

Notice of Changes – Effective January 1, 2023

to HSBC Private Investment Counsel (Canada) Inc. (HPIC) Terms and Conditions

Thank you for applying to open an account with us. Today we are providing you with a copy of the Investment Management Agreement (IMA) Terms and Conditions and the Investment Policy Statement (together, “Terms and Conditions”) that will govern your account once your application is processed. We also want to tell you about some upcoming changes to the Terms and Conditions.

Below is a summary of the changes:

- **Revised – Section 5 (Proper Use)**

We’ve added language to Section 5 to inform you that, in certain circumstances, we may refuse any instruction or transaction from you in relation to your Account. Such instructions or transactions include, but are not limited to, instructions to open or use a new Account, continue to use an existing Account, or contribute to your Account, including contributions made through a pre-authorized contribution plan. Section 5 of the Terms and Conditions provides further details on the situations in which we may refuse any instruction or transaction from you.

- **Revised - Section 21 (Policy on Death, Disability, or Incapacity)**

We’ve revised Section 21 to reflect changes on how we will manage your account upon the unfortunate event of your death, disability or incapacity. If one of these events occurs, with the exception of joint accounts, we will continue to manage your account in accordance with your Investment Policy Statement until we receive instructions from your authorized estate or legal representative.

Revised section 21:

Subject to the provisions in the Investment Management Agreement governing joint accounts, you acknowledge and agree that when we receive notice of your death, disability or incapacity (in a form acceptable to us), we will continue to manage your Assets Under Management according to your IPS until we receive instructions from, or this Investment Management Agreement is terminated by, your authorized estate or legal representatives. We have the right to refuse to act upon any instructions of your authorized estate or legal representative without evidence to our satisfaction regarding your death, disability, or incapacity, or their authority to act.



- Revised – Schedule “F” – Additional information regarding your relationship with HSBC Private Investment Counsel (Canada) Inc.

We've added “Transfers In” and “Transfers Out” sections to the “General” section of Schedule “F” to clarify that:

- We do not accept transfers in-kind of third-party mutual fund units or Guaranteed Investment Certificates to your Account from other registered dealers.
- We may accept transfers in-kind of other investments to your Account from other registered dealers, depending on the specific security and circumstances. For investments where we do accept transfers- in-kind, we will use our discretion under the IMA to sell Transferred-In Investments when appropriate.
- Certain securities in your Account may not be able to be transferred out in-kind to other registered dealers:
 - HSBC Pooled Funds cannot be transferred out in-kind.
 - HSBC Mutual Funds are only available through certain dealers, and may be transferred out in-kind only to those dealers. If you hold Institutional series of the HSBC Mutual Funds in your Account, they must first be switched into another series authorized for sale through authorized dealers before being transferred out in-kind.
- There may be tax consequences to the above actions.

The new Terms and Conditions will replace the previous version and will be available on January 1, 2023. We encourage you to read the new Terms and Conditions by asking your Investment Counsellor for a copy or by visiting [hsbc.ca/investments/hpic-information](https://www.hsbc.ca/investments/hpic-information).

If you have any questions about these changes, please contact your Investment Counsellor. Thank you for choosing HSBC Private Investment Counsel.



HSBC Private Investment Counsel (Canada) Inc.

Investment Management Agreement

Terms and Conditions

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HSBC Private Investment Counsel (Canada) Inc.

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 Investment Counsel (Canada) Inc. and the portfolio management services that we will provide you in relation to the Account (the “**Private Investment Counsel service**”). These Terms and Conditions and all Schedules attached, the terms and conditions contained in the Private Investment Counsel 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 Counsel 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 Counsel service and the Custodial Services (defined below) in accordance with the amounts and the terms and conditions set out in the Private Investment Counsel – 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

HPIC, 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 Investment Counsel (Canada) Inc.
16 York St., Suite 500
Toronto, Ontario
M5J 0E6
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 Counsel 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, provided that the amendments we make do not change your investment strategy as set out in your IPS. For greater certainty, with advance notice, we may make changes to the asset mix ranges and neutral position associated with your investment strategy, pursuant to our discretionary authority. 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 Investment Counsel (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 Counsel 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:

- Laws or international guidance
- internal policies or procedures
- demands from Authorities
- 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 Investment Counsel (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.

Schedule “D”

Conflicts of Interest Disclosure Statement

In the course of providing services and products to you, there will be situations where a conflict will arise between HSBC Private Investment Counsel (Canada) Inc.’s (“our”, “we” or “us”) interests and yours. These conflicts may be actual conflicts of interest or you may perceive that we have a conflict of interest.

Conflicts may cause concern that we or our representatives may act or will act in their own business or personal interest, which may result in our or our representative’s financial gain. Conflicts can also arise in circumstances where there are differing interests amongst clients, which may lead to a perception that we are favouring a client or set of clients over other clients.

We seek to avoid or minimize conflicts where reasonably possible. We seek to avoid actual or perceived favouritism or discrimination amongst clients, and to ensure that no client receives preferential treatment over another when we provide financial products and services to you. Some conflicts cannot be avoided, including those conflicts that are inherent in the business model we use and our relationship with our affiliates. However, at all times, we address these conflicts by implementing controls that we believe to be effective.

Canadian securities laws require us to take reasonable steps to identify and respond to material conflicts of interest and tell you about them. This Conflicts Disclosure Statement identifies which conflicts of interest we consider are material when we and our representatives provide financial products and services to you. We also describe the potential impact on and risk that the conflict could pose to you, and how we address the conflict to minimize its impact and risks to you and our other clients.

In situations where we do not or cannot avoid a conflict of interest, where our interests may compete with yours we will always strive to give your interests priority over ours. This allows you to be confident that we address conflicts in your best interest. In addition, there may be other situations that pose unique conflict of interest issues; in those cases we will provide you with supplemental disclosure. Unless otherwise specified, 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.
- Our representatives are required to comply with various policies and procedures, which are designed to ensure our representatives follow ethical and client-first business practices. These policies and procedures include HSBC Group’s global code of ethics, anti-bribery and corruption policies and procedures, and procurement requirements. We have a robust oversight process to ensure these policies and procedures are effective.
- We control or manage acceptable conflicts by separating different business functions and restricting the internal exchange of information.
- Our internal compensation practices are designed to ensure our representatives are not incented or influenced to make recommendations to you about specific products or services we offer.
- For each material conflict, we seek to resolve it in your best interest.
- We disclose information about conflicts of interest we consider are material when we and our representatives provide financial products and services to you so that you can assess independently if these conflicts are significant to you.

Material Conflicts of Interest

Below is important information that will help you be informed about conflicts of interest we consider are material to you.

Conflicts Arising from Being a Member of the HSBC Group:

We are a member of a group of related companies known as the HSBC Group, whose ultimate parent entity is HSBC Holding plc, headquartered in London, UK. In the course of providing services and products to you,

we may from time to time enter into transactions or arrangements with other members of the HSBC Group, or accept services from members of the HSBC Group or other persons or companies related or connected to us.

We are a direct subsidiary of HSBC Bank Canada ("HSBC Bank"), a Schedule II chartered Canadian bank.

HSBC Global Asset Management (Canada) Limited is the principal sub-adviser to us for your account with us. It is also the investment fund manager and primary portfolio manager for the investment funds we may cause your account to invest in. We, together with HSBC Bank and HSBC Global Asset Management (Canada) Limited, are all members of the HSBC Group. All members of HSBC Group are separate entities from each other with information barriers and robust compliance systems.

Some of our directors and officers are also directors or officers of HSBC Bank and/or other HSBC Group members. In addition, we have various governance committees where some HSBC Group members sit on more than one of these committees. Our directors and officers receive specific training on their corporate and regulatory responsibilities including conflict of interest issues arising from holding positions at several HSBC Group members.

Our membership in the HSBC Group, together with the transactions and arrangements we make with other HSBC Group members, will give rise to conflicts of interest, and we have adopted policies and procedures to identify and respond to these conflicts. For example, we receive portfolio management services from HSBC Global Asset Management (Canada) Limited. 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.

In all cases, we recognize that the conflicts described in this section raise perceptions that we will favour the business interests of HSBC Group members, and that you may have concerns about our products and services that are sourced from or provided by those members.

Described below, we have set out these conflicts and other conflicts of interests and how we manage them to ensure we act in your best interests.

Our Products and Services

When you open an account with us, your account is managed on a discretionary basis, with portfolio management recommendations from our sub-adviser, HSBC Global Asset Management (Canada) Limited.

We may cause your account to invest in HSBC products and services, such as the HSBC Mutual Funds and the HSBC Pooled Funds. The HSBC Mutual Funds and the HSBC Pooled Funds are managed by HSBC Global Asset Management (Canada) Limited, who engages its affiliated and non-affiliated global asset managers to assist in managing funds. Because we do not recommend third party funds, the suitability determination conducted by us, HSBC Global Asset Management (Canada) Limited and our representatives will not consider the larger market of third party funds or whether those third party funds would be better, worse, or equal in meeting your investment needs and objectives.

There are conflicts of interest inherent in clients' opening accounts with us and investing in HSBC products and services. We manage this conflict of interest by conducting thorough due diligence on those products and services. Our view is to ensure that such products and services are suitable and competitive within the market for the range of clients opening accounts with us. We also have in place a robust oversight process to ensure we have effective know-your-client, know-your-product and suitability procedures. This ensures the investments for your account in HSBC products and services will be suitable for you and put your interests first. Further, we evaluate our policies, procedures and controls to ensure we have addressed this conflict of interest.

In most cases, our connection to HSBC products and services will be obvious to you because the names of the funds or other financial products 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 or

financial product is not similar enough to convey the fund's or product's relationship to us, we will provide you with specific disclosure regarding that relationship when we cause your account to invest in that fund or product.

There are also conflicts of interest inherent in the management of the HSBC Mutual Funds and HSBC Pooled Funds by HSBC Global Asset Management (Canada) Limited. The conflicts of interest are addressed by HSBC Global Asset Management (Canada) Limited in the best interests of the funds and are referred to and considered by the Independent Review Committee for those funds. The members of the Independent Review Committee are independent of HSBC Global Asset Management (Canada) Limited and other members of the HSBC Group.

Fees and Charges

We and the other members of the HSBC Group, like other financial services firms, are commercial businesses and seek to maximize profits while also providing fair, honest and suitable products and services to clients. We earn compensation from your account through direct fees payable by you. Some of the fees you pay us are paid to HSBC Global Asset Management (Canada) Limited, as our sub-advisor. If your account is invested in HSBC Mutual Funds or HSBC Pooled Funds, HSBC Global Asset Management (Canada) Limited also earns management fees in respect of your investment in those funds. We generally use a standard investment management fee schedule for direct fees payable by our clients. From time to time, we may agree to accept an investment management fee schedule that is lower than our standard investment management fee schedule. Factors that may result in us agreeing to accept a fee that is lower than our standard fee rate include the total value of the client's (or their household's) assets under management, the potential for future growth of the assets under management, client retention, or the client's relationship with us or other members of the HSBC Group (including but not limited to whether the client is an employee or a former employee, or a relative of either). Any negotiated investment management fees will be approved by us only after consideration of the applicable guidelines we have put into place.

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. In addition, we or our affiliates may earn revenue from foreign exchange spreads resulting from currency conversions transactions in your accounts. We balance our commercial, regulatory and HSBC Group responsibilities with the best interests of our clients. This includes pricing our products and services in a way that represents value for money for you and overall profitability for the applicable members of the HSBC Group. The fees and charges you pay are transparent and disclosed to you in the Annual Charges and Compensation Report, which can be found within the Annual Report. We also tell you about revenues we may receive from third parties, including HSBC Group members, in connection with those products and services. Your representative can discuss your questions about our fee, charges and revenue from other sources as they apply to the products and services you invest in.

Referral Arrangements

We may enter into referral arrangements from time to time where we refer clients to another entity and receive a benefit, or another entity refers clients to us and receives a benefit from us. These arrangements may be with other members of the HSBC Group or parties unrelated to us. This can create a potential conflict of interest because the arrangements provide a financial incentive to make referrals to the person we are receiving a referral fee from. 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.

HSBC Bank and its affiliates may, from time to time, introduce customers to each other in accordance with the financial needs of the customers.

HSBC Global Decisions

Certain decisions that affect our business and the products and services we provide you may be made at a HSBC Group level. Those decisions may be made to favour the commercial interests of the HSBC Group as a whole. We are required to comply with Canadian securities laws and no HSBC Group decision will impact our compliance in this regard. We will address this conflict by continuing to follow our policies and procedures that are designed to put clients' interests first and comply with Canadian securities laws.

Allocation of Investment Opportunities

Unfair allocation of trades by us or our sub-adviser is a potential conflict of interest. To avoid any potential conflicts of interest, we have a Fair Allocation of Investment Opportunities Policy which is designed to ensure that we or our sub-adviser will not, when placing an order for our clients, give unfair advantage to any client.

Best Execution and Soft Dollars

When placing orders for and on behalf of clients' accounts, we or our sub-adviser will select those brokers and dealers from whom we or our sub-adviser reasonably can expect to obtain the best execution (after considering all transaction costs and research or other benefits). We or our sub-advisers may receive soft dollars in connection with trades in securities on behalf of clients and our funds. Soft dollars create a perceived or potential conflict of interest to the extent that we or our sub-advisers may use soft dollars for services that benefit us but not necessarily all or any of their clients. We comply with Canadian requirements for soft dollar practices.

Proxy Voting

We, along with our sub-adviser, generally have discretion in voting the portfolio securities purchased for clients. A perceived conflict of interest arises because of the opportunity for the us to vote securities or to agree to certain corporate actions in our own interest. To minimize this potential conflict, we have policies and procedures outlining our proxy voting guidelines. We do not invest in securities of issuers in order to exercise control over, or participate in, the management of issuers.

Conflicts of Our Representatives

Our representatives receive remuneration, which may be comprised of a base salary and a variable pay based on performance criteria. Performance criteria remuneration may include compensation for the representative's role in introducing our clients to other investment products or services offered by our affiliates in Canada as appropriate. In addition, from time to time, we or our affiliates may also award other incentives (such as merchandise or corporate events) to our representatives for their role in managing your account. Such incentives will be paid by us or our affiliates and be based on pre-set targets or other variable criteria. All incentive programs provided by us or our affiliates are designed so that investment products or services will only be introduced to you if they are suitable for you.

Our representatives may offer investment products and services to clients that they have a personal relationship with or are related to. Under these circumstances, these representatives are not permitted to favour those clients over clients with whom they do not have those relationships. In addition, these representatives have no involvement in the portfolio management of these clients' accounts.

Personal Trading and Code of Ethics

We have a Personal Trading Account Dealing Policy and a Statement of Business Principles & Code of Ethics, which is designed to ensure that our representatives:

- Act in accordance with applicable securities laws and other laws;
- Act in the best interests of us and our clients;
- Avoid actual or potential conflicts of interest; and
- Do not engage in personal securities transactions that are prohibited by law, such as insider trading, or that negatively impact our clients.

Our representatives, officers and directors put the interests of our clients first, ahead of their own personal self-interests. We have policies prohibiting our representatives from engaging in certain personal trading activities including speculative trading activity, participating in an investment club, or performing any trading that may give the impression of wrongdoing by the representatives or us.

In addition, 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 their direct or indirect personal benefit. They are also prohibited from using the information in a manner which would not be in the best interests of our clients.

These individuals must not use their position to obtain special treatment or investment opportunities not generally available to our clients or the public. They are only allowed to make certain personal trades if it falls within our Personal Account Dealing Policy, and they have received approval from their managers and HSBC's Global Personal Account Dealing team to ensure such trades will not conflict with our clients' best interest.

Outside Business Activities

At times, our executive and representatives may participate in outside business activities such as serving on a board of directors, participating in community events, or pursuing personal outside business interests. We have policies in place that require individuals to disclose situations where a conflict of interest may arise before engaging in any outside business activity, to determine how such conflicts may be addressed. Employees may only engage in such outside business activities if approved by an applicable supervisor according to our policies.

Gifts and Entertainment

Our executive and representatives are not permitted to accept gifts or entertainment beyond what we consider consistent with reasonable business practice and applicable laws. We set maximum thresholds for such permitted gifts and entertainment, so that there cannot be a perception that the gifts or entertainment will influence decision-making.

We May Change this Conflicts Disclosure Statement

The information disclosed in this Conflicts Disclosure Statement may change from time to time. For example, we may later consider we have another material conflict that we have not previously disclosed to you, or we may change how we address the conflict in your best interest. You can obtain the current version of this Conflicts Disclosure Statement free of charge at any time by visiting our website at www.hsbc.ca/importantinformation.

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.

	Market Value of Securities	Available Cash	Amount of Loan	% Change in the Investment
Original Purchase	\$100,000	\$25,000	\$75,000	N/A
Securities Value Declines by 10%	\$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 Investment Counsel (Canada) Inc.

1. Purpose of this Document

We want you to be fully informed about matters that are important to your relationship with us. Canadian securities laws also require us to provide you with certain information about our relationship. This Schedule contains information regarding your relationship with us, including information about the Private Investment Counsel service, the nature of the Account you have with us, the manner in which these are operated, and our responsibilities to you.

Additional information regarding your relationship with us is contained in other documents, including these Investment Management Agreement Terms and Conditions, their associated Schedules, and updates we provide to you from time to time. We encourage you to review the information you receive from us carefully. In this Schedule, references to "**Funds**" mean the HSBC Pooled Funds and the HSBC Mutual Funds.

2. Products and Services Offered

General

We offer the Private Investment Counsel service, a discretionary investment management service, to individuals, families and certain non-personal entities 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, referred to sometimes in these Investment Management Terms and Conditions as "**AMCA**", as portfolio manager for Private Investment Counsel portfolios ("**Portfolios**"). The 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 your investment needs and objectives, investment time horizon, risk profile and personal and financial circumstances.

Your Portfolio may be invested in HSBC products, such as the Funds. The Funds are managed by AMCA, who may engage affiliated and non-affiliated global asset managers to assist in providing investment advice. To the extent your Account is invested in mutual funds or pooled funds, it will be invested in the Funds. However, we reserve the right, pursuant to our discretion under the Investment Management Agreement, to in the future expand the scope of what your Portfolio may invest in to third party mutual or pooled funds.

The Private Investment Counsel Service is exclusive to HSBC customers. To invest in the Private Investment Counsel Service, we require a minimum initial investment of CAD \$1,000,000, unless otherwise agreed to by us.

Certain securities in your Account, including the Funds, may not be able to be transferred out in-kind to other registered dealers and may have to be liquidated and transferred in cash. There may also be tax consequences to a redemption or sale and transfer out in-cash versus a transfer out in-kind.

We do not accept transfers in in-kind of third party mutual fund units or other investments to your Account from other registered dealers.

3. Our Advisory Relationship With You

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

AMCA

As noted above, we have retained AMCA to provide us with discretionary portfolio management services. AMCA, rather than any of the individuals described below, makes the actual investment decisions in your account.

Your Investment Counsellor

Your Investment Counsellor is your primary contact and will assist you with understanding your investment options and investment strategies with HSBC Private Investment Counsel (Canada) Inc. Your Investment Counsellor will be part of a team of investment counsellors, whose function is to assist you in understanding the services we provide, which will include working with you to develop an Investment Policy Statement and determining which of the Portfolios we offer, if any, is suitable for you and in your best interests. Your Investment Counsellor is qualified to assist you in understanding the investments being made in your account and how they will allow you to meet your investment objectives. Your Investment Counsellor will help you to keep track of the services we provide and answer your questions.

Your Investment Counsellor will help you with your Account, including answering any questions you may have and ensuring that the Portfolio you agree to invest in is right for you. Your Investment Counsellor is registered with the applicable securities commissions in a category that will allow your Investment Counsellor to work with you in the ways described above.

Supervisors/Regional Heads and Other Registered Individuals

Your Investment Counsellor will be supervised by one of our Regional Heads. Our Regional Heads are registered with the applicable securities commissions in the category of advising representative or advising representative – client relationship manager. This allows them to supervise the activities of the Investment Counsellor and to meet with you to discuss your Account, your Portfolio, and the services we provide.

If the supervisor is registered as an advising representative – client relationship manager, you will know, as they will use this title on business cards and in their email signature. We may also have other experienced individuals registered with the securities commissions in the category of advising representative – client relationship manager. This registration allows these individuals to provide advisory services, like advising on your Investment Policy Statement, a suitable Portfolio that is in your best interest, and details relating to your Account. Anyone registered in this category does not make the actual investment decisions for your Account, and does not have the appropriate registration with the securities commission to do so.

Qualified Custodian

RBC Investor Services Trust, as our designated custodian (the “**Custodian**”) provides administration and custody services for your Account (collectively, the “**Custodial Services**”). The Custodian provides these services pursuant to an agreement between you and the Custodian, consisting of your Account Agreement with the Custodian, the Investment Counsellor Services Administration Agreement Terms and Conditions, and other materials from the Custodian that you may receive (the “**Custody Agreement**”). The Custodian holds your investments electronically, as described in the “Understanding Your Private Investment Counsel Account Report – Important Information” section of your Account Report.

Before selecting a third party custodian, we conduct 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 regulatory requirements, reviewing the custodian’s capabilities and 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 make cash deposits to, and withdrawals from, your Account held by the Custodian. This allows us 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.

The Custodial Services are provided to you by the Custodian under your Custody Agreement. Neither us nor our affiliates assume 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.

4. Fees

Fee Schedule

The fees we charge you for the Private Investment Counsel service, including custodial fees, are set out in the Fee Schedule provided to you at account opening and from time to time. The Fee Schedule is under section 8 of these Investment Management Agreement Terms and Conditions.

Other Fees and Charges

Mutual funds 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" or "**MER**". The MER indirectly affects you because it reduces the amount of the funds' returns to you.

For the Funds held in your Account, there is no management fee portion of the MER charged to the Funds. However, the portion of the MER that consists of fund operating expenses is charged.

For additional information, please see the Fee Schedule and the "Fees and Charges" section of Schedule "D" (Conflicts of Interest Disclosure Statement).

In addition to our Private Investment Counsel 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 to you for the services we offer through our Wealth Planners.

Impact of Fees

Fees impact the investment returns of your Portfolio. Fees charged directly to your Account reduce the market value of your Account directly, while fees that are embedded within the Funds and other investments held in your Account reduce the market value of those investments held in your Account. The impact of fees reduces your investment returns and this impact increases over time, due to the effect of compounding. Every dollar taken out to cover fees is one less dollar left to invest in the portfolio to compound and grow over time. Please ask your Investment Counsellor if you have any questions about fees.

5. "Know Your Client" and Suitability

"Know Your Client"

We collect information from you by asking you questions regarding your personal circumstances, your financial circumstances, your investment needs and objectives, your investment knowledge, your risk profile (how much investment risk you're comfortable with and able to endure), and your investment time horizon.

This is referred to as "Know Your Client" or "KYC" information. We ask for some of this information by working with you to complete our Investment Policy Statement. We use this information in determining whether an investment action is suitable for you. Accordingly, it is important that the information you provide us is accurate

and current. We will reach out to remind you to keep your KYC information current. We will endeavour to meet with you every year and will go over your KYC information to ensure it is current, as well as examine the suitability of your Account and your Portfolio, having regard to any changes to your KYC information and/or to the securities in your Account.

We are required to determine the suitability of your Account and your Portfolio if you advise us that there has been a significant change to your KYC information. A significant change is a change that would have an impact on your risk profile, investment time horizon, or investment needs and objectives, or a significant impact on your net worth or income. We rely on this information to determine if your Account, and the Portfolio you are invested in, continue to be suitable for you. Accordingly, it is important that you inform us promptly of any change to your KYC information.

We will record your KYC information, including your investment needs and objectives, risk profile and investment time horizon, and give you an opportunity to review it prior to commencing transactions in your Account. In order to help you understand what we are asking you to provide us by way of KYC information, below are definitions for certain key terms you may see used in the Investor Policy Statement or other information you receive from us. Your Investment Counsellor can answer any questions you may have.

Your **personal circumstances** mean specific information about you. For **individuals**, personal circumstances include your date of birth, your address and contact information, your civil status or family situation, your number of dependants, your employment status and occupation, and whether someone other than you is authorized to provide instructions on your Account or has a financial interest in your Account. For **non-individuals**, personal circumstances include the entity's legal name, the head office address and contact information, the type of legal entity, forms and details regarding the organization of the legal entity, the nature of the legal entity's business, the persons authorized to provide instructions on the legal entity's Account and the extent of their authority, and whether someone other than the legal entity has a financial interest in the legal entity's Account.

Your **investment needs** mean the requirements you may have for your investment, which may include liquidity. Your **investment objectives** are the results you want to achieve when investing, such as capital preservation, income generated by invested capital, capital growth or speculation.

Your **investment knowledge** means your knowledge of different investment products and of financial markets.

Your **risk profile** consists of the lesser of (i) your comfort with accepting risk, sometimes referred to as **risk tolerance**, and (ii) your ability to endure potential financial loss, sometimes referred to as **risk capacity**. Risk tolerance and risk capacity are separate considerations that together make up your overall risk profile.

Your **investment time horizon** is how long you have to invest. It is the period from the time you open your Account and begin your investments, to the time when you expect to access a significant portion of the money you have invested in your Account. When you provide us with your investment time horizon, we will use it to assess the feasibility and reasonableness relative to your liquidity needs, age, investment objectives, risk profile, and other particular circumstances. The length of your investment time horizon impacts the types of investments that may be suitable for you.

We must also collect information from you in order to comply with anti-money laundering requirements. In addition, in certain circumstances, we may also be required to make enquiries as to your reputation.

Suitability

We have an obligation under applicable securities laws to determine that any investment action we take or recommend for you is suitable for you (including any recommendation we make to invest in a Portfolio), having regard to your KYC information, and puts your interest first. In determining whether an investment action is suitable, we will consider your KYC information, the products that we have available to you, the impact of the investment action on your Account with us, the potential and actual impact of costs to you, and the range, if any, of alternative investment actions available.

Our obligation to determine the suitability of an investment action also applies to trades and other investment actions proposed by you, even if a recommendation is not made by us to you.

If, when we review your Account with you, we determine that one or more of your investments, or the Portfolio you are invested in, are no longer suitable for you, we will discuss this with you and recommend what changes we consider you should make. This may require updating your Investment Policy Statement. If we are unable to agree with you on recommendations to address unsuitable investments in your Account and/or an unsuitable Portfolio, we may take other actions, including, but not limited to, placing restrictions on your Account.

As our Portfolios hold investments that are highly liquid, we do not have any liquidity concerns that would impact your ability to access all or a portion of your investments with us. In addition, in most cases, we will not have concentration concerns with respect to your Portfolio, as your Portfolio will be managed to ensure that it is well-diversified to avoid over-concentration. In limited circumstances, we may determine it is appropriate to assess concentration (for example, in particular market sectors, geographic sectors, or industries) in your Accounts held with us.

6. Common Types of Risk to Consider When Making an Investment Decision

Before making any investment decision, it is important to consider your investment needs and objectives, how much investment risk you're comfortable with and able to endure, your investment time horizon, 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.

Even though you have authorized us to make all investment decisions related to the management of your Account, 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. The risks that follow may, in addition to applying to your Portfolio, apply to the Funds your Portfolio may be invested in.

For risks specific to leveraging, you should also review Schedule "E" to these Investment Management Agreement Terms and Conditions – "Borrowing Money to Buy Securities (Leveraging)."

- **Interest rate risk**

Portfolios that invest in debt instruments – including, but not limited to bonds, mortgages and debentures – are subject to interest rate risk. Debt instruments earn a fixed rate of interest, which is paid to investors on a regular basis, often semi-annually or annually. When interest rates rise, existing investments in these instruments become less valuable because new debt instruments will pay the current, higher rate of interest. Therefore, as interest rates rise the price that investors are willing to pay for the existing investments in debt instruments will fall. Conversely, if interest rates fall, the value of existing investments in debt instrument with a higher rate of interest will rise. Longer-term debt instruments are generally more sensitive to changes in interest rates than other kinds of securities. In addition, to the extent a Portfolio invests in instruments with negative yield, (e.g., where there are negative interest rates), its value could be impaired.

- **Currency risk**

Portfolios 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. For example, for Canadian dollar Accounts, changes in the currency exchange rates between Canada and the country where a Portfolio holds an investment affect the Canadian dollar value of that investment because it must be bought or sold with a foreign currency. 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 will 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. If you hold units of a Fund or other investment denominated in U.S. dollars, Canadian tax slips are still reported in Canadian dollars.

- **Market risk**

Portfolios that invest in securities listed on a stock exchange will be affected by general changes in the stock market. This is referred to as market risk. Stock market 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, securities of a company listed on an exchange may be negatively affected by this overall downward movement of the market, even if the company that issued the securities is still strong.

- **Security risk**

When a Portfolio invests in a company, factors specifically regarding that company may affect the value of the investment. This is referred to as security risk. Company-specific factors can include how it is managed, the products it sells and its financial health. If the company performs poorly in one or more of these areas, the value of its shares should decrease. Security risk is one reason that the value of a company's shares may fall despite a rising market.

- **Credit risk**

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

- **Foreign market risk**

Investing in foreign markets can present 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 also be subject to currency exchange control requirements, imposition of various taxes, withholding taxes prior to payment of dividends or other distributions, and expropriation of assets. The ability of a Fund to make distributions to investors assumes the continuing free exchange of the currencies in which the Fund is invested. As a result, the value of securities that are issued by a company in a foreign market may be lower, as they may be 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 larger companies. Portfolios that invest a significant portion of their assets in small companies are subject to small capitalization risk and may find it more difficult to buy and sell securities and tend to be more volatile than Portfolios that focus on larger capitalization companies.

- **Liquidity risk**

Liquidity risk is the risk that a significant portion of investments within a Portfolio or Fund cannot be readily converted into cash when required. While AMCA has guidelines intended to limit the amount of illiquid securities that it 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. 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 stock market indices or interest rates. 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. Hedging through the use of derivatives may help reduce the risks associated with other 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 necessarily 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 in the Portfolio's reporting currency of the hedged currency or stock market should rise or if the hedged interest rate should fall. It may not be possible for a Portfolio to protect its investments against generally anticipated changes in currencies, stock markets or interest rates through the use of derivatives.

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

- the other party to a derivative contract may not meet its obligations;
- a Portfolio or Fund may not be able to buy or sell a derivative to make a profit or cover a loss; and
- derivatives traded on foreign markets may be less liquid 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 because 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. If there is a default on an obligation to return or resell the securities, the collateral may be insufficient to enable the Portfolio to purchase replacement securities and the Portfolio 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. If there is a default on an obligation to repurchase the securities, the Portfolio 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 to focus on the potential of a particular issuer, sector or region. However, concentration also means that the value of the Portfolio tends to be more volatile than the value of a more diversified Portfolio because the Portfolio's value is affected more by the performance of that particular issuer, group of issuers, sector, country or region.

- **Asset allocation risk**

For Portfolios that invest 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 is consistent with the intended investment objective and risk profile of the Portfolio. 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 exposure to the 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 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 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 similar risks to those set out in the “Security risk” section above.

Investments in income trusts have varying degrees of risk depending on the sector and the underlying assets. Such investments are also 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. Income trusts and other securities that are expected to distribute income are 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 (including a mutual 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.

- **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.

- **Cyber security risk**

Cyber security risk is the risk of loss and liability to an organization resulting from a failure or breach of the information technology systems used by or on behalf of the organization and its service providers, including incidents resulting in unauthorized access, use or disclosure of sensitive, regulated or protected data. The use of the internet and information technology systems by us and our service providers may expose us to potential loss or liability arising from cyber security incidents. Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hackers, competitors and acts of nature). Cyber incidents include, but are not limited to, unauthorized access to information systems and data (e.g., through hacking, malicious software, or phishing) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users). A cyber incident that affects us or our service providers (including, but not limited to AMCA and your custodian) might cause disruptions and adversely affect the respective business operations (e.g., impediments to trading and/or processing of transactions), cause disclosure or modification of sensitive or confidential client or competitive information and might also result in violations of applicable law. Each of these might result in potentially significant financial losses and liabilities, regulatory fines and penalties, sanctions, reputational harm, and reimbursement and other compensation costs to us. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents. We have established business continuity plans and risk management systems to minimize the risk of a security breach and/or cyber incidents. However, there are inherent limitations to these plans and systems, including the possibility that certain risks have not been identified. Additionally, while we have vendor oversight policies and procedures in place we cannot control the cyber security plans and systems of third-party service providers whose operations may affect your Portfolios or the Funds your Portfolio invests in. As a result, your Portfolios could be negatively affected.

7. Content and Frequency of Reporting

We will send you an account statement on a quarterly basis, as of each calendar quarter. The statement will report your position as of quarter end, and details of each transaction that took place during that calendar quarter. With this quarterly statement, we also provide you a summary of the performance of your Account and the activity in your Account. The performance of your Account is calculated as a total percentage return using a consistent industry-wide calculation methodology known as the money-weighted rate of return. This methodology takes into consideration the amount and timing of deposits and withdrawals made into and from your Account. This provides you a picture of how your investments are performing in light of decisions you have made to deposit or withdraw funds over a set period. This rate of return cannot be compared with a benchmark as benchmarks use a different calculation methodology. Keep in mind that your returns reflect the mix of investments and risk level of your Account.

When you review your returns, consider your investment needs and objectives, the amount of risk you are comfortable with, and the value of the advice and services you receive. The statement will report the performance of your Account for the 1 year, 3 year, 5 year, 10 year, and year-to-date periods ending the date of the statement, if available, and since inception. Any returns for a period greater than one year will be annualized rates of return.

Additionally, on an annual basis, we will send you two reports: an Annual Charges and Compensation Report, setting out details of fees and charges paid with respect to your Account, and an Investment Performance Report, setting out details on how your Account is performing.

8. Conflicts of Interest

Material conflicts of interest and material conflicts of interest that are reasonably foreseeable and that cannot be avoided will be addressed in your best interest and will be disclosed to you where required, in a timely manner. Please refer to Schedule "D" to these Investment Management Agreement Terms and Conditions – "Conflicts of Interest Disclosure Statement."

9. Investment Performance Benchmark

An investment performance benchmark is a market or sector index against which the performance of your investments can be compared. We and HSBC Global Asset Management (Canada) Limited may use investment performance benchmarks to assess the performance of your Portfolio or Account. You can use investment performance benchmarks to compare how your investments with us performed compared to the appropriate market or sector. When comparing the returns of your Account or Portfolio to the returns of an investment performance benchmark, please keep in mind that:

- The composition of your 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.
- Investment performance benchmarks do not generally include charges and other expenses.

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

10. Potentially Vulnerable Clients

We are committed to protecting our clients. For individual clients, we will ask you if you would like to name a Trusted Contact Person (TCP) associated with your Account with us. A TCP is someone you trust to assist in protecting your investments with us, but naming a person as your TCP does not give them authority to make decisions about your Account on your behalf. By naming a TCP, you authorize us to contact your TCP in the following situations:

- We identify possible financial exploitation affecting you or your Account

- We have concerns about your mental capacity as it relates to financial decision-making
- We require the identity and contact information of your legal guardian, executor, trustee or other personal or legal representative, and cannot confirm it with you
- We require your current contact information, and cannot confirm it with you

If you name a TCP, you may, at any time, change your TCP or withdraw your authorization to permit us to contact your TCP in the above situations. Please contact your Investment Counsellor if you would like to discuss TCPs.

Additionally, pursuant to securities regulations, we are authorized to place a temporary hold on a securities transaction or a disbursement from your Account if we reasonably believe that:

- you are a vulnerable client, and financial exploitation of you has occurred, is occurring, has been attempted, or will be attempted; or
- you do not have the mental capacity to make decisions involving financial matters.

If we place a temporary hold on a securities transaction or a disbursement from your Account in the above situations, we will provide you with notice of the temporary hold, including reasons for it, as soon as possible after placing the temporary hold. We will continue to review the temporary hold to determine if continuing it is appropriate. Within 30 days of placing the temporary hold and, until the hold is revoked, within every subsequent 30-day period, we will either revoke the temporary hold, or provide you with notice of our decision to continue to hold and the reasons for that decision.

11. Complaints

If you are not satisfied with a financial product or service that we offer, you have a right to make a complaint and to seek resolution of the problem. We have a responsibility to you to ensure your complaint is dealt with fairly and promptly. If you have a complaint, there are steps you can take.

For more details, please refer to Schedule “J” to the Investment Management Agreement Terms and Conditions – “Resolving Your Complaints.”

12. 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

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:

- 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.
- 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.
- We do not provide you with legal, tax or any other professional advice. You should seek independent legal and professional tax advice.
- 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.
- 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 Investment Counsel, we want to provide you with the best customer experience possible. If we didn't meet your expectations, please let us know and we'll do our best to help.

Please follow the steps below to direct your complaint to the right teams.

Step 1 Start with your Investment Counsellor or Wealth Planner

Please start by discussing with your Investment Counsellor or Wealth Planner. Alternatively, you can mail a written letter to our head office at:

HSBC Private Investment Counsel (Canada) Inc.
16 York St., Suite 500,
Box 64, Toronto Ontario M5J 0E6

After this step, you can refer your complaint to the Ombudsman for Banking Services and Investments, without continuing with any of the below steps.

Refer to the **Ombudsman for Banking Services and Investments** section for more details.

Step 2 Escalated if your complaint is not resolved

If you're not satisfied with how your representative handled your concerns in Step 1, you can escalate further (or ask your Investment Counsellor/Wealth Planner to escalate on your behalf) using the contact information below.

Note: Depending on the nature of your complaint, we may refer you to another team for escalation. You also have the right to refer your complaint to the OBSI or any external regulatory body at any time. Refer to the sections below for more details.

Toll-free: 1-888-989-HSBC (4722)
Email: escalated.complaints.canada@hsbc.ca
Mail: PO Box 9950, Station Terminal,
Vancouver, BC V6B 4G3

Step 3 Escalate to the HSBC Client Complaints Office

If you're not satisfied with the resolution after following Steps 1 and 2, you can further escalate to the HSBC Client Complaints Office.

This office will only investigate once you've tried to resolve your concerns through the previous two steps. The Client Complaints Office will review your complaint and provide HSBC's final decision and an explanation about how and why this decision was reached. This office has 30 business days to respond to your concerns. The time limit for starting legal action will continue while this office reviews your complaint.

Toll-free: 1-800-343-1180

Email: client.complaints.office@hsbc.ca

Mail: PO Box 9950, Station Terminal,
Vancouver, BC, V6B 4G3

This office works independently from HSBC Private Investment Counsel; however, it is employed by HSBC and is not an independent dispute resolution service, unlike the Ombudsman for Banking Services and Investments (OBSI).

For privacy complaints only

If your complaint is related to privacy issues, we will direct your concerns to our Chief Privacy Officer:

HSBC Chief Privacy Officer

Email: privacy_officer@hsbc.ca

Mail: PO BOX 9950, Station Terminal
Vancouver, BC V6B 4G3

Resolution through an external complaint body

Ombudsman for Banking Services and Investments

You have the right to refer your complaint to the OBSI in these two situations:

1. Within 180 calendar days of receiving a closing response from HSBC Private Investment Counsel; or,
2. If we've taken longer than 90 days to respond from the date we received your complaint.

The OBSI service is provided at no cost to you.

Toll-Free Phone: 1-888-451-4519

Toll-Free Fax: 1-888-422-2865

Email: ombudsman@obsi.ca

Mail: 20 Queen Street West, Suite 2400,
PO Box 8, Toronto, ON M5H 3R3

Website: www.obsi.ca

Contacting a regulatory body

You also have the option to contact one or more of the external organizations listed below at any time to help resolve your complaint.

The Office of the Privacy Commissioner of Canada

This office investigates privacy complaints concerning the *Personal Information Protection and Electronic Documents Act*. If you don't feel appropriate action was taken by HSBC to resolve your privacy matter, you may contact the Privacy Commissioner of Canada:

Toll-Free: 1-800-282-1376

Mail: 30 Victoria Street, Gatineau,
Quebec K1A 1H3

Website: www.priv.gc.ca

For Quebec residents

If you are a resident of Quebec and you are not satisfied with the outcome or the examination of your complaint, you can request us to transfer your complaint file to the *Autorité des marchés financiers*. Refer to our *Complaint Examination Policy for Quebec Residents* for more information.

Autorité des marchés financiers

If you are a resident of Quebec, you may raise concerns with the Autorité des marchés financiers:

Toll-free: 1-877-525-0337

Fax: 418-525-9512

Email: information@lautorite.qc.ca

Mail: Place de la Cité, tour Cominar,
2640, boulevard Laurier, bureau 400,
Quebec (Quebec) G1V 5C1

