

# Private Investment Management

## **Investment Management Agreement Terms and Conditions**

**HSBC Private Wealth Services (Canada) Inc.**



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# HSBC Private Wealth Services (Canada) Inc.

## Private Investment Management Agreement - Terms and Conditions

The following terms and conditions (these “**Terms and Conditions**”) form part of the Investment Management Agreement that governs the account (the “**Account**”) that you have applied to open with HSBC Private Wealth Services (Canada) Inc. and the portfolio management services that we will provide you in relation to the Account (the “**Private Investment Management service**”). These Terms and Conditions and all Schedules attached, the terms and conditions contained in the Private Investment Management Account Application form applicable to the Account (the “**Application**”), your most recently approved Investment Policy Statement (the “**IPS**”) and the Fee Schedule referred to in Section 8 below, are collectively referred to as the “**Investment Management Agreement**”.

Many words in the Investment Management Agreement are capitalized and defined. Any capitalized words not defined in these Terms and Conditions will have the meaning used in the Application. When the Investment Management Agreement refers to you or your, it means the Applicant(s) and in the case of a non-personal applicant, includes the Authorized Individual(s) referred to in the Application.

Words in this Investment Management Agreement that are singular include the plural and vice versa.

### 1. Assets Under Management

On the day your Application is approved by us (the “**Effective Date**”), you will give us cash or securities to be managed in the Account on a discretionary basis according to the terms in the Investment Management Agreement. After the Effective Date, you may give us additional cash or securities to manage in the Account on a discretionary basis. All of the assets that we manage for you under the Investment Management Agreement are referred to as your “**Assets Under Management**”.

You understand and agree that the minimum total value of your Assets Under Management is CDN\$1,000,000 for the Private Investment Management service, or any other amount that you and we agree to in writing from time to time. You also understand and agree that we may increase the minimum at any time by providing you with notice of that increase at least 60 days before the increase becomes effective. If your Assets Under Management fall below the specified minimum amount as a result of a withdrawal of assets by you, we may, in our sole discretion and notwithstanding any other provision in this Agreement, sell, redeem, or transfer the securities held in the Account and terminate the Investment Management Agreement.

### 2. Services Provided

We will manage your Assets Under Management by buying, selling or redeeming securities (described below) in accordance with the Investment Management Agreement, other relevant documentation provided by you and accepted by us in writing from time to time, and applicable securities and other laws.

You agree to notify us immediately in writing of any changes to any information contained in any document you provide to us from time to time.

### 3. Discretionary Authority

You give us full power and authority to manage the Assets Under Management in accordance with the Investment Management Agreement by buying, selling, or redeeming securities for your Account without any further action required by us to notify you to obtain your consent with respect to any particular transaction. The securities may include, but are not limited to stocks, bonds, pooled funds, money market instruments, mutual funds, exchange-traded funds and derivatives from investment markets throughout the world. You also give us full power and authority to execute all documents, provide all instructions and take all other steps that we determine necessary or advisable to facilitate delivery and settlement of portfolio transactions and corporate changes and transactions in relation to securities held in your Account.

#### 4. Investment Policy Statement

You confirm that the information provided in your IPS (as amended from time to time) is accurate and complete. You acknowledge and agree that we will rely on the information in your IPS (as amended from time to time) in providing our services to you under the Investment Management Agreement.

You must immediately give us written notice (the "**Amendment Notice**") if there are any changes in your circumstances, any restrictions regarding trading in securities for you, or any other matter that would affect our management of your Assets Under Management. When we receive your Amendment Notice, we will review it and decide whether we wish to continue managing your Assets Under Management. We will also decide whether we need additional written instructions or information from you before we continue to manage your Assets Under Management according to your Amendment Notice. At our discretion, we may ask you to complete, sign and deliver a new IPS. You will need to do this whether or not you provide us with an Amendment Notice. If you do not complete a new IPS when requested by us, we may, in our sole discretion and notwithstanding any other provision in this Investment Management Agreement, terminate the Investment Management Agreement immediately.

#### 5. Proper Use

If you use your Account for an illegal or improper purpose, we may close your Account without telling you first. We may also place a hold on Accounts while we investigate. We may refuse to let you open or use a new Account or continue to use an existing Account. You agree to indemnify, or reimburse, us for any Losses we may suffer if your use of your Account is illegal or improper. You must take all reasonable precautions to protect your Account from fraud or unauthorized use.

We take measures to protect our customers, ourselves and the financial system from financial crimes such as money laundering, terrorist financing, bribery, corruption, tax evasion and evasion of economic and trade sanctions. As part of a global organization, we are committed to abiding by financial crime laws, regulations and requirements. We expect you will also abide by financial crime laws and use your Account appropriately.

#### 6. Standard of Care

In the course of managing your Assets Under Management, we will apply the care, diligence and skill of a reasonably prudent person under similar circumstances and in similar market conditions and will at all times act reasonably and in good faith. In addition, we will follow the policies in the attached Schedule "A" regarding fair allocation of investment opportunities among accounts managed by us. You acknowledge receipt of the policies in Schedule "A" and understand and agree that these policies may change. You understand, acknowledge and agree that, we, or any subsidiary or affiliate of HSBC Holdings plc ("**Subsidiaries or Affiliates**") and each of their respective officers, directors, employees, agents, successors and assigns will not be liable for any judgment errors or for any claims, demands, suits, complaints, costs (including legal or other professional costs), fees, damages, expenses, liabilities, taxes or losses of any kind ("**Losses**") you may suffer as a result of our actions or lack of action, unless the Losses result solely from our gross negligence or intentional misconduct. Without limiting the generality of the foregoing, you also understand, acknowledge and agree that neither us nor any Subsidiary or Affiliate guarantees investment results or assumes liability for any Loss resulting from any investment decision or for not acting on specific investment opportunities on your behalf.

In this Investment Management Agreement, Losses means claims, charges, costs (including legal and other professional costs), damages, debts, expenses, taxes, liabilities and other payments or losses of any kind, obligations, allegations, suits, actions, demands, causes of action, proceeding or judgements of any kind however calculated or caused. These Losses can also be direct or indirect, consequential, incidental or economic.

We will not, under any circumstances (even if we are negligent), be responsible or liable for Losses that are indirect, consequential, special, aggravated, punitive, or exemplary, regardless of the basis for the claim.

We are not responsible or liable for delays or failures to meet our obligations under this Investment Management Agreement if the delay or failure results from an act of God, strike, lockout or labour disruption, war, riot, civil commotion, fire, flood, loss of power, computer hardware or software malfunction, or any other event beyond our reasonable control.

## 7. Class Actions and Other Litigation

You acknowledge and agree that our services do not include notice, support services or legal or other advice with respect to legal claims, including actions and class actions, related to your Account or any securities held in or traded through your Account (collectively, "**Legal Action**"). You also agree that we have no obligation to inform you of any Legal Action even if we obtain actual knowledge about a Legal Action.

You agree that even if we provide notice of any Legal Action to you, we are under no obligation to do anything related to that Legal Action, including but not limited to:

- a) investigate the circumstances of the Legal Action or the correctness of third party information about any Legal Action;
- b) ensure that full, accurate or complete information about the Legal Action is contained in any notice, or;
- c) provide any further information or notices about that Legal Action.

You agree that any notice we provide is solely as a courtesy to you on a without liability basis, and that it is your obligation and not ours to take any steps you deem necessary to:

- i. understand, protect or advance your interests in any Legal Action, including taking actions related to opting-in to participate in, or opt-out of, any Legal Action, or;
- ii. make claims to any amounts you may be entitled to receive as a result of any Legal Action.

We provide information about securities held in or traded through your Account in the Account Statements provided or made available to you. You agree that it is your responsibility to retain copies of those statements for use in any Legal Action in which you wish to participate.

## 8. Fees

You agree to pay us fees, expenses and charges (the "**Fees**") for the Private Investment Management service and the Custodial Services (defined below) in accordance with the amounts and the terms and conditions set out in the Private Investment Management – Fee Schedule (the "**Fee Schedule**"), including any changes to the Fee Schedule we may make from time to time. Fees are based on your investment mandate which we recommend on the basis of your IPS. If your investment mandate changes, we may change your Fees and provide them to you in a new Fee Schedule.

In addition to the Fees, you must pay all applicable taxes and fees charged or imposed by any government, regulatory authority or agency (including GST and any other applicable sales or value added tax) and all brokerage commissions, fees or charges, legal and other expenses incurred in connection with your Account.

Fees apply only to the operation of your Account and do not include any other fees you may need to pay to us or any of our Subsidiaries or Affiliates relating to other accounts, agreements, transactions, etc.

We may change the Fees at any time provided we give you advance notice as set out in the Fee Schedule.

If you owe us any outstanding Fees for the services we provide you under this Investment Management Agreement, you authorize us, in our absolute discretion, to sell, redeem, or otherwise dispose of securities in your Account to pay these Fees. You also authorize us to deduct any Fees when due from the Account.

## 9. Custodian

HPWS, and any firm it delegates to perform portfolio management duties on its behalf, is required to keep all client assets with an independent custodian, and separate and apart from its own assets. For details about your custodian and the custody services it provides, see the attached Schedule "F".

## 10. Account Statements and Other Records

**Delivery of Records:** We will send you statements of your Account ("**Account Reports**") on a calendar quarterly basis, investment performance reports and charges and other compensation reports on an annual basis, and

other documents relating to your Account, including any documents that we are required to provide to you under applicable laws or regulations (together with the Account Reports (together, the “**Records**”) in accordance with applicable legislation, except we will send you your Account Reports on a monthly basis if you request it. We will send you the Records by ordinary mail to your most recent contact information on our records, unless you have authorized us, or any party on our behalf, to deliver the Records to you electronically by providing your Consent to Electronic Delivery of Documents (“**E-Delivery Consent**”). If you provide us with an E-Delivery Consent, we will deliver the Records to the electronic address or location that you agreed to under such consent.

**Receipt and Review of Records:** You agree to examine every Record as soon as you receive it or are deemed to have received it. The content of every Record, whether you actually reviewed it or not, will be deemed to have been reviewed and acknowledged as correct, approved and consented to by you, unless you provide us with written notice to the contrary within 30 days after the date on which the Record was sent to you. For each Record for which you do not provide us with such written notice, you agree we are released from all responsibility for Account activity included in or preceding such Record pertaining to any errors, omissions, irregularities, fraud or unauthorized activity, including our negligence (but excluding such due to our gross negligence or intentional 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 inform us directly so as to prevent any ongoing fraud or unauthorized activity. If you fail to do so, any preventable subsequent Loss shall not be the responsibility of us or any Subsidiary or Affiliate.

**Consequence of Breach:** If you fail to abide by your obligations under this section “Statements of Accounts and Other Records”, and if your conduct or omission causes or contributes to a Loss, then you agree that neither we nor any Subsidiary or Affiliate shall have any responsibility to you with respect to such Loss.

**Admissibility of Records:** You will not object to the use of our 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. These records are conclusive for all purposes, including litigation, in respect of any instruction or other matter or thing relating to the Account, or its operation.

**Certificates of Investments:** We may keep all certificates and other proof of investments made on your behalf at our offices, the offices of any sub advisor or delegated portfolio manager retained by us, or any acceptable depository.

## 11. Proxy Voting

You authorize us, but acknowledge we are not obligated, to vote proxies for securities held in your Account in accordance with our proxy voting policy. You authorize us to instruct your Custodian to forward promptly to us copies of all proxies and shareholder communications relating to securities held in your Account. You agree that we will not be responsible or liable for failing to vote any proxies where we have not received the proxies or related shareholder communications in a timely manner. If you do not want us to vote proxies, you must inform us in writing and follow our instructions for notifying your Custodian.

## 12. Notices

All notices relating to the Investment Management Agreement must be submitted in writing. Notices can be sent by personal delivery, regular or registered mail, or fax, as follows:

HSBC Private Wealth Services (Canada) Inc.  
70 York St., Suite 300  
Toronto, ON  
M5J 1S9  
Attention: Middle Office  
Fax: 416-644-0867

For legal purposes, the receipt date of a notice is considered as follows:

- Personal delivery and fax: if received during normal business hours, on a day on which we are open for business in Toronto, Ontario, other than a Saturday, Sunday or legal holiday (“**Business Day**”), that same Business Day; otherwise, the following Business Day.
- Prepaid registered mail: the Business Day after the day the notice is actually received by us, as evidenced by the postal service provider.
- Regular mail: five Business Days following the mailing if mailed in Canada, otherwise the day we actually receive the notice.

### **13. Assignment and Delegation**

An agreement is “assigned” when it is transferred to someone other than the original parties to the agreement. The Investment Management Agreement may not be assigned by you without our express written consent. Notwithstanding any other provision in the Investment Management Agreement, we may assign our rights, responsibilities and obligations under the Investment Management Agreement (in whole or in part) to any Subsidiary or Affiliate without your consent provided that we provide you with 30 days advance notice of such assignment. In addition, we may, without your consent, delegate to a third party, including any Subsidiary or Affiliate, all or part of our duties and responsibilities under the Investment Management Agreement, including the discretionary authority provided to us under the terms of the Investment Management Agreement. If we delegate our discretionary authority to a third party, we will be responsible to you for all advice you receive from the third party as though we had provided the advice to you ourselves.

### **14. Soft Dollar Arrangements and use of Client Brokerage Commissions**

A “soft dollar arrangement” is an arrangement where one party receives items or services, such as research, in return for putting through a certain amount of portfolio management business to another person, usually a broker. We, any Subsidiaries or Affiliates, or a third party, may enter into such soft dollar arrangements. If you send us a written request, we will send you the details of any soft dollar arrangements that affect your Assets Under Management. Specific information about arrangements involving brokerage commissions charged to client accounts is set out in Schedule “B” hereto.

### **15. Power of Attorney**

You appoint us as your true and lawful attorney-in-fact, with full power of substitution for the purpose of opening or establishing brokerage accounts with any third party dealer, including but not limited to HSBC Investment Funds (Canada) Inc., any other Subsidiary or Affiliate dealer, that we consider necessary or advisable to fulfil our obligations to manage your Assets Under Management and to execute all documents and take all other necessary or advisable steps to open or establish such accounts on your behalf.

### **16. Client Information Consent**

You consent to the collection, use and disclosure of Client Information (as defined in Schedule “C”) in accordance with the terms of Schedule “C” attached hereto, of which you acknowledge receipt.

### **17. Authority to Enter into the Investment Management Agreement**

If you are an individual, you represent that you are of the age of majority in the applicable province and are capable of entering into the Investment Management Agreement and carrying out its obligations. If you are a corporation, partnership, trust or other form of organisation, you represent that you have the power and capacity to enter into the Investment Management Agreement and to carry out the transactions contemplated in the Investment Management Agreement. You also represent that you have duly authorized the execution and delivery of the Investment Management Agreement by all necessary actions.

## 18. Termination

### Notice of Termination:

- 18.1 a. **Termination by you:** You may terminate the Investment Management Agreement by written notice (your "**Termination Notice**") addressed to us in accordance with section 12 of these Terms and Conditions and to the Custodian to the address provided in your Custody Agreement unless otherwise advised in writing by the Custodian, and termination will be effective on our receipt of your Termination Notice, except with respect to transactions entered into prior to such receipt.
- b. **Termination by us:** We may terminate the Investment Management Agreement by providing you with written notice at least 30 days prior to the date the termination becomes effective. In addition, we may also terminate the Investment Management Agreement at any time without notice (i) if you are in breach or default of any of your representations, warranties, covenants or obligations under the Investment Management Agreement or related to your Account, or (ii) if any of the information you provided to us in your Application, your IPS (as amended from time to time), or any other document related to your Account is incorrect or inaccurate in any way, or (iii) in any other circumstances contemplated by the Investment Management Agreement.

### Upon Termination:

- 18.2 a. **General:** Any termination of the Investment Management Agreement will not affect the liabilities or obligations of the parties under the Investment Management Agreement incurred prior to termination and all provisions relating to liability, limitation of liability and indemnification survive termination of the Investment Management Agreement.
- b. **Completion of Transactions:** Upon termination, we will not be obligated to recommend or implement any action with regard to your Account, including the liquidation of your Account; however, we reserve the right to complete any transactions initiated as of the effective date of the termination and to retain amounts in the Account sufficient for such purpose.
- c. **Disposition or Transfer of Securities:**
- (i) **If we terminated:** If we terminated the Investment Management Agreement, on the effective date of the termination we will sell and/or redeem all of the securities in your Account into cash and pay you such cash, unless we, in our absolute discretion, agree to follow any other instructions, including transfer instructions, you may provide regarding the Assets Under Management. We may require up to 30 days following the effective date of the termination to sell and/or redeem all of the securities in your Account into cash and pay you such cash. For transfers or other dispositions of all or part of your Assets Under Management, we may require up to 30 days, and for Accounts with global securities, up to 90 days, following the effective date of termination to complete the transfers or other dispositions.
  - (ii) **If you terminated:** If you terminated the Investment Management Agreement, your Termination Notice, or other subsequent instructions in writing, must provide us with express instructions as to the sale and/or redemption, transfer, or other disposition of the Assets Under Management. We may require up to 30 days following the date of our receipt of such express instructions to sell and/or redeem or otherwise dispose all of the securities in your Account for cash and pay you such cash after payment of all Fees and other amounts incurred in connection with your Account. For transfers or other dispositions of all or part of your Assets Under Management, we may require up to 30 days, and for Accounts with global securities, up to 90 days, following the date of our receipt of such express instructions to complete the transfers or other dispositions. If your Termination Notice does not contain express instructions as to the transfer or other disposition of the Assets Under Management, we may, after 60 or more days following the date of termination, sell, redeem or otherwise dispose of all the securities in your Account for cash and pay you such cash after payment of all Fees and other amounts incurred in connection with your Account.

## **19. Joint Accounts**

### **(Not applicable to corporation, trust or other non-individual entity accounts)**

You understand and agree that we are authorized to rely on any instructions relating to the Account or the Private Investment Management service which are given to us by any one of you, separate or together. For example, we may rely on instruction from any of the joint Account holders, without notifying any of the other joint Account holders, to process transactions, including withdrawals or deposits of funds.

Such instructions shall be valid and binding upon each of you, your respective heirs, executors, administrators, representatives, successors and permitted assigns. The Primary Applicant's information will be the information on record for all communications about the Account(s). Any payment, notice, Account Statements or Records sent to the Primary Applicant will satisfy our obligations to all joint Account holders.

### **Joint and several liability**

Each person who shares a joint Account under this Investment Management Agreement is jointly and severally (solidarily if in Quebec) responsible for the liabilities and obligations set out in the Investment Management Agreement (for example, if two of you have a joint Account together and fees are owed to us, we may deduct the Account for the whole amount owing). In the event of the death of any of the joint Account holders, the deceased's estate shall not be released from the joint and several liability (solidarily if in Quebec) provided in the Investment Management Agreement.

### **If you reside outside the Province of Quebec**

The investments in your Account are your joint property with a right of survivorship. This means that, after the death of a joint Account holder residing outside the Province of Quebec, the investments in the Account will automatically become the property of the joint Account holders who are still alive (the "**Survivors**"). The Survivors' rights and obligations under this Investment Management Agreement will remain the same (including the right to continue to deal with the Account.)

### **If you reside in the Province of Quebec**

After the death of a joint Account holder residing in Quebec, your rights and obligations related to the joint Account are set out in the Federal laws of Canada and the laws of Quebec that apply to the Survivors' rights and obligations. The right of survivorship does not apply to the interest of a Quebec resident into an Account.

## **20. Unclaimed Property**

20.1 In some circumstances your Account and the assets held in your Account may be deemed to be unclaimed within the meaning of applicable legislation, or if there is no applicable legislation, under our policies, procedures or practices for unclaimed property. In such cases we may deal with your unclaimed property in accordance with those laws, policies, procedures and practices, which are subject to change. You agree that we may:

- (a) transfer unclaimed property to appropriate government agencies in the jurisdiction that governs the operation of your Account;
- (b) use and disclose your Personal Information (as that term is defined in Schedule C – Client Information Consent) and Account information to locate and communicate with you about unclaimed property, and generally to comply with applicable laws, our policies, procedures and practices for unclaimed property; and
- (c) disclose your Personal Information and Account information to third parties or government authorities for inclusion in publically searchable databases of unclaimed property or to locate you.

20.2 Unless expressly prohibited by applicable law, once we deem assets held in your Account to be unclaimed property, we may, in our discretion, convert any assets held in your Account into Canadian cash, including assets held in a foreign currency, and hold the proceeds or invest them in a pooled account established for abandoned or unclaimed property. Except as expressly required by applicable law, we shall have no obligation to keep your unclaimed property in any particular form or to invest it for a continuing return.

- 20.3 Unless otherwise required by applicable law, we will only treat your property as abandoned or unclaimed where we reasonably believe it has become unclaimed or abandoned, including but not limited to where we send you communications that are returned undeliverable, we seek your instructions or ask you to take certain steps by a specified date and you do not do so, or we send a payment to you and it is not claimed or deposited.
- 20.4 You agree to pay any costs and fees we incur in dealing with your abandoned or unclaimed property, up to the maximum amount permitted by applicable law, if any.
- 20.5 If you wish to reclaim any unclaimed property and we still have it, we may impose certain requirements on you that need to be met to our satisfaction before we release the abandoned or unclaimed property to you (or your heirs, estate, successor) or any other person claiming to have ownership of the unclaimed property. These requirements may include, but are not limited to, providing documents that show you own the property, proving your identity and indemnifying us from responsibility when we release the property to you.

## **21. Policy on Death or Incapacity**

### **(Not applicable to corporation, trust or other non-individual entity accounts)**

Subject to the provisions in the Investment Management Agreement governing joint accounts, you acknowledge and agree that upon our receipt of notice of your death or mental incapacity (in a form acceptable to us), we will no longer actively manage your Assets Under Management other than by making investment decisions that we believe will preserve your Assets Under Management as of the date of your death or mental incapacity and we will not accept instructions from any person who claims to be your legal representative until we are provided with letters of administration, letters of probate, notarial will or any other documentation and assurances we may deem necessary to follow their instructions.

## **22. Withdrawals**

You must give us at least 10 Business Days' written notice if you want to withdraw any of your Assets Under Management from the Account, except if the withdrawal is related to your termination in accordance with section 18 of these Terms and Conditions.

## **23. Indemnity**

You agree to indemnify, and hold harmless us, any Subsidiary or Affiliate and our or their respective directors, officers, employees, agents, personnel, service providers, representatives, successors, assigns, licensees, licensors and related persons from and against any and all Losses (including without limitation legal fees on substantial indemnity basis and disbursements) incurred, sustained or suffered by any of them, arising from, connected with or relating to the Investment Management Agreement, your Account, your breach of the Investment Management Agreement, or any wrongful conduct by you or any person for whom you are responsible under the Investment Management Agreement or at law, other than Losses solely caused by our gross negligence, intentional misconduct. You will assist and co-operate as fully as reasonably required by us in the defence of any claim, demand, suit or complaint. This indemnity is in addition to any other indemnity you have provided to us. This indemnity will survive termination of the Investment Management Agreement.

## **24. Amendment**

We may amend the Investment Management Agreement by providing you with written notice of the changes at least 30 days before the changes become effective. In addition, we may amend the Investment Management Agreement without giving you prior written notice if such amendment is required by applicable law or regulation.

## **25. Term**

The Investment Management Agreement will be in effect from the Effective Date until terminated in accordance with section 18 of these Terms and Conditions.

## **26. Conflicts of Interest**

In the course of providing services to you, there will be situations where a conflict will arise between our interests and yours. We believe it is important that you are fully informed regarding these conflicts. Canadian securities law also require us to take reasonable steps to identify and respond to existing and potential material conflicts of interest and, in certain circumstances, provide you with certain information regarding these conflicts and obtain your prior consent before we engage in certain types of transactions. Information regarding certain conflicts of interest that may arise in connection with the services we provide you is contained in the Conflicts of Interest Disclosure attached to these Terms and Conditions as Schedule "D", of which you acknowledge receipt.

## **27. Risk of Borrowing**

To the extent that the assets you provide to us to be managed by us have been borrowed by you, you acknowledge that the use of borrowed money to finance the purchase of securities involves greater risk than a purchase using cash only because your responsibility to repay the loan as required by the terms remains the same even if the value of the securities purchased declines. Additional disclosure regarding the risks of borrowing money to buy securities is set out in Schedule "E" to these Terms and Conditions, of which you acknowledge receipt.

## **28. Additional Information About Your Relationship with HSBC Private Wealth Services (Canada) Inc.**

In establishing our relationship with you, 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" to these Terms and Conditions contains additional information regarding your relationship with us and supplements the information set out elsewhere in the Investment Management Agreement. This information is important and we encourage you to review it carefully.

## **29. Choice of Language**

Both you and we have requested that this contract and all future notices, communications and statements related to the Investment Management Agreement be written in English. *Les parties reconnaissent et confirment avoir expressément demandé que ce contrat et tous avis, communications et états de compte s'y rapportant soient rédigés en anglais.*

## **30. Compliance with Laws**

You acknowledge that we and any Subsidiary or Affiliate who assists us in providing the Private Investment Management service 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 any Subsidiary or Affiliate 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 instructions and intercepting and investigating any information being sent as part of an instruction. Notwithstanding anything else in the Investment Management Agreement, you agree that neither we nor any Subsidiary or Affiliate will be liable for any direct or indirect losses or other damages of any kind that you suffer because we or any Subsidiary or Affiliate have delayed or failed to act in accordance with your instructions for the reasons above.

## **31. General terms**

### **Entire Agreement**

The Investment Management Agreement is the entire agreement between you and us and replaces all earlier agreements and understandings, whether written or oral, between you and us regarding the subject matter of the Investment Management Agreement, except for those modifications agreed upon by the parties in accordance with these Terms and Conditions. If there is an inconsistency or conflict between these Terms and Conditions and the attached schedules, the provisions of these Terms and Conditions will take priority, unless a Schedule expressly states otherwise.

## **Severability**

If some or all of the terms in the Investment Management Agreement become illegal, invalid, or unenforceable in any way under the law of any jurisdiction, that does not affect the legality, validity, or enforceability of the rest of the Investment Management Agreement in that jurisdiction.

## **Governing Law**

The Investment Management Agreement and all services and issues relating to the Account are governed exclusively by the laws of the Canadian province in which you reside, according to the most recent contact information on our records, and by applicable Canadian laws. If the Account is held jointly between two or more joint Account holders, the Investment Management Agreement and all services and issues relating to the Account are governed exclusively by the laws of the Canadian province in which the individual listed as the Primary Applicant on the Application resides, according to the most recent contact information on our records. If you or the Primary Applicant, as the case may be, do not reside in Canada, the laws of British Columbia shall apply. The parties to this Agreement hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of that province and all courts competent to hear appeals from those courts.

The Investment Management Agreement is binding upon the parties and their respective heirs, executors, administrators, representatives, successors and permitted assigns.

## **Schedule "A"**

### **Policies for the Fair Allocation of Investment Opportunities among Managed Accounts**

We will not, when placing an order for a security for clients, give unfair advantage to any client. If all accounts cannot be satisfied, our policy is to allocate the security proportionally among the accounts, subject to factors such as the client's investment policies and guidelines, and efficient trading unit considerations. For example, if a minimum number of the security is necessary to justify its place in the client's account and that minimum is not achieved, no security will be allocated to the client.

## **Schedule "B"**

### **Use of Client Brokerage Commissions**

**Purpose** – In its role as the sub-advisor for your Account(s), HSBC Global Asset Management (Canada) Limited ("**AMCA**") may, from time to time and in accordance with applicable laws and regulations, direct brokerage transactions to brokers. In return for the commissions paid to the brokers (which are included in the total price you pay for the securities purchased for your Account) AMCA may receive goods or services in addition to the flat execution of trades.

Under securities laws relating to commissions on brokerage transactions, AMCA must not direct any brokerage transactions commissions to a dealer in return for the provision of goods or services by the dealer or a third party other than (1) order execution goods and services (including the flat execution of a trade); and (2) research goods and services ("**Permitted Goods and Services**"). Any Permitted Goods and Services that AMCA receives are used to assist with investment or trading decisions on behalf of clients. AMCA has to ensure that a good faith determination is made that clients receive reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid.

To carry out and monitor AMCA's use of client brokerage commissions, the following provides information on internal policies, controls, monitoring and record-keeping procedures regarding AMCA's use of client brokerage commissions.

**Broker Selection and Commission Arrangements** - When arranging for the execution of trades, AMCA has a fundamental obligation to deal fairly, honestly and in good faith with our clients.

In selecting brokers in order to effect transactions for our clients, AMCA is required to make reasonable efforts to achieve best execution under the circumstances prevailing at the time of the transaction.

AMCA's Portfolio Investment Management Team determines annually and reviews quarterly the budget percentages for commissions to be generated during the year. A brokerage allocation budget is established, which identifies the approved brokers with whom AMCA expects to conduct business during the year, the commission ranges for trades as well as commission percentage targets based on a qualitative and quantitative evaluation.

In selecting the appropriate broker, AMCA considers, among other factors: price, brokers' execution capabilities, the speed of execution, the nature of the security being traded, the size and type of the transaction, the nature and character of the markets for the security to be purchased or sold, the desired timing of the trade, the quality of the research and investment ideas provided by brokers, clearance and settlement capabilities as well as the reputation and perceived soundness of the broker selected. Any Permitted Goods and Services that AMCA may receive does factor into the broker selection process as such goods and/or services aid us in selecting and making client trades. If a broker is affiliated with AMCA, the same factors are used in their selection. The fact that they are affiliated with AMCA does not factor into the selection process.

**Description of Permitted Goods and Services** - AMCA may receive a wide range of Permitted Goods and Services from brokers and dealers in connection with the execution of brokerage transactions on behalf of our clients. These Permitted Goods and Services may include: general economic, industry or issuer reports or investment recommendations; subscriptions to specialized financial publications or research data compilations; compilations of securities prices, earnings, dividends and similar data; computerized databases; services of economic reports or other consultants; post-trade matching; electronic communication of allocation instructions, and other messages related to the trade among broker-dealers, custodians and institutions; or settlement instruction routing, algorithmic trading software, clearing and settlement services. Research goods and services may be received in the form of written reports, computer-generated reports or databases, telephone contacts and in-person meetings with security analysts. Research goods or services may also be generated by third parties who are not broker-dealers, provided that the goods or services are provided by or through broker-dealers that participate in effecting the transactions.

**Governing Framework** – AMCA and we recognize and comply with the following principles:

- Brokerage commissions are the property of our clients only to be used by AMCA for the benefit of our clients
- No brokerage arrangement involving the receipt of Permitted Goods and Services may be entered into by AMCA without the prior approval of AMCA's Risk Management Meeting
- AMCA's Local Management Committee has the responsibility to determine whether a proposed new good or service to be received by AMCA in exchange for the payment of a commission falls within the goods and services permitted by securities law related to the use of client brokerage commissions
- On a quarterly basis, AMCA's Local Management Committee receives an extensive report examined by a delegated group of Management staff, including staff from the Investment, Compliance and Risk Teams, on the commissions paid to date, the broker commission targets and a comparison of the different Permitted Goods and Services received from all brokers to ensure that clients are getting value out of them
- On a quarterly basis, AMCA's Local Management Committee, based on recommendations from the delegated group of Management staff; makes a good faith determination that clients whose brokerage commissions may have been directed to a dealer in exchange for Permitted Goods and Services, receive, in general and over time, fair and reasonable benefits considering the use of Permitted Goods or Services
- On at least a quarterly basis, a review and evaluation of the performance execution of brokers executing trades involving client brokerage commissions is conducted
- When mixed use goods and services are obtained through brokerage commissions, AMCA's Local Management Committee confirms, initially and upon subsequent periodic reviews, a reasonable allocation of those commissions paid according to the use of the goods and services
- Providing evidence of AMCA's Local Management Committee oversight of the use of client brokerage commissions

## Schedule “C”

### Client Information Consent

#### Definitions

Capitalised terms in this Schedule mean:

**“Authorities”** include judicial, administrative, public, or regulatory bodies, as well as governments, Tax Authorities, securities or futures exchanges, courts, and central banks or law enforcement bodies with jurisdiction over any part of the HSBC Group. They also include agents of any of these bodies.

**“Compliance Obligations”** means the HSBC Group’s obligations to comply with:

- a. Laws or international guidance
- b. internal policies or procedures
- c. demands from Authorities
- d. Laws requiring us to verify our customers’ identities

**“Connected Person”** means a person or entity (other than you) whose information (including Personal Information or Tax Information) we have in connection with providing you services. A Connected Person may include a guarantor, a director, or officer of a company; partners or members of a partnership; a “substantial owner,” “controlling person,” or beneficial owner; trustee, settlor or protector of a trust; account holder of a designated account; a payee of a designated payment; or other persons or entities with whom you have a relationship relevant to your relationship with the HSBC Group. A Connected Person also includes your representative, agent, or nominee.

**“Controlling Person”** means an individual who exercises control over an entity. For a trust, this is the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and anybody else who exercises ultimate effective control over the trust. For entities other than a trust, these are persons in similar positions of control.

**“Client Information”** means your Personal Information, confidential information, and Tax Information or that of a Connected Person.

**“Financial Crime”** means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, and evasion of economic or trade sanctions. It also includes acts or attempts to circumvent or violate Laws relating to these matters.

**“HSBC Group”** means HSBC Holdings plc, its affiliates, subsidiaries, associated entities, and their branches and offices (together or individually). **“Member of the HSBC Group”** has the same meaning.

**“Laws”** include local or foreign laws, regulations, judgments or court orders, voluntary codes, sanctions regimes, agreements between any Member of the HSBC Group and an Authority, or agreements or treaties between Authorities that apply to HSBC or a Member of the HSBC Group.

**“Personal Information”** means information about an identifiable individual (including relevant information about you, your transactions, your use of our products and services, and your relationships with the HSBC Group).

**“Services”** includes (a) evaluating your application for and assessing our willingness to provide you with products and services and opening, maintaining and closing your Accounts and (b) maintaining our relationship with you.

**“Substantial owners”** means individuals entitled to more than 10% of profits from an entity or with a direct or indirect interest of more than 10% in an entity.

**“Tax Authorities”** means domestic or foreign tax, revenue, or monetary authorities (for example, the Canada Revenue Agency).

**“Tax Certification Forms”** means forms or documentation a Tax Authority or HSBC Group may issue or require to confirm your tax status or the tax status of a Connected Person.

**“Tax Information”** means information about your tax status and the tax status of any owner, Controlling Person, Substantial Owner or beneficial owner and includes Tax Certification Forms.

**“Us”** and **“we”** means HSBC Private Wealth Services (Canada) Inc. and HSBC Global Asset Management (Canada) Limited. Reference to the singular includes the plural (and vice versa).

## **1. Collecting, using, processing, transferring and disclosing Client Information**

Clauses 1–4 explain how we collect, use, process, transfer and disclose your information and that of Connected Persons. By using the Services, you agree that we and members of the HSBC Group can collect, use, process, transfer and disclose Client Information according to these clauses.

### **1.1 Collecting**

We and other members of the HSBC Group may collect, use, process, transfer and disclose Client Information. We or someone on behalf of the HSBC Group may request Client Information, and we may collect it:

- from you
- from a person acting on your behalf
- from other sources (including from publicly available information)

This information may be generated or combined with other information available to us or other members of the HSBC Group.

### **1.2 Purposes for Collecting, Using, Processing, Transferring and Disclosing**

We or other members of HSBC Group will collect, use, process, transfer, and disclose Client Information for the following Purposes:

- a. providing you with Services and to approve, manage, administer, or effect transactions you request or authorise
- b. meeting Compliance Obligations
- c. conducting Financial Crime Risk Management Activity
- d. collecting amounts due from you
- e. conducting credit checks and obtaining or giving credit references, if applicable
- f. enforcing or defending our rights or those of a Member of the HSBC Group
- g. for our internal operations or those of the HSBC Group (including credit and risk management, system or product development and market research, insurance, audit, administration, security, statistical, and processing, transfer and storage of records)
- h. maintaining our relationship with you including with your optional consent, marketing or promotion)
- i. honouring your privacy choices (the **“Purposes”**)

### **1.3 Sharing**

By using the Services, you agree we may transfer and disclose Client Information to the recipients below and they may also collect, use, process, transfer, and disclose Client Information, as necessary and appropriate for the Purposes:

- a. members of the HSBC Group
- b. sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors, and officers)
- c. authorities
- d. someone acting on your behalf, payment recipients, beneficiaries, account nominees, intermediaries, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, or companies in which you have an interest in securities, as long as we hold these securities for you
- e. parties to a transaction acquiring interest in, or assuming risk in, or in connection with, the Services

- f. financial institutions, credit agencies, or credit bureaus to obtain or give credit reports and/or credit references
- g. third party fund managers who provide you with asset management services
- h. a broker we introduce or refer you to
- i. insurers, where permitted by law
- j. Canadian government registries and Canadian financial industry databases (which may share information with others)

wherever they are located, including in jurisdictions with less strict data protection laws than those in the jurisdiction where we supply you the Services.

#### **1.4 Your obligations**

You agree to inform us promptly and in any event, within 30 days in writing if Client Information you gave to us or a Member of the HSBC Group changes. You also agree to respond promptly to our or HSBC Group's requests to you.

**1.5** Before you give us information (including Personal Information or Tax Information) about a Connected Person, you must:

- tell the Connected Person that you are giving us (or a Member of HSBC Group) their information
- ensure the Connected Person agrees that we (or a Member of HSBC Group) can collect, use, process, disclose, and transfer their information as set out in these Terms
- tell the Connected Person that they may have rights to access and correct their Personal Information. You must ensure this has all been done, even if someone else gives us the Connected Person's information on your behalf.

**1.6** If any of these things occur:

- you fail to promptly give Client Information we reasonably request
- you withhold or withdraw consent we need to collect, use, process, transfer, or disclose Client Information for the Purposes (except for marketing and promoting)
- the HSBC Group has suspicions about Financial Crime or an associated risk

we may take any of these actions:

- a. be unable to provide Services, including new Services, to you and we reserve the right to terminate our relationship with you
- b. take actions to meet Compliance Obligations
- c. block, transfer, or close your Accounts where local Laws permit it.

In addition, if you fail to promptly give your, or a Connected Person's, Tax Information to us when we ask for it, we may make decisions about your tax status, including whether you are reportable to a Tax Authority. This may require that we withhold and pay amounts legally required by a Tax Authority.

## **2. Data protection**

**2.1** In accordance with data protection legislation, all members of the HSBC Group, their staff, and third parties to whom information is transferred by us, whether located in Canada or another country, will be required to protect Client Information by a strict code of secrecy and security. Where Client Information is transferred to another country, you understand that it may be accessed by Authorities in that country in accordance with applicable Laws.

## **3. Financial Crime Risk Management Activity**

**3.1** We, and members of the HSBC Group, are required to meet Compliance Obligations relating to detecting, investigating and preventing Financial Crime ("**Financial Crime Risk Management Activity**"). We and members of the HSBC Group may take action to meet these Compliance Obligations, including:

- a. screening, intercepting, and investigating instructions, communications, drawdown requests, applications for Services, or payments sent to, by you, or on your behalf
- b. investigating who sent, received, or was intended to receive funds
- c. combining Client Information with related information that HSBC Group has
- d. making enquiries about a person or entity's status or identity, including whether they are subject to sanctions .
- e. any combination of a to d

**3.2** In rare cases, our Financial Crime Risk Management Activity may lead us to delay, block, or refuse to:

- make (or clear) a payment
- process your instructions or application for Services
- provide all or part of the Services

As far as the law permits, neither we nor any other Member of HSBC Group will be liable to you or a third party for your or their loss (however it arose) caused or partially caused by our Financial Crime Risk Management Activity .

#### **4. Tax compliance**

You are solely responsible for understanding and complying with your tax obligations related to using your accounts and our Services in any jurisdiction. This includes paying taxes, filing tax returns, and filing other documents related to paying taxes.

Each Connected Person acting as a Connected Person (not in their own capacity) also acknowledges this themselves.

Please note: Certain countries may have tax legislation with extra-territorial effect regardless of your or Connected Person's place of domicile, residence, citizenship, or incorporation.

Neither we nor any Member of the HSBC Group:

- provide tax advice
- have responsibility for your tax obligations in any jurisdiction, even if they relate to opening and using accounts and Services we or Members of the HSBC Group provide

We advise you to seek independent legal and tax advice.

#### **5. Miscellaneous**

**5.1** If there is a conflict or inconsistency between the terms in this Schedule and the terms in other services, products, business relationships, accounts, or agreements between you and us, these terms prevail. If you gave us consents, authorisations, or waivers or permissions we asked for related to Client Information, they continue to apply in full force and effect, as relevant local Laws allow.

**5.2** If some or all of these Terms in this Schedule become illegal, invalid, or unenforceable in any way under the law of any jurisdiction, that does not affect the legality, validity, or enforceability of the rest of these Terms in that jurisdiction.

#### **5.3 Survival on termination**

The terms in this Schedule continue to apply even if:

- the Investment Management Agreement is terminated
- we or a Member of the HSBC Group stop providing Services to you
- an account is closed

#### **6. Optional Consent for Personal Clients**

We may also: (a) collect and use your Personal Information and, where permitted by law, share it within the HSBC Group, to identify and inform you of products and services provided by the HSBC Group that may be of interest to

you; and (b) 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 your consent to (a) or (b) by: contacting us at 1-888-310-HSBC (4722); or visiting a branch in Canada. You understand that if you do refuse or withdraw your consent to (a) or (b) it will not affect your eligibility for credit or other products or services.

## **7. Consent to Use of Social Insurance Number (SIN) including Optional Consent**

The Canadian 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 conducting Financial Crime Risk Management, for collections and for internal audit, 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 us at 1-888-310-4722 or by visiting a branch in Canada. This will not affect your eligibility for credit or other products or services.

## **8. Recordings**

You consent to us making an audio recording of any telephone conversation you have with us, 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 the Services sought by you; and
- so that we can monitor service levels.

## **9. More Information about HSBC Privacy Policies**

For more information about the principles of privacy observed by us, HSBC Bank Canada and its subsidiaries in Canada, consult the HSBC Privacy Code or the brochure "Protecting your privacy". Both are available at the nearest HSBC branch in Canada or [www.hsbc.ca](http://www.hsbc.ca). You can access your Personal Information in our possession or make corrections to it by contacting us.

## **Schedule "D"**

### **Disclosure Regarding Conflicts of Interest**

In the course of providing services to you, there will be situations where a conflict will arise between our interests and yours. We believe it is important that you are fully informed regarding these conflicts. Canadian securities laws also require us to take reasonable steps to identify and respond to existing and potential material conflicts of interest and, in certain circumstances, provide you with certain information regarding these conflicts and obtain your prior consent before we engage in certain types of transactions.

This Schedule sets out important information regarding these conflicts of interest and supplements disclosure in other documents provided to you.

#### **1. General**

In this Schedule, we have identified certain conflicts of interest that arise or may arise in the ordinary course of our business. Some of these conflicts are inherent in the business model that we use. We seek to avoid or minimize conflicts where reasonably possible. However, some conflicts cannot be avoided and, although others could be avoided, we have chosen to manage them. We have policies and procedures in place to manage the conflicts of interest that we believe are sufficient to protect the interests of our clients and fulfill our obligations to our clients.

Generally speaking, we deal with and manage conflicts as follows:

- **We avoid** conflicts which are prohibited by law as well as conflicts that we cannot effectively control.

- **We control** or manage acceptable conflicts by physically separating different business functions and restricting the internal exchange of information.
- **We disclose** information about any other potential material conflicts to you so that you can assess independently if these conflicts are significant to you.

## 2. Conflicts of Interest

The following is a description of certain conflicts of interest that may arise in connection with the services we provide to you.

### Relationship with HSBC Bank Canada

HSBC Private Wealth Services (Canada) Inc. is a wholly-owned subsidiary of, but separate legal entity from HSBC Bank Canada. Certain directors and officers of HSBC Private Wealth Services (Canada) Inc. are also directors or officers of HSBC Bank Canada. Unless otherwise specifically notified to the contrary, securities purchased through HSBC Private Wealth Services (Canada) Inc. are not guaranteed by the Canada Deposit Insurance Corporation or any other government insurer or by HSBC Bank Canada.

### Transactions or arrangements with certain related parties

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 advise you, or exercise discretion on your behalf with respect to the purchase or sale of securities from or to, or issued by, other members of the HSBC Group or other persons or companies which are related or connected to us. In addition, we may also enter into transactions or arrangements with other or involving, and perform services for or accept services from, members of the HSBC Group or other persons or companies which are related or connected to us. These transactions and arrangements are described in further detail below. These transactions and arrangements will give rise to conflicts of interest, and we have adopted policies and procedures to identify and respond to these conflicts. We will only enter into these transactions or arrangements where they are permitted under applicable securities laws and where we believe they are in your best interests in the applicable circumstances.

The following is a list of the types of these transactions and arrangements and our relationship to the parties involved:

- The purchase or sale of securities issued or guaranteed by HSBC Holdings plc, HSBC Bank plc, Hang Seng Bank Limited, HSBC Bank Canada, HSBC Canada Asset Trust, HSBC Financial Corporation Limited and other members of the HSBC Group whose securities are traded on recognized stock exchanges or other public markets. These entities are related to us because they are members of the HSBC Group. For example, these transactions may include the purchase or sale of ordinary shares of HSBC Holdings plc, preferred shares of HSBC Bank Canada or other securities of these or other related entities that are traded on a stock exchange or other public market, and also the purchase and sale of principal protected notes or certain debt securities issued by HSBC Bank Canada or other securities of these or other related entities that are not traded on an exchange or other public market.
- The purchase or sale (or redemption) of securities issued by any of the HSBC Mutual Funds, the HSBC Pooled Funds, and any other mutual fund, unit trust or investment fund managed, administered or promoted by us or other members of the HSBC Group, or for which we or other members of the HSBC Group act as portfolio adviser, including funds managed, advised or promoted by our affiliates. In most cases, our connection to these funds will be obvious to you because the names of the funds will be sufficiently similar to our name. For example, in most cases the names of the funds will include the word "HSBC" as part of their name. If we believe that the name of any fund is not similar enough to convey the fund's relationship to us, we will provide you with specific disclosure regarding that relationship at the appropriate time.
- The purchase or sale of securities or other instruments to or from HSBC Global Asset Management (Canada) Limited, HSBC Bank Canada, or other members of the HSBC Group for their own respective accounts (referred to as "principal trades"), or through these entities acting as a dealer or distributor or in a similar

capacity. Where we purchase or sell securities other instruments through these entities in their capacity as dealer or distributor or in a similar capacity, they may receive a fee for their services in that capacity. HSBC Global Asset Management (Canada) Limited is a portfolio manager, investment fund manager and exempt market dealer. HSBC Bank Canada is a Schedule II chartered Canadian bank. HSBC Global Asset Management (Canada) Limited is a wholly-owned subsidiary of HSBC Bank Canada, and we are all members of the HSBC Group.

- Transactions or arrangements with members of the HSBC Group that involve the other member of the HSBC Group providing services to you or to us on your behalf and/or receiving a fee. For example, we retain the services of HSBC Global Asset Management (Canada) Limited to act as our sub-adviser with respect to discretionary accounts managed by us. HSBC Global Asset Management (Canada) Limited is a wholly-owned subsidiary of HSBC Bank Canada, and we are all members of the HSBC Group.

### **Compensation practices**

We earn compensation by selling products and services to you for which you pay us directly. We may also earn revenue from other sources, some of which may be seen as involving a conflict of interest or potential conflict of interest. These sources of revenue may include the following:

- Fees paid directly or indirectly by issuers of other investment products
- Mutual fund “trailing commissions” paid by mutual fund companies, including those related to us, which also earn revenue on the sale of the funds. Specific disclosure is provided in each fund’s offering documents
- Fees paid by issuers, officers or others in connection with takeover bids, corporate reorganizations, solicitations of proxies and other corporate actions
- Fees paid by parties related to us and others for business referrals to them (for more information, see “Referral arrangements” below)
- Fees and spreads in connection with any service provided by us or our related parties to or in relation to your account, or transactions between us or our related parties and you or your account
- Fees and spreads in connection with various services provided to, or transactions with, any of the HSBC Mutual Funds, the HSBC Pooled Funds, and any other mutual fund, unit trust or investment fund managed, administered or promoted by us or other members of the HSBC Group, including in connection with banking, custody, securityholder account maintenance and reporting, brokerage and derivatives transactions
- Other fees and spreads, including interest spreads on uninvested cash deposits with us and foreign exchange spreads when you convert currencies.

Should we receive any of these other sources of revenue, we will provide you with details in writing, when required.

### **Employee income sources and HSBC Bank Canada compensation and incentive program**

Based on the needs of a client, HSBC Bank Canada and its affiliates may, from time to time, introduce clients to another HSBC entity. Our representatives, including your Investment Counsellor, receive a base salary and bonus, which are based on financial and non-financial performance measures. From time to time, HSBC Bank Canada may award incentives (such as merchandise or corporate events) to its employees or branches (or both) for their role in the introduction of investment products or services offered by us. Such incentives will be awarded by HSBC Bank Canada and based on variable criteria.

All incentive programs provided by HSBC Bank Canada are designed so that you will be made aware of investment products or services only if they are appropriate for you.

### **Referral**

We may enter into referral arrangements from time to time, pursuant to which we refer clients to another entity and receive a fee, or another entity refers clients to us and receives a fee from us. These arrangements may be

with other members of the HSBC Group or parties unrelated to us and can create a potential conflict of interest because they provide a financial incentive to make referrals. The details of these referral arrangements, including the parties to the referral arrangement, the manner in which the referral fee for referral services is calculated and the party to whom it is paid, will be provided to you in writing when required. All services resulting from a referral arrangement relating to your account that require registration under applicable securities legislation will be provided by the registrant receiving the referral.

### **Personal trading activities**

We have Personal Trading Procedures which are designed to ensure that our employees act in accordance with applicable securities laws and other laws, that they act in the best interests of us and our clients, that they avoid actual or potential conflicts of interest, and that they do not engage in personal securities transactions that are prohibited by law, such as insider trading, or that negatively impact our clients.

Each of our employees, officers and directors put the interests of our clients first, ahead of their own personal self-interests. In particular, any individual who has, or is able to obtain access to, non-public information concerning the portfolio holdings, the trading activities or the ongoing investment programs of our clients, is prohibited from using such information for his or her direct or indirect personal benefit or in a manner which would not be in the best interests of our clients. These individuals also must not use their position to obtain special treatment or investment opportunities not generally available to our clients or the public. These individuals are only allowed to make a personal trade if it is approved under our Personal Trading Procedures or if our Chief Compliance Officer has determined that such trade will not conflict with the best interest of our clients.

### **Outside business activities**

Individuals acting on our behalf are prohibited from engaging in any outside business activity, including acting as a director, without our prior approval. We will only approve an outside business activity if the activity will not interfere with the proper discharge of the individual's duties to us and our clients.

### **Non-disclosure of confidential information**

We may know confidential information as a result of business relationships we have with issuers of securities which we cannot disclose to you when we offer the securities to you or trade them for you.

### **Allocation of Investment Opportunities**

We have a Fair Allocation of Investment Opportunities Policy which is designed to ensure that we will not, when placing an order for our clients, give unfair advantage to any client.

## **3. Changes to this Schedule**

The information disclosed in this Schedule may change from time to time. You can obtain an updated copy of this Disclosure free of charge at any time by contacting your Investment Counsellor.

## **Schedule "E"**

### **Borrowing Money to Buy Securities (Leveraging)**

Securities may be purchased using available cash, or a combination of available cash and borrowed money. If available cash is used to pay for the securities in full, the percentage gain or loss will equal the percentage increase or decrease in the value of the securities. Using borrowed money to purchase securities can magnify the gain or loss on the cash invested. The effect of this is called leveraging.

If you are considering borrowing money to purchase securities, you must be aware that a leveraged purchase involves greater risk than a purchase using available cash resources only. To what extent a leveraged purchase involves undue risk is a decision that needs to be made by you and will vary depending on your personal

circumstances and the securities purchased. The following table illustrates the impact a decline in the market value of securities can have on a leveraged investment.

If \$100,000 of securities is purchased and paid for with \$25,000 from available cash and \$75,000 from borrowed money, a 10% decline in the value of the securities to \$90,000 will mean that your equity interest (the difference between the value of the securities and the amount borrowed) will have declined by 40%, i.e. from \$25,000 to \$15,000.

	<b>Market Value of Securities</b>	<b>Available Cash</b>	<b>Amount of Loan</b>	<b>% Change in the Investment</b>
<b>Original Purchase</b>	\$100,000	\$25,000	\$75,000	N/A
<b>Securities Value Declines by 10%</b>	\$90,000	\$15,000 i.e. \$90,000 – \$75,000	\$75,000	-40% i.e. (\$15,000 – \$25,000)/\$25,000

It is also important that you are aware of the terms of a loan secured by securities. The lender may require that the amount outstanding on the loan does not rise above an agreed percentage of the market value of the securities. Should this occur, the borrower must pay down the loan or sell the securities so as to return the loan to the agreed percentage relationship. In the example above, the lender may require that the loan not exceed 75% of the market value of the shares. On a decline of value of the securities to \$90,000 the borrower must reduce the loan to \$67,500 (75% of \$90,000). If the borrower does not have cash available, the borrower must sell securities at a loss to provide money to reduce the loan.

Money is also required to pay interest on the loan. Under these circumstances, investors who leverage their investment are advised to have adequate financial resources available both to pay interest and also to reduce the loan if borrowing arrangements require such a payment.

## **Schedule “F”**

### **Additional Information Regarding Your Relationship with HSBC Private Wealth Services (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. The information in this Schedule contains additional information regarding your relationship with us and supplements the information set out elsewhere in this Investment Management Agreement. This information is important and we encourage you to review it carefully.

In this Schedule, references to “**Funds**” mean the HSBC Pooled Funds and the HSBC Mutual Funds.

#### **Our Advisory Relationship with You**

We offer the Private Investment Management service, a discretionary investment management service, to individuals and families requiring comprehensive and customized investment portfolios. In accordance with the terms of the Investment Management Agreement which allows us to delegate portfolio management duties to an affiliate, we have retained HSBC Global Asset Management (Canada) Limited as portfolio manager for the Private Investment Management accounts. The Private Investment Management portfolios (“**Portfolios**”) are invested in securities which may include, but are not limited to stocks, bonds, pooled funds, money market instruments, mutual funds, exchange-traded funds and derivatives from investment markets throughout the world. Portfolios are constructed based on important factors, including a client’s investment objectives, investment time horizon, risk tolerance and personal and financial circumstances.

The fees we charge you for the Private Investment Management services are set out in the Fee Schedule described under section 8 of this Investment Management Agreement. Those are the only fees you will pay,

unless you transfer in securities from another financial institution that include third party mutual funds (i.e. non-HSBC Mutual Funds or HSBC Pooled Funds). If you transfer in third party mutual fund units ("**Transferred-In Funds**"), for as long as you hold such investments in your portfolio, they may include charges that you do not pay directly. Such charges are the fund manager's management fee and the fund operating expenses, which together form what is called the "management expense ratio". In addition, the fund managers of such Transferred-In Funds may pay the dealer who sold you such mutual funds an embedded trailing commission for as long as you hold units of such funds. Both the fund management expense ratio fees and trailing commissions indirectly affect you because they reduce the amount of the funds' returns to you. We do not receive any portion of such fees related to Transferred-In Funds. Further, using our discretion under the Investment Management Agreement, we will sell such Transferred-In Funds when appropriate. There are no fund management fees or operating charges or any embedded trailing commissions associated with any HSBC Pooled Funds or HSBC Mutual Funds that may comprise your Private Investment Management portfolio from time to time.

We are registered as a Portfolio Manager in all provinces of Canada, except Prince Edward Island.

In addition to our Private Investment Management service, we offer wealth planning services through our Wealth Planners. Our Wealth Planners work with a client to identify the client's wealth planning needs. We do not charge any additional fees for the services we offer through our Wealth Planners.

### **Qualified Custodian**

We have designated and you have appointed RBC Investor Services Trust as your custodian (the "**Custodian**") to provide administration and custody services for the Assets Under Management (collectively, the "**Custodial Services**") pursuant to an agreement between you and the Custodian (the "**Custody Agreement**"). The Custodian holds your Assets Under Management electronically, as described in the **Understanding Your Private Investment Management Account Report – Important Information** section of your Account Report. Before selecting a third party custodian, HPWS conducts a due diligence process on the custodial arrangement and ability to protect client assets. This includes ensuring the Custodian is a qualified custodian as required under the regulatory requirements, reviewing the custodian's capabilities, level of experience, and enquiring into the custodian's information security practices to mitigate associated risks such as information technology security and data integrity risks. In accordance with regulatory obligations, we conduct ongoing oversight of the Custodian and its activities. The current custodial arrangement offers us and our clients certain benefits such as independent safekeeping of your assets and safe clearing of trades.

We have, from time to time, access to your cash deposits to, and withdrawals from, your Assets Under Management held by the Custodian. This allows us, as your discretionary portfolio manager, to facilitate the movement of funds to and from your Account in accordance with your instructions and your Custody Agreement with the Custodian. We have controls and procedures in place to protect and secure such movement of funds. Although we monitor and test these controls and procedures, there is no guarantee that they are always met.

You acknowledge and agree that the Custodial Services are provided to you by the Custodian under your Custody Agreement and that neither us nor any Subsidiary or Affiliate assumes any liability whatsoever for any Losses arising out of or in connection with the Custody Agreement, the Custodial Services or any acts or omissions of the Custodian in providing the Custodial Services to you.

### **Common Types of Risk to Consider When Making an Investment Decision**

Even though you have authorized us to make all investment decisions related to the management of your Assets Under Management, securities laws require us to provide you with a description of risks that you should consider when making an investment decision. This information is set out below and also in Schedule E - Borrowing Money to Buy Securities (Leveraging).

Before making any investment decision, it is important to consider your investment goals and your level of risk tolerance and the risks associated with the investment you are considering. Generally, there is a strong relationship between the amount of risk associated with a particular investment and its potential to increase in value in the long term. However, investment risks vary depending on the type of investment.

- **Interest rate risk**

Portfolios or Funds that invest in fixed income or debt instruments – bonds, mortgages or debentures – are subject to interest rate risk. These instruments earn a fixed rate of interest, which is paid to investors on a regular basis – often quarterly, semi-annually or annually. When interest rates rise, existing investments in these instruments become less valuable because new debt instruments will pay the new, higher rate of interest. Therefore, as interest rates rise the price that investors are willing to pay for the existing instruments will fall. Conversely, if interest rates fall, the value of an existing debt instrument with a higher rate of interest will rise. Longer term fixed income or debt instruments are generally more sensitive to changes in interest rates than other kinds of securities.

- **Currency risk**

Portfolios or Funds that hold investments in foreign securities are subject to currency risk to the extent that this exposure is not directly hedged by foreign exchange contracts. Changes in the currency exchange rates between Canada and a country where a Fund or portfolio holds an investment will affect the Canadian dollar value of that investment, because it must be bought or sold with a foreign currency. Ignoring other risks, when the value of the Canadian dollar falls in relation to foreign currencies, the Canadian dollar value of foreign securities will rise because selling them would bring investors a higher amount in Canadian dollars. Conversely, when the value of the Canadian dollar rises, the Canadian dollar value of foreign securities falls because their sale would earn fewer Canadian dollars.

- **Market risk**

Portfolios or Funds that invest in securities listed on a stock exchange or market will be affected by general changes in the stock market. These changes can be caused by a number of factors, including interest rate fluctuations, changes in market outlook and changes in the economic, social or political climate of the region. For example, if a recession is forecasted, the stock market may fall as investors fear poor economic performance and falling stock prices. As investors sell their securities in an effort to minimize their losses, individual securities listed on the exchange may be negatively affected by this overall downward movement of the market, even if the company is still strong.

- **Security risk**

When a Portfolio or Fund invests in a company, factors within that company may affect the value of the investment. These factors can include how the company is managed, the products it sells and its financial health. The risk is that the company may perform poorly in one or more of these areas, with a resulting decrease in the value of its shares. Security risk can be one reason that the value of a company's shares falls, despite a rising market.

- **Credit risk**

When a Portfolio or Fund invests in fixed income securities, such as bonds, the Portfolio or Fund is making a loan to the company or the government issuing the security. There is a risk that the company or government may not be able to pay back this loan when it comes due. Fixed income securities are rated by organizations such as Standard & Poor's, and if a security's rating is downgraded because the rating service feels that there is an increased risk that the issuer may not be able to pay investors back, the value of that investment may fall.

- **Foreign market risk**

Investing in foreign markets presents additional risk because foreign countries often have different accounting and financial reporting standards, political and legal systems, securities and stock exchange practices, and cultures and customs from those in Canada. Investments in a foreign market may be subject to currency exchange control requirements, imposition of taxes, withholding taxes prior to payment of dividends or other distributions, and expropriation of assets. As a result, the value of securities that are issued by a company in a developing market may be lower, as they are less liquid and more volatile than those issued by similar companies in North America. In general, investments in more developed markets, such as the U.S. and Western Europe, have lower foreign market risk, whereas investments in emerging markets, such as Southeast Asia or Latin America, have higher foreign market risk.

- **Small capitalization risk**

Securities of small capitalization companies are usually traded less frequently and in smaller volumes than those of large capitalization companies. Portfolios or Funds that invest a significant portion of their assets in small capitalization companies may find it more difficult to buy and sell securities, and they tend to be more volatile than Funds or portfolios that focus on larger capitalization companies.

- **Liquidity risk**

Liquidity risk is the possibility that certain investments cannot be readily converted into cash when required. While HSBC Global Asset Management (Canada) Limited has guidelines intended to limit the amount of illiquid securities that they may hold at any given time, Portfolios or Funds are exposed to varying degrees of liquidity risk depending on market conditions.

- **Derivative risk**

A derivative is usually a contract between two parties to buy or sell an asset at a future date, in which the value of the contract is derived from the market price or value of an underlying asset, such as currency or stocks, or an economic indicator, such as interest rates or stock market indices. Derivatives may be used for hedging and non-hedging purposes.

To hedge is to reduce the risk of an existing investment by fixing some or all aspects of the price of that investment at some point in the future. Derivatives may help reduce the risks associated with certain investments, including currency value fluctuations, stock market risks and interest rate changes. However, there can be no assurance that hedging strategies will be effective. Hedging against changes in currencies, stock markets or interest rates does not eliminate all fluctuations in the price of portfolio securities or prevent losses if the price of those securities declines. Hedging may also reduce the opportunity for gain if the value of the hedged currency or stock market should rise against the value of the reporting currency of the Portfolio or Fund, or if the hedged interest rate should fall. It may not be possible for a Portfolio or Fund to protect its investments against generally anticipated changes in currencies, stock markets or interest rates through the use of derivatives.

In addition, the use of derivatives for hedging or non-hedging purposes will be subject to risks, including:

- there is no guarantee that the other party to a derivative contract will meet its obligations;
- there is no guarantee that a Portfolio or Fund will be able to buy or sell a derivative to make a profit or cover a loss; and
- derivatives traded on foreign markets may be more illiquid and risky than derivatives traded on North American markets.

Derivatives will be used in a way that is consistent with the investment objectives of the Portfolio or Fund and as permitted by the Canadian securities regulatory authorities.

- **Securities lending, repurchase and reverse repurchase risk**

There are risks associated with securities lending, repurchase and reverse repurchase transactions. The value of securities loaned under a securities lending transaction or sold under a repurchase transaction may exceed the value of the collateral held by the Portfolio or Fund. If there is a default on an obligation to return or resell the securities, the collateral may be insufficient to enable the Portfolio or Fund to purchase replacement securities and the Portfolio or Fund may suffer a loss for the difference. Similarly, the value of securities purchased under a reverse repurchase transaction may decline below the amount of cash paid by the Portfolio or Fund. If there is a default on an obligation to repurchase the securities, the Portfolio or Fund may need to sell the securities for a lower price and suffer a loss for the difference.

- **Concentration risk**

Concentration risk is the risk associated with investments that are concentrated in a particular issuer, group of issuers or sector, or in a single country or region of the world. Concentration of investments allows a Portfolio or Fund to focus on the potential of a particular issuer, sector or region. However, concentration also means that the value of the Portfolio or Fund tends to be more volatile than the value of a more diversified Portfolio or Fund because the Portfolio's or Fund's value is affected more by the performance of that particular issuer, group of issuers, sector, country or region.

- **Asset allocation risk**

For Portfolios or Funds that are invested across different asset classes, such as domestic fixed income, foreign fixed income, Canadian equities and/or foreign equities, the Portfolio Manager will assign a strategic weight to each of the asset classes that are consistent with the intended investment objective and risk profile of the Portfolio or Fund. This is called “asset allocation”. In certain cases, the Portfolio Manager may also utilize tactical asset allocation strategies in an attempt to add value to the Portfolio or Fund and to provide more stable returns by taking advantage of current and expected future market conditions. This is done by actively adjusting the Portfolio’s or Fund’s exposure to different asset classes by increasing or decreasing its weight to a particular asset class or asset classes, while remaining within an acceptable range. Asset allocation risk is the risk that one or more of the asset classes for which the Fund’s or portfolio’s exposure was tactically increased may under-perform relative to other asset classes; or conversely, that one or more of the asset classes for which the Portfolio’s or Fund’s exposure was tactically decreased may outperform relative to other asset classes.

- **Income trust risk**

Income trusts commonly hold debt or equity securities in, or are entitled to receive royalties from, an underlying active business. Income trusts generally fall into four sectors: business trusts, utility trusts, resource trusts and real estate investment trusts. Income trusts face the same risks set out in the security risk section above.

Investments in income trusts will have varying degrees of risk depending on the sector and the underlying assets. They will also be subject to general risks associated with business cycles, commodity prices, interest rates and other economic factors.

Returns on income trusts are neither fixed nor guaranteed. Typically, income trusts and other securities that are expected to distribute income are generally more volatile than fixed income securities. The value of income trust units may decline significantly if they are unable to meet their distribution targets. To the extent that claims against an income trust are not satisfied by the trust, investors in the income trust (which include a fund that invests in the income trust) could be held responsible for such obligations. Some, but not all, jurisdictions in Canada have enacted legislation to protect investors from some of this liability.

The majority of publicly traded income trusts and limited partnerships (not including certain real estate investment trusts) are generally subject to taxation in a manner similar to corporations.

- **Indexed debt obligation risk**

We may invest your Assets Under Management in units of the HSBC Global Inflation Linked Bond Pooled Fund (the “GILB Pooled Fund”). In connection with its investments in real return bonds and inflation linked bonds that are “indexed debt obligations” under the Income Tax Act (Canada) (“Tax Act”), the GILB Pooled Fund is required by the Tax Act to include a notional amount in its income for a taxation year calculated by reference to an increase in the inflation rate on the principal of the investment, notwithstanding that the GILB Pooled Fund will not receive this amount in the year. Because the GILB Pooled Fund must distribute all of its net income to its investors each year for income tax purposes, any amount deemed to be received by the GILB Pooled Fund in respect of a fluctuation in the inflation rate on the principal amounts of the real return bonds and inflation linked bonds will also be taken into account in determining the amount of taxable distributions to investors in the GILB Pooled Fund.

## **Information Required to Comply with “Know-Your-Client” Obligations**

Under applicable securities laws, we must take reasonable steps to establish the identity of our clients and whether they are an insider of any reporting issuer or issuer whose securities are publicly traded. With respect to clients that are a corporation, partnership or trust, we are required to establish the nature of their business and the identity of any individual who has control, direction or (in the case of a corporation) beneficial ownership of more than 20% of the voting rights attached to the outstanding voting securities. We are also required to take reasonable steps to ensure that we have sufficient information regarding your investment needs and objectives, financial circumstances and level of risk tolerance, to enable us to meet our obligation under applicable securities

laws to ensure that the purchases and sales of securities that we make on your behalf are suitable for you. In addition, in certain circumstances, we may also be required to make enquiries as to your reputation.

In order to comply with these requirements, we will obtain information from you when you open your account with us, including (but not limited to):

- Your name, address, home phone number, email address
- Your investment objectives, investment time horizon, and investment knowledge
- Your investment return expectations, your risk tolerance
- Your personal income, your occupation, your net worth
- Copies of two pieces of identification for you and any co-applicant if applicable, or any other individual with authority over the account.
- Your banking information
- Confirmation that you are (or are not) acting on instructions from a third party with respect to the operation of your account

Specific to non-personal accounts, in addition to the above (as that information is applicable) we will also obtain information regarding the:

- Name and address of the business or organization
- Date and jurisdiction of incorporation
- Name, date of birth, home address, occupation and phone number of all authorized individuals, and Directors or Beneficial Owners to the account

### **Investment Performance Benchmark**

An investment performance benchmark is a market or sector index against which the performance of your investments can be compared. HSBC Private Wealth Services (Canada) Inc. and HSBC Global Asset Management (Canada) Limited may use investment performance benchmarks to assess the performance of your Private Investment Management portfolio. You can use investment performance benchmarks to compare how your investments with us performed compared to the appropriate market or sector. When comparing your investment returns to the returns of an investment performance benchmark, please consider that:

- a. The composition of your investment portfolio reflects the investment strategy you have agreed upon as outlined in your Investment Policy Statement; due to this active management, the performance of your investments may differ from their benchmark performance.
- b. Investment performance benchmarks do not generally include charges and other expenses.

For more information about the benchmarks and how they relate to your investment, please speak with your Investment Counselor.

### **Schedule "G"**

#### **Accounts 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. If regulations or policies in Canada or any other jurisdiction that may affect you change, you may be required to close your Account. This may have tax implications. You may also be required to sell all your investments to liquidate your holdings.

- b. You may be required, under the laws of the foreign jurisdiction, to report investments. You may also be restricted in holding or trading certain investments, and subject to the taxes or penalties of that foreign jurisdiction. It is your responsibility to determine if this is relevant for your situation.
- c. We do not provide you with legal, tax or any other professional advice. You should seek independent legal and professional tax advice.
- d. In respect of your Canadian investments, your custodian and/or HSBC Global Asset Management (Canada) Limited will withhold Canadian withholding taxes from all income/distributions or other taxable amounts derived from your investments at the rate they reasonably determine to be applicable based on the current information available to them about you. Should you be entitled to a lower rate under a tax treaty, you are solely responsible for obtaining a refund or reclaim of any withheld taxes from the Canada Revenue Agency.
- e. In respect of your non-Canadian investments, the Custodian will generally withhold all tax on non-Canadian investments at the maximum rate for that country. You are responsible for filing any forms needed to reclaim any non-Canadian withheld tax from the applicable country's tax authorities, according to any existing tax treaty between the applicable country and your country of residence, if applicable.

## **Schedule "H"**

### **Electronically Transmitted Instructions**

We are authorized and obligated to act upon any written instructions we receive from you, including, but not limited to, instructions transmitted by electronic mail or facsimile. We are entitled to act upon any such instruction believed by us to be genuine and signed, and we are under no duty to verify the signature, confirm the validity of the instruction or make an inquiry as to any statement contained in any such writing. We may accept the instruction as conclusive evidence of the truth and accuracy of the statements contained therein.

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 instructions and you understand that we, in our sole decision, reserve the right to refuse any electronic instruction.

You undertake to indemnify and save harmless us from all Losses of any kind that we may suffer or incur or that may be brought against us, in any way relating to or arising from us acting on, delaying in acting on or refusing to act on any instructions, including improper, unauthorized or fraudulent instructions given by any person, including any employee, agent or representative of you.

## **Schedule "I"**

### **Digital or Electronic Records**

We may (directly or through third party service providers), in our discretion and subject to applicable laws, create and retain digital or electronic representations of all Records, and may destroy the original paper versions of such Records, if any, without prior notice to you. Our digital or electronic representations of such Records may, except where expressly prohibited by law, be relied upon as originals and are admissible in any legal, administrative or other proceedings between you and us in the same manner as an original of the document, and you will not object to the admission of our digital or electronic representations of such Records as evidence in legal, administrative or other proceedings on the grounds that they are not originals, are not in writing, are hearsay, are not the best evidence or are documents containing information extracted from a computer.

## **Schedule “J”**

### **Resolving your Complaints**

At HSBC Private Wealth Services (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 welcome hearing about that too.

### **How do I lodge a complaint?**

We encourage you to first raise any complaint or comment you may have with your Investment Counsellor or Wealth Planner.

Alternatively, you can:

Email us at: [CA.HPWS.Complaints@hsbc.ca](mailto:CA.HPWS.Complaints@hsbc.ca), or

Call us toll free at: 1-844-756-7783, or

Mail a letter to our head office at:

#### **HSBC Private Wealth Services (Canada) Inc.**

70 York St., Suite 300 Toronto,

ON M5J 1S9 Attention: Middle Office

It will be helpful if you provide us with as much detail as possible concerning your issue.

We aim to acknowledge receipt of your complaint within 2 business days. Such acknowledgment will include the contact information for the individual handling your complaint. Once we have investigated your concerns, a written response will be provided.

### **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 HSBC Commissioner of Complaints.

### **HSBC Commissioner of Complaints**

HSBC has established a Commissioner of Complaints to help with unresolved matters if you feel your complaint has not been adequately addressed.

The HSBC Commissioner of Complaints will acknowledge receipt of your complaint by email, telephone or mail according to your preference. On completion of a detailed investigation, the HSBC Commissioner of Complaints will provide you with a written response containing details of its investigation, its decision and an explanation on how they reached this decision.

The HSBC Commissioner of Complaints will only address your concern once it has been fully investigated by the HSBC Private Wealth Services (Canada) Inc. Complaints Handling team. The HSBC Commissioner of Complaints can be reached at:

#### **HSBC Commissioner of Complaints**

2910 Virtual Way Vancouver, BC V 5 M 0B2

Toll-free: 1-800-343-1180

Email: [commissioner\\_complaints@hsbc.ca](mailto:commissioner_complaints@hsbc.ca)

Alternatively, you may contact one of the external organizations listed below to assist in resolving your complaint. The below independent dispute resolution or mediation services are made available to you at our expense.

### **Ombudsman for Banking Services and Investments**

The Ombudsmen for Banking Services and Investment (OBSI) is an independent office responsible for assisting and resolving concerns by clients of the financial services industry. If your complaint has not been dealt with to your satisfaction, you may contact the OBSI within 180 days from the date of our decision.

**Office of the Ombudsman**

401 Bay Street, Suite 1505  
P.O. Box 5  
Toronto, ON M 5 H 2Y4  
Toll-Free Phone: 1-888-451-4519  
Toll-Free Fax: 1-888-422-2865  
Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)  
Website: [www.obsi.ca](http://www.obsi.ca)

This step may be taken at the earlier of substantive responses from us and from the office of the HSBC Commissioner of Complaints 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 Commissioner of Complaints is available to assist you in forwarding concerns to the OBSI.

**Autorité des marchés financiers**

If you are a resident of Quebec, and 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:

**Autorité des marchés financiers**

Direction des plaintes et de l'indemnisation  
800, rue du Square-Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montreal (Quebec) H4Z 1G3  
Montreal: 514-395-0337  
Quebec City: 418-525-0337  
Toll Free: 1-877-525-0337  
Fax: 877-285-4378

**The Office of the Privacy Commissioner of Canada**

If you do not feel appropriate action was taken by HSBC Private Wealth Services (Canada) Inc. to resolve your privacy concerns, you may write or call the Privacy Commissioner of Canada. The Privacy Commissioner of Canada is an independent office responsible for assisting customers with their privacy issues.

**Office of the Privacy Commissioner of Canada**

30 Victoria Street  
Gatineau, Quebec K1A 1H3  
Telephone: (819) 994-5444  
Toll-Free: 1-800-282-1376  
Fax: (819) 994-5424

