a program established under the laws of a province to encourage the financing of children’s post-secondary education through savings in registered education savings plans.

1. Who Registers the Plan? We will apply to register the Plan under the Act and any other applicable income tax legislation of the province of Canada indicated by your address in the Application. The Act and any other applicable income tax legislation will collectively be called the “**Applicable Tax Legislation**”.

2. What is the Purpose of the Plan? The purpose of the Plan is to make Educational Assistance Payments as described in paragraph 8.

3. Who are the Beneficiaries of the Plan? In this agreement, a “**Beneficiary**” means any person you designate as a beneficiary for whom Educational Assistance Payments (as described under paragraph 8) are made as long as the requirements of the Plan and the Act are satisfied when the Educational Assistance Payments are made. The Beneficiary must be under 21 years of age at the time of the designation unless the Beneficiary, immediately before becoming a beneficiary under the Plan, was a beneficiary under a Transferor Plan (as described in paragraph 5) that allows more than one beneficiary at any one time.

Each named Beneficiary must be connected to you by “blood relationship” or by “adoption” as those words are defined in the Act. Any person you named in the Application is an initial Beneficiary of the Plan. You may name one or more Beneficiaries.

Within 90 days after a person becomes a Beneficiary under the Plan, we will send that person a written notice advising him or her that the Plan exists. We will also give that person your name and address. If the Beneficiary is under the age of 19 and either ordinarily resides with a parent of the Beneficiary or is maintained by a public primary caregiver of the Beneficiary, we will notify that parent or public primary caregiver, as applicable.

An individual may not be designated as a Beneficiary under the Plan and no contributions may be made in respect of the individual unless the individual’s Social Insurance Number has been provided to us and the individual is a resident in Canada. The requirement that the individual be resident in Canada does not apply where the individual is designated as Beneficiary in conjunction with the transfer of property into the Plan from another registered education savings plan under which the individual was a non-resident beneficiary immediately before the transfer and has not been assigned a Social Insurance Number. Once the transfer has occurred, no new contributions for the non-resident Beneficiary can be accepted. You undertake to advise us if the Beneficiary is no longer resident in Canada at the time of any subsequent contribution in relation to that Beneficiary. You further undertake to advise us if the Beneficiary is a non-resident at the time an Educational Assistance Payment is requested.

4. How can you Change a Beneficiary? You may change, remove or add a person as a Beneficiary of the Plan by sending us written instructions. Your instructions must:

- a. clearly explain the change you would like to make;
- b. provide the name, address, Social Insurance Number, date of birth and relationship to you of any new Beneficiary and, if the Beneficiary is under the age of 19, the name and address of the Beneficiary’s parents, legal guardian or public primary caregiver, as applicable; and
- c. identify the Plan by its account number.

You must sign and date these instructions and deliver them to us. If we receive more than one set of instructions from you, we will follow the instructions with the last date.

5. How can Amounts be Transferred from Another Plan? You may transfer amounts to the Plan from another registered education savings plan (the “**Transferor Plan**”), if the Transferor Plan so allows and provided that

the Transferor Plan has not previously distributed any accumulated income payments (as described in paragraph 10). When a transfer between plans occurs, the effective date of both plans will be considered under subsection 146.1 (6.1) of the Act so that whichever effective date is earlier becomes the effective date of the transferee plan after the transfer. A transfer between plans may result in an over-contribution, which may have tax consequences. Part X.4 of the Act sets out the additional taxes payable where a cumulative excess exists.

6. How Much can you Contribute? You may contribute to the Plan if the contribution is within the limits allowed by the Applicable Tax Legislation. At the time this form was printed, a contribution must satisfy these rules:

- a. a contribution must not be less than the minimum amount which we establish by written notice to you;
- b. the total contributions to the Plan for a Beneficiary must not exceed the RESP lifetime limit as defined in subsection 204.9 (1) of the Act; and
- c. no contribution may be made to the Plan after the earlier of:
 - i. the 31st year following the year the Plan was established, or
 - ii. if an amount is transferred to the Plan from a Transferor Plan, the 31st year following the year the Transferor Plan was established.

A contribution to an education savings plan does not include an amount paid into the plan under or because of (a) the Canada Education Savings Act or a designated provincial program, or (b) any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by a province (other than an amount paid into the plan by a public primary caregiver in its capacity as subscriber under the plan).

No amount may be contributed to the Plan in respect of a particular Beneficiary, if that Beneficiary had attained 31 years of age before the time of the contribution, unless the contribution is made by way of a transfer from a Transferor Plan that allows more than one beneficiary at any time.

The “**Plan Assets**” consist of any amounts contributed by you, or on your behalf, any Grants paid into the Plan, any amounts transferred to the Plan under paragraph 5, any investments purchased and/or transferred and any income or gains on these amounts, less any losses sustained on the realization of any investment, fees and disbursements deducted from the Plan Assets pursuant to paragraph 18 and any amounts paid out of the Plan as provided for herein. The Trustee will hold the Plan Assets in trust, in accordance with Section 11.

7. How are the Plan Assets Invested? We will invest and reinvest the Plan Assets in “qualified investments” for an RESP as defined under subsection 146.1 (1) of the Act at your direction and in accordance with your written instructions to us and subject to any reasonable requirements we may have.

Where the Plan invests in investments that are not “qualified investments” for an RESP as defined under the Act, the registration of the Plan could be revoked under the Act. Where the registration of the Plan is not revoked under the Act and the Plan holds investments that are not “qualified investments” for an RESP as defined under the Act, the Act imposes a penalty tax on the Plan for holding such investments.

8. How are Payments from the Plan Made? You may send us written instructions requesting payments of amounts from the Plan as long as:

- a. the payment is:
 - i. for an Educational Assistance Payment (as defined below);
 - ii. a distribution of accumulated income payment (as defined below);
 - iii. a Refund of Payments (as defined below);
 - iv. the repayment of amounts (and the payment of amounts related to that repayment) under the Canada Education Savings Act or under a program administered pursuant to an agreement entered into under

section 12 of that Act, or a program established under the laws of a province to encourage the financing of children’s post-secondary education through savings in registered education savings plans,

- v. to a Designated Educational Institution (as defined below) or to a trust in favour of a Designated Educational Institution; or
 - vi. to a trust that irrevocably holds property under a “registered education savings plan” within the meaning of the Act;
- b. any reasonable requirements imposed by us; and
 - c. there are sufficient Plan Assets to make any payment.

An “**Educational Assistance Payment**” means any amount, other than a Refund of Payments under paragraph 9, a distribution of accumulated income payment under paragraph 10 or a transfer to another registered education savings plan, paid out of the Plan to or for an individual to assist the individual to further his or her post-secondary education. The Plan does not allow for the payment of an educational assistance payment to or for an individual at any time after 1996, unless:

- a. the individual is, at the time, enrolled as a student in a Qualifying Educational Program at a post-secondary educational institution, and either:
 - i. has satisfied that condition throughout at least 13 consecutive weeks in a 12-month period that ends at that time, or
 - ii. the total of the payment and all other educational assistance payments made under a registered education savings plan of the promoter to or for the individual in the 12-month period that ends at that time does not exceed \$5,000 or any greater amount that the Minister designated for the purpose of the Canada Education Savings Act approves in writing with respect of the individual; or
- b. the individual has, before that time, attained the age of 16 years and meets the following conditions:
 - i. is, at that time, enrolled as a student in a Specified Educational Program at a post-secondary institution, and
 - ii. the total of the payment and all other educational assistance payments made under a registered education savings plan of the promoter to or for the individual in the 13-week period that ends at that time does not exceed \$2,500 or any greater amount that the Minister designated for the purpose of the Canada Education Savings Act approves in writing with respect of the individual.

An individual may also request an educational assistance payment at any time in the six month period immediately after ceasing to be enrolled in a Qualifying Educational Program or Specified Educational Program, provided the conditions set out in paragraphs a(i) and a(ii), or b(i) and b(ii) above are met.

A “**Designated Educational Institution**” means an educational institution in Canada that is:

- a. a university, college or other educational institution designated by the Lieutenant Governor in Council of a province as a specified educational institution under the Canada Student Loans Act, designated by an appropriate authority under the Canada Student Financial Assistance Act, or designated by the Minister of Education of the Province of Quebec for the purposes of An Act respecting financial assistance for education expenses; and
- b. designated by you from time to time or, if you do not make any designation, is approved by us.

We have the final authority on whether a payment you direct us to make satisfies the above criteria. The decision made by us will be final and binding on you and the Beneficiaries.

Where the individual entitled to payments from the Plan is a non-resident at the time of the payment, we will pay the individual the amount remaining after deducting any applicable taxes (including any interest and penalties) in respect of that payment.

An “**accumulated income payment**” under an education savings plan means any amount paid out of the plan, other than a payment described in any of paragraphs a(i) and a(iii) to a(vi) described above, to the extent that the amount so paid exceeds the fair market value of any consideration given to the plan for the payment of the amount.

A “**Qualifying Educational Program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires that each student taking the program spend not less than ten hours per week on courses or work in the program.

A “**Specified Educational Program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires each student taking the program to spend not less than 12 hours per month on courses in the program.

“**Post-secondary school level**” includes a program of courses, at an educational institution in Canada that is certified by the Minister of Human Resources and Skills Development to be an educational institution providing courses other than courses designed for university credit, where the courses are of a technical or vocational nature designed to furnish a person with skills for, or improve a person’s skills in, an occupation.

A “**post-secondary educational institution**” means:

- a. an educational institution in Canada that is described in paragraph (a) of the definition “Designated Educational Institution” above, or that is certified by the Minister of Human Resources and Skills Development to be an educational institution providing courses, other than courses designed for university credit that furnish a person with skills for, or improve a person’s skills in, an occupation; or
- b. an educational institution outside Canada that is a university, college or other educational institution that provides courses at a post-secondary school level at which a Beneficiary was enrolled in a course of not less than 13 consecutive weeks.

9. How can you Receive a Refund of Payments? You may send us written instructions at any time to pay you a Refund of Payments (as defined below). Where a Refund of Payments is requested, repayment of Grants (and the payment of amounts related to that repayment) will be made in accordance with the provisions of the Canada Education Savings Act and the Regulations thereto and any other applicable legislation.

To pay this refund, we will sell any of the Plan Assets that you specify. If you do not specify which of the Plan Assets you would like us to sell then we will sell any assets that we consider appropriate.

Once we pay you, we will have no liability or duty to you for the Plan Assets that were sold to pay you. Within a reasonable period of time after receiving your instructions, we will pay you the refund you requested after deducting:

- a. any sale costs and other related fees or charges;
- b. any taxes (including any interest and penalties) that are or may become payable by the Plan; and
- c. any amount required to be withheld on account of your liability for income tax as a result of withdrawing funds from the Plan.

A “**Refund of Payments**” means:

- a. a refund of contributions that had been made by or on behalf of a Subscriber at a previous time, if the payment had been made otherwise than by way of a transfer from a Transferor Plan; or
- b. if a payment has been made by way of a transfer from a Transferor Plan, a refund of payments that would have been a refund of payments under the Transferor Plan if it had been paid at the previous time directly to a Subscriber under the Transferor Plan.

A “contribution” does not include any Grants paid into the Plan.

10. Can you Receive Income from the Plan? The distribution of accumulated income payments can only be made to, or on behalf of a

Subscriber, and not jointly to, or on behalf of more than one Subscriber. You may send us written instructions requesting a distribution of accumulated income payment at a particular time from the Plan as long as you are resident in Canada at the particular time, and one of the following applies:

- a. the Plan has been in existence for at least 10 years (or an amount has been transferred to the Plan from a Transferor Plan that has been in existence for at least 10 years) and each individual (other than a deceased individual) who is or was a Beneficiary has attained 21 years of age before the payment is made and is not, when the payment is made, eligible under the Plan to receive an Educational Assistance Payment;
- b. the payment is made in the 35th year following the year in which the Plan is entered into; or
- c. each individual who was a Beneficiary has died before the payment is made.

On written application by the Promoter to the Minister of National Revenue, the requirements of a. above may be waived in respect of the Plan where a Beneficiary under the Plan suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a Qualifying Educational Program at a post-secondary educational institution.

To make a distribution of accumulated income payment, we will sell any of the Plan Assets which you specify. If you do not specify which of the Plan Assets you would like us to sell, we will sell any assets that we consider appropriate.

Once we pay you, we will have no liability or duty to you for the Plan Assets that were sold to pay you. Within a reasonable period of time after receiving your instructions, we will pay you the refund you requested after deducting:

- a. any sale costs and other related fees or charges;
- b. any taxes (including interest and penalties) that are or may become payable by the Plan; and
- c. any amount required to be withheld on account of your liability for income tax as a result of withdrawing funds from the Plan.

Once an accumulated income payment is made, the Plan must be terminated on or before the last day of February of the year following the year in which the first such payment is made out of the Plan.

A special tax applies to accumulated income payments. You will be responsible for the applicable taxes (income and otherwise, and the related interest and penalties) in respect of an accumulated income payment. If you have sufficient RRSP contribution room at the time that an accumulated income payment is made, you may have the option to transfer the accumulated income payment to your RRSP (or a spousal RRSP), subject to the limits allowed under the Applicable Tax Legislation.

11. What is the Trustee’s Responsibility? The Trustee will irrevocably hold in trust the property of the Plan (after the payment of Trustee and administration charges) for the purpose of making the payments described in paragraph 8(a).

The Trustee will be responsible for any breach of trust in holding the Plan Assets that results from its own wilful default, gross negligence, fraud or dishonesty. The Trustee’s responsibility for holding the Plan Assets is without prejudice to the Trustee’s rights against us (or our successors) for any breach of our (or our successors’) responsibilities in this document or in any agency agreement or other agreement with the Trustee relating to the Plan.

You acknowledge and consent to the Trustee’s appointment of us or any other subsidiary of HSBC Bank Canada as its agent to perform any of the Trustee’s duties as the Trustee may determine and delegate from time to time.

12. What are your Responsibilities? It is your responsibility to ensure that the total amounts contributed to the Plan for a Beneficiary (or to any RESP for the same Beneficiary), by you (or by others as subscribers to other plans for the same Beneficiary), do not exceed the RESP lifetime limit. (The maximum amount is referred to in paragraph 6 b.). If the maximum amount is exceeded,

a penalty tax will apply. If the maximum amount is exceeded, you may request a Refund of Payments under paragraph 9 sufficient to withdraw your share of the “excess amount”, as defined in the Act.

For the purpose of calculating the penalty tax on overpayments to the Plan, the following rules apply:

If you remove a Beneficiary and designate a replacement Beneficiary, then all contributions made to the Plan for the Beneficiary who has been removed will be considered to have been made for the replacement Beneficiary. If you remove a Beneficiary without designating a replacement Beneficiary (and you have named more than one Beneficiary for the Plan), then all contributions made to the Plan for the Beneficiary who has been removed will be considered to have been made for the remaining Beneficiaries in the proportions which you designate. If an amount is transferred from a Transferor Plan and a Beneficiary was, at the time of a transfer, a beneficiary under the Transferor Plan, then the contributions to the Transferor Plan will be considered to have been made for the Beneficiary. If no Beneficiary was a beneficiary under the Transferor Plan, then the contributions will be considered to have been made for the Beneficiaries in the proportions which you designate.

An over-contribution may apply as a result of a replacement or a transfer and as a result penalty taxes may be exigible. Subsections 204.9(4) and (5) of the Act provide exceptions where the penalties will not be applicable.

13. How will your Account be Kept? We will maintain an account in your name to record:

- a. contributions made to the Plan;
- b. Grants made to the Plan;
- c. purchases and sales of investments held in the Plan;
- d. investment income, gains and losses for investments held in the Plan;
- e. Trustee and other fees paid under paragraph 18; and
- f. all payments made from the Plan under paragraphs 8, 9, and 10.

We will deal with the appropriate tax authorities in connection with the Plan or any amendment to the Plan.

14. When does the Plan End? The Plan terminates on the earliest of the following dates (the “Termination Date”):

- a. the date designated by you;
- b. the last day of the 35th year following the year the Plan was established;
- c. if an amount has been transferred to the Plan from a Transferor Plan, the last day of the 35th year following the year in which the Transferor Plan was established and you undertake to sign and send the Trustee an instrument to establish the Termination Date;
- d. if a distribution of an accumulated income payment has been made under paragraph 10, the last day of February of the year following the year in which the first such distribution is made out of the Plan; and
- e. the 21st anniversary of your death.

If you have not given us instructions by the Termination Date on making payments from the Plan, then we may repay Grants and deposit the maximum amount permitted by the Act in an interest-bearing account at HSBC Bank Canada. We will pay any remaining amount to a Designated Educational Institution or to a trust in favour of a Designated Educational Institution, at the Trustee’s discretion and according to the Applicable Tax Legislation.

In the event that the trust governed by the Plan is terminated, the property held by the trust is required to be used for the purposes described in paragraph 8(a) above.

15. What If I Die? If you die before the Plan ends under paragraph 14, your executors or administrators may continue the Plan on your behalf and will be entitled to provide us with any instructions in connection with the Plan. Any other person, including the estate, who acquires your rights as a subscriber

or who makes a contribution becomes the Subscriber. We and the Trustee will be entitled to rely on, and shall be fully protected in giving effect to, the instructions of your executor or administrator.

16. Who owns the Plan Assets and Who can Exercise any Voting Rights?

Ownership of the Plan Assets will, at all times, be vested solely in the Trustee, in its capacity as trustee of the Plan. The voting rights attached to the securities held under the Plan and credited to your account may be exercised by you. For this purpose, you are hereby appointed as the Trustee’s agent and attorney to execute and deliver proxies and/or other instruments mailed by the Trustee or by us on the Trustee’s behalf to you according to applicable laws.

17. How can the Plan be Amended? We may amend the terms of the Plan, with the consent of the Trustee, from time to time at our discretion, with the concurrence of the authorities administering the Applicable Tax Legislation:

- a. without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Tax Legislation; and
- b. in all other cases, by giving thirty (30) days notice, provided that in all cases no such amendment will have the effect of disqualifying the Account as a registered education savings plan within the meaning of the Act.

18. What are the Promoter and the Trustee Fees? We and the Trustee are entitled to the following compensation for our services under the Plan:

- a. any reasonable fees and other charges established by us or the Trustee from time to time for our respective services; and
- b. reimbursement for all taxes imposed on us in respect of the Plan and for all costs and disbursements reasonably incurred by us and/or the Trustee in performing our duties under this agreement.

We and the Trustee may change our fees or charges in the future as long as we or the Trustee give you reasonable notice. All amounts payable to us or the Trustee under this paragraph will be charged against and deducted from the Plan Assets. We may sell any of the Plan Assets that we in our absolute discretion consider appropriate to pay the amounts described in this paragraph.

19. What are our Responsibilities? We are responsible for administering the Plan according to the Applicable Tax Legislation and the terms of this agreement. Our responsibilities include:

- a. receiving any property that is transferred to the Plan;
- b. accepting your Application;
- c. investing and reinvesting the Plan Assets according to this agreement;
- d. maintaining your account as required under this agreement;
- e. providing you with statements from time to time;
- f. collecting and remitting compensation to us and the Trustee;
- g. determining the form of any instructions to be provided by you;
- h. subject to paragraph 26, receiving and implementing instructions from you;
- i. calculating and making the payments to you that are required under this agreement;
- j. any other tasks that must be performed to administer the Plan; and
- k. discharging such other duties of the Trustee under the Plan as we and the Trustee may agree upon.

20. Trustee as Subsidiary. You acknowledge that the Trustee is a subsidiary of HSBC Bank Canada and that it may have dealings with HSBC Bank Canada and its other subsidiaries (collectively, the “Bank”) in the performance of its duties. You authorize and direct the Trustee in the exercise of its powers under this Plan to have such dealings (and enter into transactions) with the Bank.

21. What is our Liability and What is the Trustee’s Liability? Neither we nor the Trustee will be liable for:

- a. any tax, interest or penalty which may be imposed on us or the Trustee under the Applicable Tax Legislation;

- b. any charges levied or imposed by any governmental authority in respect of the Plan as a result of payments out of the Plan or the purchase, sale or retention by the Plan of any investment; or
- c. any cost incurred in performing our respective duties under this agreement, or the Applicable Tax Legislation.
- d. any Grant repayments; or
- e. the receipt or timing of receipts of Grants.

The Trustee may reimburse itself or pay any of these taxes, interest, penalties, charges or costs out of the capital or income of the Plan or partly out of the capital and partly out of the income of the Plan, as the Trustee decides. We may do the same and authorize the Trustee to reimburse us accordingly.

We and the Trustee will not be liable for any loss or damage suffered or incurred by the Plan, you or any Beneficiary under this agreement caused by:

- a. any loss or diminution of the Plan Assets;
- b. the purchase, sale or retention of any investment by the Plan;
- c. any payment out of the Plan made according to this agreement; or
- d. us or the Trustee acting or declining to act on any instructions given to us or the Trustee by you or an individual purporting to be you under this agreement, unless the loss or damage was caused by the Trustee's bad faith, wilful misconduct or gross negligence.

You, your heirs, executors, administrators or legal representatives and each Beneficiary will at all times indemnify us and the Trustee for any taxes, interest, penalties or charges levied or imposed on us or the Trustee in respect of the Plan, costs incurred by us or the Trustee in performing our respective duties under this agreement or any losses (other than losses for which we or the Trustee are liable under this paragraph) incurred by us or the Trustee.

22. How is the Trustee Replaced? The Trustee may resign by providing 60 days written notice to us or any shorter period that is acceptable to us. We may remove the Trustee from its position as trustee under the Plan by providing 60 days' written notice to the Trustee or any shorter period that is acceptable to the Trustee. The Trustee's resignation or removal will be effective on the date we replace the Trustee with another trustee (the "**Replacement Trustee**"). The Replacement Trustee must be a corporation resident in Canada and authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as a trustee. We will appoint a Replacement Trustee within 10 days after we have received notice of the Trustee's resignation or have given notice to the Trustee of its removal.

On the date the Trustee's resignation or removal becomes effective, and subject to the Trustee's receipt of all Fees and expenses then owing to the Trustee, the Trustee will sign and deliver to the Replacement Trustee all conveyances, transfers and further assurances that may be necessary or desirable to give effect to the appointment of the Replacement Trustee. However, the Trustee will not transfer any Grants in the Plan to the Replacement Trustee until such time as the Replacement Trustee has entered into a Grant agreement with the Minister and the Trustee has been reimbursed for any costs arising from the retention by the Trustee of the Grants in the Plan.

23. How are Notices Sent? You may give us or the Trustee notice by personal delivery or mail, postage prepaid, addressed to us at the address noted on the prospectus or any other address that we designate. Any notice from you will be considered to have been given to us or the Trustee at the time of personal delivery or, if you mail the notice, we or the Trustee will be considered to have been given notice on the day the notice is actually received.

We or the Trustee may give you, or a Beneficiary any notice, statement or receipt by personal delivery, postal mail or electronic mail (e-mail) at the applicable postal or electronic mailing address you gave on the Application. If you notified us or the Trustee of a new postal or electronic address for you or a Beneficiary, any notice, statement or receipt will be sent to the

applicable address of which we or the Trustee last received notice. Any notice, statement or receipt from us or the Trustee will be considered to have been given to you or a Beneficiary at the time of personal delivery, or if by postal mail, on the second business day after mailing, or if by electronic mail, immediately upon being sent by us to your electronic mailing address.

24. English Language. It is the express wish of the parties that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

25. What Laws Govern this Document? The terms of the Plan will be interpreted, administered and enforced according to the laws of the Province of British Columbia, the Income Tax Act (Canada) and other federal laws of Canada applicable in British Columbia.

26. Instructions. We and the Trustee will be entitled to rely upon instructions received from you, any person you designate to either the Trustee or us in writing and any person purporting to be you or the person designated by you. We and the Trustee may decline to act upon any instruction if either of us have any doubt that the instruction has been properly authorized or accurately transmitted or if the instruction is insufficient or incomplete or if there is insufficient time to permit us, acting diligently, to give effect to the instruction.

27. Binding. The terms of this document will be binding upon your heirs, executors and administrators, our successors and assigns and the Trustee's successors and assigns.

28. What Are the Tax Consequences of Investing in an HSBC Mutual Funds RESP? Any income and capital gains earned on the investments within an RESP, including Grants, are tax-deferred until withdrawn from the plan. Withdrawals paid to a Beneficiary are taxed in the Beneficiary's hands at their marginal tax rate. Subscribers may not deduct their contributions for tax purposes but may be able to recover contributions tax-free. Additional tax information is provided in the Simplified Prospectus that accompanies this agreement.

Additional Information for All Account Holders

Resolving client complaints

We're here to listen

At HSBC Investment Funds (Canada) Inc., we are working hard to provide a positive experience for our clients and welcome any feedback and suggestions regarding our service and products. If you have had a poor experience, we want to hear about it and will endeavour to provide a resolution as quickly as possible. Also, if you have general feedback or have had a positive experience, we would love to hear about that too.

How do I lodge a complaint?

As a member firm of the Mutual Fund Dealers Association of Canada (MFDA) we are required to ensure that client complaints are handled in an effective, fair and expeditious manner. We encourage you to first raise any complaint or comment you may have with your Relationship Manager or call Telephone Mutual Funds Services at 1-800-830-8888.

Alternatively, you can:

- Provide a written letter or other communication addressed to a Mutual Fund Advisor or Branch Manager at your branch. They will take personal responsibility for dealing with your concerns.
- Email HSBCInvestmentFundsComplaints@hsbc.ca

- Mail a letter to our head office at:
HSBC Investment Funds (Canada) Inc.
1900-1066 West Hastings Street
Vancouver, BC V6E 3X1
Attention: Complaints Management

It will be helpful if you provide us with as much detail as possible concerning your issue. If you require assistance to document your concern in writing we will, upon your request, endeavour to assist you.

Whichever avenue you choose, we will endeavour to acknowledge receipt of your complaint within 5 business days. The nature of your complaint will determine who will deal with the complaint. For example, the Compliance Department will handle any alleged misconduct and the appropriate Branch Manager will handle any customer service issues. The acknowledgement may include a request for the complainant to provide additional information reasonably required to further investigate the complaint. The letter will also include the contact information for the individual handling the complaint.

From here, you should expect this from us:

- 1) Review of account documentation (i.e., client application forms, account statements, correspondence) that may be relevant to the complaint.
- 2) Review of internal comments and supporting documents as provided by the applicable Mutual Fund Advisor(s) that relate to the concerns raised in the complaint.
- 3) Discussion with the Mutual Fund Advisor and other branch personnel regarding your concerns.
- 4) Objective and balanced assessment of your concerns vis-à-vis our records and supplementary internal information considered by the individual handling the complaint.
- 5) Within ninety (90) days of the receipt of the original complaint, you should receive a substantive response that outlines any proposed steps of remediation or escalation that will be taken. If this timeline cannot be met, a letter will be issued within the ninety (90) day timeframe that outlines the reason(s) for the delay and the new estimated time for completion of the firm's review.

Still not resolved?

If you feel that your complaint with HSBC has not been resolved satisfactorily through this procedure, you have the right to present your complaint to the Office of the Ombudsman within HSBC.

Office of the Ombudsman, HSBC
4th Floor, 885 W. Georgia St
Vancouver, BC V6C 3E9
Toll-Free : 1-800-343-1180
Fax: 604-647-2758

Alternatively, you may contact one of the external organizations listed below to assist in resolving your complaint.

Ombudsman for Banking Services and Investments: If your complaint has not been dealt with to your satisfaction, you can contact the Ombudsman for Banking Services and Investment (OBSI), an independent office responsible for assisting and resolving concerns by clients of the financial services industry.

Office of the Ombudsman
401 Bay Street, Suite 1505
P.O. Box 5
Toronto, ON M5H 2Y4
Toll-Free Phone: 1-888-451-4519
Toll-Free Fax: 1-888-422-2865
Website: www.obsi.ca
Email: ombudsman@obsi.ca

This step may be taken at the earlier of substantive responses from HSBC Investment Funds (Canada) Inc. and from the office of the HSBC Ombudsman or ninety (90) days from the date on which you filed the original complaint. The OBSI may liaise directly with those involved in the complaint resolution at HSBC. If you wish, the HSBC Ombudsman is available to assist you in forwarding concerns to the OBSI.

MFDA: As HSBC Investment Funds (Canada) Inc. is a member of the Mutual Fund Dealers Association of Canada (MFDA), you may also contact the MFDA. This can be done by phone: 416-361-6332 or 1-888-466-6332, email: complaints@mfdca.ca or visit www.mfda.ca.

The Autorité des marchés financiers: Residents of Quebec, if your complaint has not been resolved to your satisfaction, upon your request, we will send a copy of the file to the Autorité des marchés financiers which may assess the complaint and offer mediation services if appropriate. You may also raise concerns with this agency at Place de la Cité, tour Cominar, 2640, boulevard Laurier, bureau 400, Québec (Québec) G1V 5C1, by phone: 1-877-525-0337, by fax: 418 525-9512, email: information@lautorite.qc.ca or visit www.lautorite.qc.ca.

Mutual Fund Dealers Association Of Canada

Client Complaint Information Form

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take.

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with the legislation, rules and guidelines governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaints. It is helpful if your complaint is in writing.
- Contact the Mutual Fund Dealers Association of Canada (MFDA), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
 - By completing the on-line complaint form at www.mfda.ca
 - By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
 - By e-mail at complaints@mfda.ca¹
 - In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at (416) 361-9073

Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments (“OBSI”): After the dealer’s Compliance Department has responded to your complaint, you may contact OBSI. You may also contact OBSI if the dealer’s Compliance Department has not responded within 90 days of the date you complained. OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:
 - By telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
 - By e-mail at ombudsman@obsi.ca

¹You may wish to consider issues of internet security when sending sensitive information by standard e-mail.

- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
 - Manitoba: www.msc.gov.mb.ca
 - New Brunswick: www.nbsc-cvmnb.ca
 - Saskatchewan: www.sfsc.gov.sk.ca
- Québec: The Autorité des marchés financiers (“AMF”) pays indemnities to victims of fraud, fraudulent tactics or embezzlement where those responsible are individuals or firms authorized to practice under the legislation governing the provision of financial services in Quebec. It also rules on the eligibility of claims and sets the amount of the indemnities to be paid to victims. Consumers can thus be compensated to a maximum of \$200,000 per claim, through funds accumulated in a financial services compensation fund. For more information, please visit www.lautorite.qc.ca.

