

HSBC TAX-FREE SAVINGS ACCOUNT AGREEMENT

1. Definitions: The following terms mean:

We, us, our, the Bank	HSBC Bank Canada and its successors and assigns
I, you, your, holder	The holder, as defined in the Act, named in the application until his or her death and after that, any validly named successor holder of the Account, if any (as described in Paragraph 13)
Account	HSBC Bank Canada tax-free savings account established for the holder
Agreement	The agreement between you and us that covers your Account. It includes the HSBC Tax-Free Savings Account application
Applicable Laws	The Income Tax Act (Canada) (Act) and, if applicable, any similar legislation of the province where you live
Contributions	Any deposits made to the Account
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 Account
Property	Any property, including the income on it, the proceeds from it and any cash held in the Account from time to time
Taxes	All applicable taxes, assessments, interest and penalties
TFSA	Tax-free savings account, which is a “qualifying arrangement” (as that term is defined in the Act) the issuer of which has elected, in the form and manner prescribed by the Act, to register as a TFSA

2. Establishment of Account: The Bank agrees with the holder to establish an Account to receive Contributions from the holder, and to administer the Property in accordance with the terms and conditions of the Agreement and the Applicable Laws.

3. Account Opening and Registration: If the holder has attained the minimum age specified in the Act for opening a TFSA, the Bank will file an election to register the qualifying arrangement as a TFSA in accordance with the Act under the social insurance number and using the name and date of birth, provided by the holder for this purpose. Prior to opening or registration of the Account, and subsequently if requested by the Bank, the holder agrees to

- (a) attend at a branch of the Bank, or before the Bank’s designated agent, to present original documentation acceptable to the Bank to verify the holder’s identity;
- (b) disclose to the satisfaction of the Bank, particulars of the intended use of the Account and business relationship with the Bank; and
- (c) provide such further documents or take such further actions as may be required by the Bank to verify the identity of the holder, or otherwise comply with the Bank’s legal obligations and risk management policies and practices.

If the holder refuses to comply with these obligations the Bank may refuse to open, register, or accept further Contributions into the Account, or exercise its rights to close the Account as contemplated in this Agreement.

If the Account is not registered as a TFSA, then any Contributions in the Account will be deemed and treated at all times as an unregistered deposit with the Bank and the Bank may refuse to accept further Contributions into the Account and/or exercise its rights to close the Account without prior notice to the holder.

4. Proof of Age and Social Insurance Number: The holder’s statement of his or her name, date of birth and social insurance number in the application shall be deemed to be a certification as to the holder’s name, age and social insurance number and the holder undertakes to provide any further evidence of same that is satisfactory to and as may be required by the Bank. The Bank may rely upon the holder’s statement of his or her name, date of birth and social insurance number in the application in registering the Account, and the holder confirms that such information accords to that provided by the holder to the Canada Revenue Agency (CRA) and held on file with the CRA. Failure to provide the Bank with accurate disclosure of the holder’s name, date of birth, and social insurance number and that accords to that information as held on file with the CRA, may result in rejection of the application to register the Account at sole loss, cost, risk and expense of the holder, who shall have no right of recourse against the Bank.

5. Your Account: The Bank will maintain the Account in your name which will record the deposit options you have chosen, as well as Contributions made to the Account, interest credited to the Account and withdrawals from the Account.

6. Use of Account: The Account will be maintained for the sole benefit of the holder, 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 Bank have any rights under the Account relating to the amount and timing of withdrawals and the investing of funds.

7. Contributions: No person other than the holder may make Contributions to the Account. Contributions received from the holder and all interest will be held by the Bank on deposit in accordance with the provisions of this Agreement and all

Applicable Laws. Contributions will be invested, used and applied by the Bank for the purpose of making distributions under the Account to the holder in accordance with the Act. It is the holder's sole responsibility to ensure that Contributions made to the Account do not exceed the maximum contribution limits permitted for a tax-free savings account by the Act and that the holder does not make Contributions to the Account while the holder is a non-resident of Canada for purposes of the Act. Any Taxes levied under the Applicable Laws on excess Contributions and Contributions made while the holder is a non-resident will be the holder's responsibility. The Bank will not be liable for or in respect of any Taxes which may be imposed under the Applicable Laws, if such Contributions are made.

8. Refund of Certain Contributions: The Bank will, upon written application by you, in a form satisfactory to the Bank, 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 maximum contribution limits permitted by the Act. The Bank will not have any responsibility for determining the amount of such distribution.

9. Distributions: You may, in the form required by the Bank, at any time, request that the Bank pay you distributions of all or part of the Property held under the Account that are not bound by a contractual agreement. The Bank may redeem any deposits held under the Account as deemed necessary. Such payment will be made by the Bank subject to the deduction of all proper charges, if any.

10. Deposit Options: The Bank will make deposit options available which qualify as investments for the Account under the Applicable Laws. Details of these options may be obtained from the Bank at any of its branches in Canada, or as otherwise advised by your representative. The Bank will invest a portion or all of the Account in one or more of the deposit options upon receiving your Instructions.

11. Instructions: In this Agreement, "Instructions" means any instruction that is or reasonably appears to be given by you or your agent to the Bank with respect to your Account or your Contributions. The Bank will be able, but will not be obliged, to accept and rely upon any Instructions that appear to be given by you or your agent by telephone (by speaking or pressing the number pads), fax, computer or electronic means, if the Bank reasonably believes that the Instructions have come from you or your agent. You authorize the Bank to accept such instructions, as if you had given signed written Instructions.

12. Fees: The Bank will be entitled to receive fees for transactions made by you in the Account and a fee upon transfer of Account funds to another financial institution. Fees in effect at the time the Account is opened will be disclosed to you in writing at that time. The Bank reserves the right to amend these fees from time to time subject to minimum 30 days' notice to you.

13. Designation of Successor Holder and/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 and/or beneficiary other than by a will, you may by instrument in writing in the form prescribed by the Bank

and delivered in accordance with the terms of this Account to the Bank 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 Applicable Laws, such person will be deemed to be your successor holder or designated beneficiary, as the case may be, unless such person predeceases you or unless you by instrument in writing, in the form provided by the Bank for such purpose and delivered to the Bank prior to your death or by your will, revoke such designation.

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

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

14. Payment on Death: In the event of your death and upon receipt of satisfactory evidence of your death and all other documents the Bank may reasonably request, the following will apply:

(a) if a designation has been validly made in accordance with Paragraph 13, 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 Agreement 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). Notwithstanding the foregoing, a successor holder may not designate a subsequent spouse as holder of the Account after his or her death under Paragraph 13; 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 13 who is alive at the time of your death, and if permitted by Applicable Law, the Bank will redeem the deposits 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 Agreement; and

(b) in any other case:

- (i) if your spouse has been designated as the successor holder by you by way of a 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 14 as if your spouse had been designated as the successor holder in accordance with this Agreement 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 a validly executed will who is alive at the time of your death, the Bank will redeem the deposits 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 Bank will redeem the deposits 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.

15. No Advantage: 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.

16. Minimum Value of Account: If the total value of the Contributions at any time is less than \$500, the Bank may, in its sole discretion close the Account and pay the Account proceeds to the holder.

17. Expenses and Taxes: The holder shall indemnify and pay to the Bank all Expenses and Taxes as and when such amounts come due. The Bank is permitted to set off Expenses and Taxes against, and to withhold and remit Taxes or other amounts required under Applicable Laws from, any payment or transfer from the Account. The Bank may, in the Bank's sole discretion, without further instructions from the holder, apply any Contributions held in the Account, or deposits held in any other account with the Bank that is in the name of the holder, for the payment of Expenses or Taxes other than those Taxes for which the Bank is liable in accordance with the Act and that cannot be charged against or deducted from the Property in accordance with the Act.

18. Third Party Orders and Demands: The Bank may permit any duly authorized third party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Account or related to the Account as required and in compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Bank a duty to take or refrain from taking any action concerning the Account or part or all of the Contributions, or to issue

payment from the Account, with or without instructions from the holder or in contradiction of instructions of the holder.

19. Termination: The Bank may, in its sole discretion, terminate its relationship with the holder by delivering a demand, in writing, that by no less than 60 days' after the date of the demand, or such shorter period as the holder shall accept as sufficient, the holder must:

(a) provide a written instruction to the Bank, in accordance with Paragraph 11, to transfer the Contributions to a TFSA held by a third party trustee or holder of registered deposits; and

(b) pay all Expenses and Taxes.

If the holder fails or refuses to deliver the instruction, as demanded, the holder's failure to do so shall be deemed to be an instruction to the Bank to liquidate the Contributions and pay the Account Proceeds to the holder. In such case, payment to the holder may be effected by the Bank by sending a cheque or draft payable to the holder's address and after sending such payment the Bank shall be discharged of any further duties and any resulting loss, Expenses, or Taxes, even if arising solely as a result of the Bank exercising its rights pursuant to this section, shall be the sole responsibility of the holder without any right of recourse against the Bank.

20. Bank Responsibilities and Limitations of Liability: The Bank shall not be responsible for any loss or damage suffered or incurred by the Account, the holder or by any successor holder or beneficiary, except due to the Bank's gross negligence, dishonesty, or willful misconduct. Although the Bank is liable for direct losses or damages caused by its gross negligence, dishonesty, or willful misconduct, the Bank will not be liable for any loss of opportunity or other economic loss, special, indirect or consequential loss or damage, or punitive damages, whether in contract, tort or under any other theory of law or equity, regardless of the cause of action, except to the extent that the Applicable Laws expressly prohibits the Bank from excluding the liability. In no event will the Bank be liable for any loss or damage of any kind resulting from

(a) the actions or any failure to act, of any other person;

(b) the Bank's failure to perform or fulfill any obligation due to any cause beyond the Bank's control;

(c) incomplete or incorrect information or instructions supplied to the Bank by the holder, including instructions for Contributions to the TFSA that causes a loss or gives rise to a tax or penalty;

(d) any loss or harm for acting in reliance upon any designation, or revocation of designation, of a successor holder or beneficiary in an instrument provided by the holder to the Bank;

(e) dealing with the Contributions in accordance with the instructions of the holder; or

(f) any liquidation of the Contributions implemented in accordance with this Agreement or instructions of the holder.

21. Duty to Cooperate: The holder acknowledges and agrees to co-operate and continue to co-operate with the Bank to ensure that the full terms of this Agreement are implemented and adhered to and, in that regard, the holder agrees to sign such documents and perform such ancillary and necessary tasks to ensure that Bank is able to fully and adequately perform its obligations under this Agreement, including but not limited to providing any information or signing any documents that may need to be signed and filed with the CRA in order to register the Account.

22. Amendments to Account: The Bank may from time to time at its discretion amend this Agreement with the concurrence of CRA if required and, if applicable, the concurrence of provincial tax authorities,

(a) without notice to you, provided the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Laws; and

(b) in all other cases, by giving 30 days' notice in writing to you; provided, however,

that any such amendments will not have the effect of disqualifying the Account as a tax-free savings account within the meaning of the Act.

23. Notices: Any notice given to the Bank will be sufficiently given if delivered to the Bank or mailed, postage prepaid, to the branch in Canada at which the Account is held and will be considered to have been given on the day that it is actually delivered or received by the Bank. Any notice, statement or receipt given by the Bank to you will be sufficiently given if mailed, postage prepaid, addressed to you at your last address known to the Bank in connection with this Account.

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 records it was sent

Email On the day our server records it was sent

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

24. Indemnity: You, any beneficiary receiving proceeds payable under Paragraph 14 and your successors, executors, and administrators will at all times indemnify the Bank, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents in respect of any taxes, interest, penalties, assessments, expense, loss, liability, claims and demands whatsoever arising out of the holding and administration of the Account or anything done hereunder.

25. Governing Law: This Agreement will be governed by and construed in accordance with the laws of Canada except that the term "spouse" will include a "common-law partner," and both those terms will be interpreted as they are interpreted for purposes of the Act.

26. Binding Agreement: This Agreement will be binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Bank. This Agreement will be in addition to any other agreements you have with the Bank (now or in the future) concerning your accounts. If there is a conflict between this Agreement and any of your other agreements with the Bank, this Agreement will prevail.

27. Transfers: Subject to any penalty interest rate which may be applied to Account funds transferred, the Bank will, upon receipt of written direction from you, transfer as directed pursuant to the provisions of Applicable Laws and any other applicable legislation all or part of the property of the Account less any fee the Bank is entitled to receive for the transfer of Account funds to another financial institution. The property of the Account may be transferred to (a) another tax-free savings account held by you, or (b) a tax-free savings account held by your spouse or former spouse where the transfer relates to a division of property arising on the breakdown of your marriage or common-law partnership, in accordance with the Act and this Paragraph.

28. 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 6 and Paragraph 27 are inconsistent with using an interest or right in the Account as security for a loan or other indebtedness, Paragraph 6 and Paragraph 27 will not apply.

29. 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.

30. Quebec Only: It is the express wish that this Agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la presente convention et tous les documents s'y rattachant soient rediges et signer en anglais.*