

# HSBC RETIREMENT SAVINGS PLAN APPLICATION

**1. Definitions:** The following terms mean:

<b>We, us, our, the Bank</b>	HSBC Bank Canada and its successors and assigns
<b>I, you, your</b>	The person (also called the Annuitant as defined in the Act) named in the Plan application
<b>Agreement</b>	The agreement between you and us that covers your Plan. It includes the HSBC Retirement Savings Plan application and any addendum to the Plan
<b>Applicable Laws</b>	The Income Tax Act (Canada) (Act) and, if applicable, any similar legislation of the province where you live
<b>Contribution</b>	A contribution of cash, in whatever currency held within the Plan or any Qualified Investment under the Plan
<b>Expenses</b>	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 Plan
<b>Qualified Investment</b>	Any investment, which is a qualified investment for a registered retirement savings plan according to the Applicable Laws
<b>Plan Proceeds</b>	Any property held in your Plan, less any Expenses and Taxes
<b>Retirement Income</b>	A retirement income as defined in the Applicable Laws
<b>Spouse</b>	The person who is considered by the Applicable Laws to be the Annuitant's spouse or common-law partner
<b>Taxes</b>	All applicable taxes, assessments, interest and penalties

- 2. Establishment of Plan:** The **Bank** agrees to hold on deposit in an **HSBC Bank Canada Retirement Savings Plan** (Plan), Contributions from you or your Spouse for the purpose of providing you with a Retirement Income.
- 3. Registration and Compliance:** The Bank will apply for registration of the Plan as a registered retirement savings plan under the Applicable Laws.
- 4. Your Account:** The Bank will maintain an account in your name (Account) where we record Contributions made by either you only or your Spouse only. We also record the deposit options and interest credited to your Account. If you and your Spouse both want to make Contributions in your name, then each of you must open separate Plans with the Bank.
- 5. Contributions:** You or your Spouse may make Contributions to the Plan in such amounts as are permitted under the Applicable Laws. The Bank will hold the Contributions on deposit for your Retirement Income as described in Section 12. Retirement income may not be assigned in whole or in part. It is your sole responsibility to ensure that Contributions to the Plan do not exceed the contribution limits permitted under the Applicable Laws.
- 6. Withdrawals:** Upon receipt of written request and authorization satisfactory to the Bank, the Bank will make payments from the Plan as a refund to you or your Spouse (if applicable) in an amount contemplated by paragraph 146 (2)(c.1) of the Act. If the value of the Plan is less than \$500, the Bank may make payment to you from the Plan equal to the value of the Plan. The Bank will withhold taxes from payments from the Plan if the Applicable Laws require it.

- 7. Deposit options:** The Plan will consist of deposit options that the Bank may make available from time to time, and which qualify as investments for retirement savings plan 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 Plan in one or more of the deposit options once the Bank receives your instructions.
- 8. No Right of Offset:** The Bank has no right of offset against any property held in my Plan with any obligation or debt I owe the Bank, other than the Expenses payable under the Plan.
- 9. Income Tax Receipts:** The Bank will send you or your Spouse (depending on who makes the Contributions) 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 Laws.
- 10. Fees:** The Bank is entitled to receive and may charge your Account fees the Bank tells you in writing when you open the Plan. The Bank may change the fees or add new fees as long as we tell you in writing at least 30 days beforehand.
- 11. Date of Birth:** By putting your date of birth in your application, you are certifying that it is the correct date and that the Bank can rely on it. You agree to give the Bank any proof of age that it needs when paying your Retirement Income.
- 12. Retirement Income:**
- a) Selection of Maturity Date:** Your Plan will mature on the “Maturity Date” chosen by you, which must not be later than December 31 of the year in which you reach the maximum age for maturity permitted by Applicable Laws. On the Maturity Date for your Plan, the Bank will terminate the deposits in your Account and transfer the proceeds to a registered retirement income fund (RRIF) or use the proceeds to purchase an annuity permitted by the Applicable Laws. It will be your sole responsibility to notify the Bank by at least 90 days’ notice in writing of the Maturity Date chosen for your Plan, the RRIF or life annuity selected by you and the name and address of the company that will be the issuer of the RRIF or annuity.
  - b) Failure to choose a Maturity Date:** In the event that you do not provide the necessary instructions to the Bank at least 90 days before the last possible Maturity Date for your Plan, the Bank will transfer the funds held in your Plan to a RRIF selected by it in its sole discretion unless those funds are not sufficient to produce a retirement income of greater than \$50 per month in which case the proceeds of your Plan will be paid to you in a single payment. The Bank will act as your attorney to execute documents and make elections necessary to establish the RRIF for you, but only you can designate a beneficiary under the RRIF. However, if the carrier of the RRIF selected by the Bank does not accept the transfer, the proceeds of your Plan will be paid to you in a single payment. Taxes will be withheld from any payment from the Plan as required by the Applicable Laws.
- 13. Annuity:** An annuity purchased with the proceeds of your Plan must be permitted by the Applicable Laws, which requirements include:
- a) payment of a retirement income in annual or more frequent periodic payments to you, or to you until your death and then to your Spouse, until there is a payment in full or partial commutation of the retirement income and where commutation is partial, equal annual or more frequent periodic payments thereafter, except for the adjustments permitted by the Applicable Laws;
  - b) payments may not exceed a term of years equal to 90 minus either your age (in whole years) or, if your Spouse is younger than you, your Spouse’s age (in whole years) at the time the annuity is purchased;

- c) payments to your Spouse in any year after your death may not exceed payments made in a year before your death; and
- d) on your death if the annuity becomes payable to a person other than your Spouse it must be commuted and paid in one single payment.

**14. What happens if you die before the Maturity Date:** If you die before the Maturity Date, the Bank must receive evidence of your death and other documents that satisfy the Bank. Then the Bank will pay the Plan Proceeds to either:

- a) your beneficiary directly, or for the benefit of your beneficiary
- b) your estate

We only pay your estate if:

- you did not designate anyone as your beneficiary
- your beneficiary dies before you
- Applicable Laws do not let us pay your beneficiary

**15. Beneficiary Designation:** You can designate someone to receive the Plan Proceeds if you die prior to the Maturity Date. This person(s) 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 Plan
- signed by you
- received by the Bank

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

- it is permitted by 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 Plan once the Plan Proceeds are paid to the beneficiary.

**16. Amending the Plan:** The Bank may change the Plan 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 Plan not being acceptable as a registered retirement savings plan under the Applicable Laws.

**17. 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 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 Plan.
- 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 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 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.

**18. Indemnity:** You, any beneficiary receiving proceeds payable under paragraph 14, and your heirs, executors, and administrators indemnify the Bank, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents from Taxes, Expenses, claims, or any other charges in respect of the Plan.

**19. Governing Law:** The laws of Canada are the laws that apply to this Agreement.

**20. Binding Agreement:** This Agreement is binding upon your heirs, executors and administrators and on the successors and assigns of the Bank. This Agreement is in addition to other account agreements you have with the Bank. If there is a conflict between this Agreement and your other agreements with the Bank, this Agreement governs the part that is inconsistent.

**21. Locked-In Retirement Account (LIRA):** If terms and conditions for a LIRA is attached to this Agreement (Addendum):

- a) the Addendum governs any conflict between this Agreement and the Addendum
- b) the Bank will keep records for locked-in funds separate from non locked-in funds
- c) the Bank can change the Addendum from time to time without telling you first. The Bank does this to make sure that the LIRA always complies with legislation that governs locked-in funds, including applicable pension legislation

**22. Transfers out of the Plan:** You may transfer some or all of the property in your Plan to another registered retirement fund, registered retirement savings plan or registered pension plan of yours before or on the Maturity Date 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 to charge you.

**23. Quebec Only:** You have requested this Agreement and all related documents be in English. *Toutes les parties conviennent que la presente convention et tous les documents s'y rattachant soient rediges en anglais.*

**24. Resignation:** We may resign as the issuer and depository of the Plan 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 issuer (including a person, trust or trustee, depository, agent and/or corporation) having full powers to accept the Agreement and qualified to administer the Plan Proceeds 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 deliver to the successor relevant information as required by Applicable Laws together with all Plan Proceeds held according to this Agreement to allow for the continued and uninterrupted operation of the Plan.