

HSBC Bank Canada Retirement Income Fund Agreement

1. Definitions: The following terms mean:

We, us, our, the Bank	HSBC Bank Canada and its successors and assigns
I, you, your	the person (also called the Annuitant as defined in the Act) named in the Fund application
Agreement	the agreement between you and us that covers your Fund. It includes the HSBC Bank Canada Retirement Income Fund application and any addendum to the Fund
Applicable Laws	the Income Tax Act (Canada) (the Act) and relevant pension legislation and such other laws of Canada and of the provinces and territories of Canada that may apply to the Fund.
Expenses	all costs, charges, fees, commissions, legal expenses and out-of-pocket expenses (together with any goods and services tax or other Taxes applicable to such expenses) incurred from time to time in relation to the Fund
Fund Proceeds	any property held in your Fund, less any Expenses and Taxes
Property	any investments or cash in whatever currency held within the Fund from time to time, including any income generated by such property and the proceeds from disposing of such property.
Qualified Investment	any investment, which is a qualified investment for a registered retirement income fund according to the Applicable Laws.
Retirement Income	a retirement income as defined in the Applicable Laws.
Spouse	the person who is considered by the Applicable Laws to be the Annuitant's spouse or common-law partner
Taxes	all applicable taxes, assessments, interest and penalties

2. Establishment of Fund: The Bank agrees to make payments out of an HSBC Bank Canada Retirement Income Fund (Fund) to you in accordance with the terms and conditions of the Agreement.

3. Registration: The Bank will apply for registration of the Fund as a registered retirement income fund under the Applicable Laws.

4. Retirement Income: The Bank will hold Property on deposit and shall make payments to you and, if so designated, 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 in which this Agreement is entered into, the Bank shall make one or more payments the total of which shall not be less than the minimum amount set forth below and each of which shall not exceed the value of the Fund immediately before the payment;
- (b) we will withhold income tax and other amounts as required by law and the net amount we will pay you will be the Retirement Income.

The minimum amount for the year in which this Agreement is entered into shall be nil and for each subsequent year shall be determined according to the requirements of the Applicable Laws. No assignment in whole or in part shall be made of the Retirement Income payable to you or, if applicable, to your spouse.

- 5. Property:** No Property shall be accepted by the Bank as consideration for the payment of a Retirement Income other than property transferred under the Applicable Laws.
- 6. Your Account:** The Bank will maintain an account in your name (Account) and will record all Property contributed to the Fund, the interest earned on the Property and all payments of Retirement Income from the Fund.
- The Bank will send you annual or more frequent statements setting forth the particulars of each transaction since the last statement.
- The Bank shall have no right of offset as regards the property held in the Fund in connection with any obligation or debt you may owe to the Bank. The Fund shall not be pledged, assigned or in any way alienated as security for a loan or for any purpose other than that of paying to you a Retirement Income.
- 7. No Advantages:** No advantage (as defined in section 207.01 of the Act) in relation to the Fund may be extended to, or be received or receivable by you, the Fund or any person with whom you do not deal at arm's length.
- 8. Investments:** The Bank makes available deposit options which qualify as investments for retirement income fund purposes. If you would like information about these deposit options please ask your relationship manager or visit any of our branches in Canada. The Bank invests a part or all of the Fund in one or more of the deposit options once the Bank receives your instructions.

9. Payment on Death: In the event of your death the Bank will, upon receipt of satisfactory evidence of your death and all other documents that the Bank may require, do one of the following:

- (a) if your spouse has been designated as the successor annuitant in accordance with this Agreement 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 4; or
- (b) if your spouse has not been designated as the successor annuitant and if there is no designation of beneficiary in accordance with the terms of

this Agreement 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 4; 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 Fund and distribute in a lump sum the value of the Fund, after deduction of all proper charges, including any applicable income tax, to the beneficiary designated by you in accordance with this Agreement, or, if a provincial law does not allow a designation under this Agreement, 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 Agreement, or if all the beneficiaries so designated have predeceased you, or the value of the Fund cannot be distributed to your designated beneficiary because it is not permitted by applicable law, redeem the investments held in your Fund and distribute in a lump sum the value of the Fund, after deduction of all proper charges, including any applicable income tax, to the personal representative of your estate.

10. Beneficiary Designation: You can designate someone to receive the Fund proceeds in the event of your death. This person is called the beneficiary. A beneficiary designation can only be made, changed or revoked by written instrument which must include all of these requirements (Instrument):

- in a format acceptable to the Bank
- adequately identifies the Fund
- signed by you
- received by the Bank

If you die, the Bank will pay the Fund proceeds to your beneficiary as long as all of these conditions apply:

- it is permitted by any Applicable Laws
- the Bank has the Instrument or evidence of it acceptable to the Bank

If the Bank receives more than one Instrument or evidence of it, the Bank will make payment in accordance with the Instrument with the most recent execution date.

The Bank will be fully discharged from any further obligations and liability in connection with the Fund once the Fund Proceeds are paid to the beneficiary.

- 11. Fees:** The Bank is entitled to receive and may charge you Account fees the Bank tells you in writing when you open the Fund. The Bank may change the fees or add new fees as long as we tell you in writing at least 30 days beforehand.
- 12. Certification:** By putting your date of birth and, if applicable, the date of birth of your spouse in your application, you are certifying that it is the correct date and that the Bank may rely on it.
- 13. Amendments:** The Bank may change the terms that apply to the Fund from time to time as long as the Bank tells you in writing 30 days in advance. However, no change may be retroactive or result in the Fund not being acceptable as a registered retirement income fund under the Applicable Laws.

14. Transfer From Fund: You may transfer some or all of the Property in the Fund to another registered retirement fund or registered pension plan provided this is allowed under the Applicable Laws. Once you tell the Bank in writing, in a form satisfactory to the Bank, the Bank will transfer the Property in the form and manner required by the Applicable Laws less any fees and penalty interest rate the Bank is entitled to charge you.

15. Notices:

- (a) Notices you send to the Bank:** You can send the Bank notices and other documents relating to this Agreement by mail or by dropping them off in person at any of our branches. Such notice will be deemed to have been given on the date that that whatever you send us is actually received by the Bank. The Bank may accept and rely on any notice, instruction or other communication by phone, fax, computer or electronic communications that you or your agent gives the Bank, or that the Bank reasonably believes you or your agent gave the Bank about your Fund.
- (b) Notices we send you:** We can send you notices and other documents relating to this Agreement by mail. If you agree, we can also send them by fax or email. We will send documents to the most recent mailing address, fax number or email address we have in our records.

We may consider you to have received whatever we send to you in these time frames:

Regular mail	5 business days after mailing
Fax	On the day our fax machine says it was sent
Email	On the day our server says it was sent

You must tell us if your mailing address, fax number, or email address changes.

- 16. Indemnity:** You, any beneficiary receiving proceeds payable under paragraph 9, and your heirs, executors and administrators indemnify the Bank, its subsidiaries, and affiliates and each of their respective officers, directors, employees and agents from any taxes, assessments, expenses, claims, or any other charges in respect of the Fund.
- 17. Binding Agreement:** This Agreement shall be binding upon your heirs, executors and administrators and upon the successors and assigns of the Bank.
- 18. Governing Laws:** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the applicable laws of Canada.
- 19. Québec Only:** You have requested that this Agreement and all related documents be in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*
- 20. Life Income Fund (LIF) or Locked-in Retirement Income Fund (LRIF):** If an addendum concerning a LIF or LRIF 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 will 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 LIF or LRIF continues to comply with all legislation including without limitation applicable pension benefits legislation, governing locked-in funds.

21. Resignation: We may resign as holder of Property in the Fund at any time by delivering sixty (60) calendar days' notice of our resignation to you, whereupon we will be discharged from any further duties and/or liabilities under this Agreement. In the event of our resignation, we may, at

our sole discretion, designate a successor holder (including a person, trust or trustee, depository, agent and/or corporation) having full powers to accept the Agreement and qualified to administer the Fund pursuant to the provisions of the Income Tax Act. If such a successor is designated, we shall be discharged of any duties and liabilities and will transfer the Fund in such form and manner as may be prescribed by the Applicable Laws together with such information as is necessary to continue the administration thereof to the successor within ninety (90) days after the latter of giving notice in writing to you of such resignation and the appointment of the successor.