

HSBC InvestDirect

Welcome Package



HSBC | InvestDirect

HSBC InvestDirect is a division of HSBC Securitities (Canada) Inc., a wholly owned subsidiary of, but separate entity from, HSBC Bank Canada.

Welcome to HSBC InvestDirect. We’re thrilled you’ve become our client, and would like to make sure you’re aware of important information relating to your account and relationship with us. Please review this package carefully, and reach out to us if you have any questions.

Table of Contents

Relationship Disclosure Information – HSBC InvestDirect..... 1

Conflicts of Interest Disclosure Statement for HSBC InvestDirect, a division of HSBC Securities (Canada) Inc.6

Trusted Contact Person Information..... 10

HSBC InvestDirect Account Type Legend 12

HSBC InvestDirect Commission Schedule..... 13

HSBC InvestDirect Preferred Pricing21

HSBC InvestDirect Fees22

Resolving Your Complaints25

How IIROC protects investors27

IIROC – Making a Complaint: A Guide for Investors – Part 1 of 2.....32

IIROC – How Can I Get My Money Back: A Guide for Investors – Part 2 of 239

IIROC – Opening an Investment Account: A Guide for Investors46

Canadian Investor Protection Fund55

Global Access Telephone Card HSBC InvestDirect..... 62

Relationship Disclosure Information – HSBC InvestDirect

1. Purpose of This Document

This Relationship Disclosure Information (**RDI**) contains important information about your relationship with HSBC InvestDirect (we or us) and the products and services we offer, the nature of the accounts you have with us, the manner in which they are operated, and our responsibilities to you.

Additional information regarding your relationship with us is contained in other documents including HSBC InvestDirect's Client Terms and Conditions, which includes Disclosure Regarding Conflicts of Interest; trade confirmations; and updates we may provide to you from time to time.

We provide you with this RDI at account opening. If there is any material change to the information, we will update the information in a timely manner and tell you about the changes. You can access the most up to date version of this RDI on our website at www.hsbc.ca/investments/investdirect/contact-us/.

2. Our Relationship with You

HSBC InvestDirect is a division of HSBC Securities (Canada) Inc. which is a subsidiary of, but separate entity from HSBC Bank Canada. HSBC InvestDirect provides clients with order-execution-only services. You may place your order with an investment representative on the phone or by using HSBC InvestDirect's online services.

HSBC InvestDirect is regulated by the Investment Industry Regulatory Organization of Canada (IIROC).

3. No Advice and No Suitability Determination

HSBC InvestDirect does not provide investment advice or recommendations regarding any of your investment decisions or securities transactions. You are solely responsible for making all investment decisions in your HSBC InvestDirect account. HSBC InvestDirect is not responsible for making a determination that the product and account types offered by HSBC InvestDirect in the order execution only account are appropriate for you. HSBC InvestDirect will not determine your investment needs and objectives or assess the suitability of any of your investment decisions or actions. Since HSBC InvestDirect will not carry out any suitability determinations in respect of your account and your investments, HSBC InvestDirect will not consider your

personal and financial circumstances, investment knowledge, investment needs and objectives, risk profile, investment portfolio composition, investment time horizon nor other similar factors.

We will consider whether an account with HSBC InvestDirect will be appropriate for you, based on certain information you provide us in your account application or during any interaction you have with an investment representative. If you have any concerns about whether a HSBC InvestDirect account is right for you, please contact a HSBC InvestDirect representative.

An account with HSBC InvestDirect is intended for investors who are comfortable making their own investment decisions and taking responsibility for their investments. If you are looking for investment advice, you should not open an HSBC InvestDirect account. If you have any concerns about whether an HSBC InvestDirect account is right for you, please contact a HSBC InvestDirect representative.

4. Products and Services Offered

HSBC InvestDirect gives you access to a wide range of investment products which include, but are not limited to:

- ◆ Equities (i.e., stocks, rights and warrants)
- ◆ Fixed income (i.e., GICs, money market instruments, Treasury Bills, bonds, debentures)
- ◆ Exchange Traded Funds (ETFs)
- ◆ Mutual Funds
- ◆ New Issues
- ◆ Options

We also offer you the following types of self-directed accounts:

- ◆ Registered Accounts, including RRSPs, RRIFs, RESPs, LIRAs, LRSPs, LIFs, and LRIFs
- ◆ Tax-Free Savings Accounts
- ◆ Individual and joint accounts
- ◆ Cash, Foreign currency, margin with options and short-selling accounts
- ◆ Formal trust accounts
- ◆ Corporate/Non-Personal accounts

For a current list of our products and services, please visit www.hsbc.ca/investments/investdirect/.

In general, the investment products available through HSBC InvestDirect will be able to be liquidated or sold. There may be specific circumstances where there are restrictions placed on an investment product by the issuer or manufacturer of the investment, by a legal or regulatory authority, or by another party with authority to do so.

HSBC InvestDirect limits its offering of options to only exchange traded options. It does not offer trading in over-the-counter options or trading in future contracts.

There are risks associated with investing in investment products through an order-execution-only account. As we have explained above, in an HSBC InvestDirect Account, you make your own investment decisions and HSBC InvestDirect will not provide you any recommendations or investment advice.

The following sections in HSBC InvestDirect's Client Terms and Conditions explain the risks associated with the trading of certain investments or the use of certain investment strategies:

- ♦ **Margin:** Margin Account Terms and Conditions
- ♦ **Short Selling:** Short Sale Risk Statement
- ♦ **Options:** Options Trading Terms and Conditions; Risk Disclosure Statement for Futures and Options

There is also a greater risk when using borrowed money to finance the purchase of securities also called "leveraging". For information regarding the risks of leveraging, please refer to HSBC InvestDirect's Client Terms and Conditions, "Using Borrowed Money to Purchase Securities."

5. Account Documentation and Reporting

Account Opening Documents. We encourage you to read these important documents which include:

- ♦ HSBC InvestDirect's *Client Account Application*
- ♦ HSBC InvestDirect's *Client Terms & Conditions*
- ♦ Welcome Letter
- ♦ Conflict of Interest Disclosure
- ♦ Commission and Fee Schedule
- ♦ An overview of the various account types available at HSBC InvestDirect
- ♦ IIROC Brochures: *An Investor's Guide to "Making a Complaint: A Guide for Investors"* and *"How Can I Get My Money Back: A Guide for Investors"*

- ♦ The Canadian Investor Protection Fund (CIPF) brochure
- ♦ The HSBC InvestDirect *Resolving Your Complaints* brochure
- ♦ The "How IIROC Protects Investors" Brochure
- ♦ Trusted Contact Person Information Form

Account Statements. You will receive electronic statements directly to your HSBC InvestDirect online account on a quarterly or monthly basis. Monthly statements are only issued for those months in which there is activity in your account(s). Quarterly statements are sent when there is a cash balance or security positions in your account(s) at the end of the quarter. Your account statement confirms all activity, including purchases and sales of securities, contributions and withdrawals, dividends, interest earned and paid, transfers, and any other transactions that occurred in your account over the previous period. These statements also list your holdings and the net value of your portfolio as of the date on the statement.

Trade Confirmations. HSBC InvestDirect will provide you with electronic trade confirmations of the details of every purchase, sale or other relevant transaction details. The trade confirmation will include:

- ♦ The quantity and description of the security purchases or sold;
- ♦ The price per security paid or received, and
- ♦ The amount of applicable transaction charges.

You may choose not to receive your statements and trade confirmations electronically, and instead request to be mailed paper copies by calling us at 1-800-760-1180.

Annual Account Reporting. In accordance with securities law requirements, HSBC InvestDirect provides you, on an annual basis, with the following reports for each account you hold with us:

- ♦ Investment Performance Report; and
- ♦ Fees and Other Compensation Report.

Account Percentage Return Information. Account percentage return information is available on your annual Investment Performance Report. On this report, the performance of your Account will be displayed using a money-weighted rate of return.

6. 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 the Disclosure Regarding Conflicts of Interest attached to HSBC InvestDirect's Client Terms and Conditions.

7. Account Fees, Service Charges and Other Costs of Making an Investment

HSBC InvestDirect will deduct from your Account any applicable administrative fees, costs, charges, commissions and transaction charges for operating your Account and placing orders for you.

Generally, the costs, commissions and fees you will be charged will depend upon the balance in your Account(s), the amount of your transaction, the types of products you transact in, the services you use, and on the kind of banking relationship you have with HSBC Bank Canada (such as being an HSBC Premier or HSBC Advance customer).

A detailed description of the service fees and charges that you will or may incur relating to the general operation of your Account and a description of charges that you will or may incur in buying, selling or holding investments with us, is available at www.hsbc.ca/investments/investdirect/.

The fees, costs, expenses and charges you will encounter as an investor include:

1. **Commissions.** When you buy or sell certain investment products, such as options, equities, mutual funds, or fixed-income investments, you will be charged a commission. Commission rates vary and minimum amounts may apply.
2. **Fees and sales charges.** Mutual fund companies may charge, among other things, management fees, front-end loads, back-end loads, short-term trading fees and deferred sales charges (as of June 1, 2022, mutual fund companies will cease to offer deferred sale charge option securities). In addition, you may incur miscellaneous fees such as set-up fees, processing fees and early redemption charges.
3. **Trailing commissions.** Mutual fund companies may also pay trailing commissions to investment dealers for the services provided by the investment dealer. A trailing commission is an ongoing fee paid

to investment dealers from the management fee of the mutual fund.

Effective June 1, 2022, due to regulatory changes, mutual funds that pay a trailing commission should no longer be held in the accounts of Canadian order-execution-only dealers, including HSBC InvestDirect.

If, after June 1, 2022, you transfer in-kind to HSBC InvestDirect a mutual fund that pays a trailing commission, depending on the specific mutual fund, HSBC InvestDirect will proceed with one of the following steps:

- a. Switching your mutual fund that pays a trailing commission to a different series of the same mutual fund that does not pay a trailing commission. In some cases, your new series may have a different distribution policy or currency.
- b. If a switch is unavailable, determining that the mutual fund company that manages the mutual fund will pay you a management fee rebate equal to the amount of the trailing commissions you pay.
- c. If a switch or a management fee rebate is unavailable, paying you a dealer rebate equal to the amount of the trailing commissions we receive from your mutual fund's manager.

The frequency with which you receive dealer rebates from us will depend on when trailing commissions are paid to us by the mutual fund manager. If you receive dealer rebates, your account statements and transaction history will show the dealer rebate payments you receive.

For further details on trailing commissions, please read the mutual fund company's simplified prospectus and the mutual fund's Fund Facts document, available at www.sedarplus.ca or you can contact us to request a copy.

4. **Administrative fees.** Depending on the kind of banking relationship you have with HSBC Bank Canada (such as being an HSBC Premier or HSBC Advance customer), the total amount you have invested at HSBC InvestDirect, and the number of trades you make at HSBC InvestDirect each quarter, you may incur a range of administrative, transaction, maintenance and processing fees.

Other administrative fees include, but are not limited to charges for annual administration costs related to

registered plans and account inactivity, wire transfers, document administration, security registration, transfers-out, special courier fees, certificate deposit, and special services.

5. **Foreign Exchange:** If foreign exchange transactions take place in your Account we may earn revenue on the currency conversion, based on the current bid and ask rates for the foreign currency (commonly referred to as the “spot rate”) plus a spread rate applied by HSBC InvestDirect. The spread rate means the difference between the rate we receive and the rate you receive.

8. Impact of Fees and Expenses

Fees impact the investment returns of your portfolio. Fees charged to your Account reduce the market value of your Account directly, while fees embedded within securities in your Account reduce the market value of those securities. The impact of fees reduces your investment returns and this impact, due to the effect of compounding, increases over time. Every dollar taken out to cover fees is one less dollar left to invest in your portfolio to compound and grow over time.

9. Benchmarks

Investment Performance Benchmark. An investment performance benchmark is a market or sector index against which the performance of your investments can be compared. You can use investment performance benchmarks to compare how your investments performed compared to the appropriate market or sector. When comparing your investment returns to the returns of an investment performance benchmark, keep in mind that:

- ♦ The composition of your investment portfolio reflects the investment strategy you have chosen, which may result in the performance of your investments and the performance of the benchmark differing; and
- ♦ Investment performance benchmarks do not generally include charges and other expenses.

Although securities regulations mandate the provision of account performance and fees and other compensation reports for your account held with us, there is no requirement to provide benchmark information to clients in any of these reports. As your HSBC InvestDirect Account is an order-execution-only account, we do not provide benchmark information.

10. Potentially Vulnerable Clients

We are committed to protecting our older and vulnerable clients. Pursuant to securities regulatory requirements, we will ask you if you would like to name a Trusted Contact Person (TCP) associated with your Account(s) with us. A TCP is someone you trust to assist us 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, including when we cannot contact 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 an investment representative if you would like to discuss TCPs.

Additionally, pursuant to securities regulatory requirements, we are authorized to place a temporary hold on a securities transaction or a disbursement from your Account(s) 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(s) in the above situations, we will provide 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. We may also contact your TCP in these circumstances.

11. Complaints

If you are not satisfied with our service, 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. A copy of IIROC's complaint handling process brochure is provided to you at account opening. For information about HSBC InvestDirect's complaint handling process please refer to HSBC InvestDirect's Client Terms and Conditions or our website at www.hsbc.ca/investments/investdirect/.

12. Contact Information

HSBC InvestDirect
Suite 102 - 1725 16th Avenue, Box # 5
Richmond Hill, ON L4B 4C6

Phone: 1-800-760-1180
Email: investdirect@hsbc.ca

Conflicts of Interest Disclosure Statement for HSBC InvestDirect, a division of HSBC Securities (Canada) Inc.

Why This Disclosure Statement is Important to You

In the course of providing services and products to you, there will be situations where a conflict will arise between HSBC InvestDirect's ("our", "we") interests and yours. These conflicts may be actual conflicts of interest or you may perceive that we have a conflict of interest. Conflicts can give rise to a concern that we or our representatives may act or will act with a view to 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 will be 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 in providing financial products and services to you. Some conflicts cannot be avoided, including those conflicts that are inherent in the business model that 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 in your best 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 that 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 to ours, which 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 which 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 that 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 that these policies and procedures are effective.
- ◆ We control or manage acceptable conflicts by physically separating different business functions and restricting the internal exchange of information.
- ◆ In order to comply with Canadian securities regulations, our internal compensation practices are designed to ensure that 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 fully 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 which are related or connected to us.

HSBC Bank Canada (“HSBC Bank Canada”) is a Schedule II chartered Canadian bank. We are a division of HSBC Securities (Canada) Inc., which is an indirect subsidiary of HSBC Bank Canada. All members of HSBC Group are separate entities from each other with information barriers and robust compliance systems.

Certain of our directors and officers are also directors or officers of HSBC Bank Canada and/or other HSBC Group members. In addition, we have various governance committees in which some committees are shared across HSBC Group members and as such, are comprised of members from those HSBC Group members. 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 members of the HSBC Group, will give rise to conflicts of interest, and we have adopted policies and procedures to identify and respond to these conflicts. We will only enter into these transactions or arrangements where they are permitted under applicable securities laws and where we believe they are in your best interests in the applicable circumstances.

In all cases, we recognize that the conflicts described in this section raise perceptions that we will favour the business interests of the various members of HSBC Group, so that you may have concerns about those products and services we provide you 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 that we act in your best interests.

Our Products and Services

Our trading platform includes securities of entities that are related or connected to HSBC Group, which allows you to invest in these securities. These securities include:

- ◆ Securities issued or guaranteed by HSBC Group members whose securities are traded on recognized stock exchanges or other public markets. These entities are related to us because they are members of the HSBC Group. For example, you may invest in shares of HSBC Holdings plc or other securities of these and other related entities that are traded on a stock exchange or other public market. You may also invest in certain debt securities issued by HSBC Bank Canada or other securities of these or other related entities that are not traded on an exchange or other public market.

- ◆ Securities issued by mutual fund issuers, known as the HSBC Mutual Funds and the HSBC Pooled Funds, which are managed by our affiliated portfolio manager and investment fund manager, HSBC Global Asset Management (Canada) Limited who engages its affiliated and non-affiliated global asset managers to assist in the management of the funds. Securities issued by mutual fund issuers, unit trusts, or investment funds managed, administered or promoted by members of HSBC Group, or for which members of HSBC Group act as portfolio adviser. HSBC Global Asset Management (Canada) Limited and the other members of the HSBC Group earn fees based on your investments in the funds.

Our trading platform also allows you to invest in securities of issuers that have been underwritten by HSBC Securities (Canada) Limited or a HSBC Group member or where they were a member of a selling group. Our firm earns new issue commissions, which are paid by the issuers of those securities or selling security holder, which is in addition to the trading commissions you pay to invest in these securities. There are information barriers between our affiliates’ corporate trading activities and our HSBC InvestDirect division.

We manage the conflicts of interest inherent in clients’ opening accounts with us and investing in HSBC products and services, by conducting thorough due diligence on those products and services as required by Canadian securities regulations. We do not encourage you to invest in HSBC products or securities, but rather allow you to invest in HSBC products or securities in the same way as you can for other products and securities that are unrelated to us. We evaluate our policies, procedures and controls to ensure that we have addressed this conflict.

In most cases, our connection to HSBC products and services will be obvious to you because the names of the issuers, funds or other financial products will be sufficiently similar to our name. For example, securities of members of the HSBC Group available for investment through HSBC InvestDirect, will generally have the word “HSBC” in the name of the issuer and/or security. If you traded a HSBC product, we will indicate in your trade confirmation and account statement whether an issuer is related or connected to us.

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 by selling products and services to you for which you pay us directly.

When you invest in investment funds, including any investment fund managed by a member of the HSBC Group, we may receive a fee (often called a trailing commission) for providing you with the services inherent in our trading platform and allowing you to invest in those investment funds. This fee is paid from the management expense ratio of the funds in which you invest, which includes the management fee and fund operating expenses and is collected by the manager of those funds. In turn the manager pays us a portion of the management fees they earn in the form of a trailing commission for the services we provide with the trading platform. These trailing commissions are disclosed in the prospectus documents of the funds. Canadian securities regulations are changing on June 1, 2022 at which time we will no longer collect trailing commissions from managers of Canadian mutual funds, including the HSBC Funds and HSBC Pooled Funds.

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. Balancing our commercial, regulatory and HSBC Group responsibilities with the best interests of our clients, includes the need for our products and services to be priced 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 Fees and Compensation Report. We also tell you about revenues we may receive from third parties, including HSBC Group members, in connection with those products and services. You may call us at 1-800-760-1180 or by email at investdirect@hsbc.ca if you have questions about our fees and 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, pursuant to which another entity refers clients to us and receives a benefit. These arrangements may be with other members of the HSBC Group or parties unrelated to us and can create a potential conflict of interest because they may receive a financial or non-financial incentive to make referrals to us. The details of these referral arrangements, if any, 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 and 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.

Our representatives are employed by HSBC Securities (Canada) Inc. Our representatives receive remuneration from HSBC Securities (Canada) Inc. which may be comprised of a base salary and a variable pay based on a number of performance criteria. Performance criteria remuneration do not include compensation based on our transactional revenue or for the representative's role in introducing our clients to other investment products or services offered by our affiliates in Canada. In addition, we or our affiliates do not award incentives (such as merchandise or corporate events) to our representatives for their role in the sale of investment products or services offered by us. Our representatives may have a personal or business relationship with clients, but are not permitted to favour those clients over clients with whom they do not have those relationships.

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, that they act in the best interests of us and our clients, that they avoid actual or potential conflicts of interest, and that they do not engage in personal securities transactions that are prohibited by law, such as insider trading, or that negatively impact our clients.

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, prohibition in participating in an investment club or 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 or in a manner which would not be in the best interests of our clients. These individuals also must not use their position to obtain special treatment or investment opportunities not generally available to our clients or the public. These individuals are only allowed to make certain personal trades if it falls within our Personal Account Dealing Policy and they have received approval from their line managers and HSBC's Global Personal Account Dealing team to ensure such trade will not conflict with the best interest of our clients.

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 prior to engaging in any outside business activity in order to determine how such conflicts may be addressed. Employees may only engage in such outside business activities if approved by an applicable supervisor pursuant 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 if we later consider we have another material conflict that we have not previously disclosed to you or we change how we address the conflict in your best interest. You can obtain the current version of this Conflict of Interest Disclosure by visiting our website at www.hsbc.ca/investments/investdirect/contact-us/#code.

Trusted Contact Person Information

HSBC InvestDirect

At HSBC, we're committed to the investor protection of our clients.

We are required to ask you to provide us the name and contact information of a Trusted Contact Person (**TCP**). A TCP is an individual identified by you whom we can contact to confirm or ask about the following topics:

- ♦ Possible financial exploitation affecting you or your account with HSBC InvestDirect
- ♦ Concerns about your mental capacity as it relates to financial decision-making
- ♦ The identity and contact information of any legal guardian, executor, trustee or other personal or legal representative
- ♦ Your current contact information, if we are not able to confirm it with you

We recommend you provide us with a TCP to help us in protecting your investments with us.

The contact you provide should be someone who is trusted, is mature, and can communicate and have potentially difficult conversations with us about your personal situation. (For example, a family member, a friend, or a professional you know you can depend on.) This TCP is only for your accounts at HSBC InvestDirect.

Naming a TCP is not the same as appointing a Power of Attorney and doesn't give that person authority to make decisions about your accounts. We encourage you to choose a TCP who is not involved with making decisions about your account. (For example, we don't recommend choosing your joint account holder.)

After you name a TCP, you can make changes at any time. This includes changing a TCP or withdrawing your consent allowing us to contact your TCP. Contact us at 1-800-760-1180 or email investdirect@hsbc.ca.

Please complete the information requested below and return to us by email at investdirect@hsbc.ca or by mail to:

HSBC InvestDirect
Suite 102 - 1725 16th Avenue, Box# 5
Richmond Hill, ON L4B 4C6

Would you like to appoint a Trusted Contact Person (TCP)?

- ☐ Yes, I would like to appoint a TCP or change my TCP (the TCP indicated below will replace any existing TCP who I have previously appointed).
- ☐ No, I don't want to appoint a TCP at this time and want to remove any existing TCP I've previously appointed.

Designating your Trusted Contact Person

By providing the information below and signing this form:

- ♦ You designate the person identified as your Trusted Contact Person (TCP) and request that we add your TCP to all your existing and future accounts opened with HSBC InvestDirect (HIDC).
- ♦ You authorize HIDC to contact your TCP and disclose to them personal information about your HIDC account(s) if we determine we need to confirm or ask about any of the topics above.
- ♦ You confirm that you have the consent of your TCP to provide us with their contact information, and that you have or will inform your TCP that you've provided us with their contact information, and will inform them of the circumstances when we may contact them.

Mandatory Information

☐ Mr. ☐ Ms. Suffix: ☐ Jr. ☐ Mrs. ☐ Dr. ☐ Sr.

First Name Last Name

Nature of Relationship Primary Contact Phone No. ☐ Mobile ☐ Home ☐ Work

Address

Email Address (optional)

Signature – Authorized Person

Client Name Client Signature Date

Client Personal Account Number

HSBC InvestDirect Account Type Legend

The last letter or number that appears next to your account number designates the type of account(s) that has/have been opened for you at HSBC InvestDirect. The following legend will assist you in identifying this information.

Canadian Currency Accounts		US Currency Accounts	
A	Cash	B	Cash
E	Margin/Option	F	Margin/Option
G	Margin Short	H	Margin Short
N	Locked-in (LIRA/LRSP/RLSP)	4	Retirement Income Fund (RIF)
P	Locked-in (LIF/LRIF/RLIF)	6	Tax Free Savings Account (TFSA)
R	Spousal Registered Retirement Savings Plan	7	Registered Retirement Savings Plan (RRSP)
S	Registered Retirement Savings Plan (RRSP)	8	Spousal Registered Retirement Savings Plan
T	Retirement Income Fund (RIF)	9	Locked-in (LIRA/LRSP/RLSP)
W	Tax Free Savings Account (TFSA)		
X	Hypothecation Account	Foreign Currency Accounts	
Y	Spousal Retirement Income Fund	1	Other: Australian Dollar, Japanese Yen, New Zealand Dollar, Singapore Dollar, Swiss Franc
Z	Registered Education Savings Plan – Family (RESP)	2	Hong Kong Dollar
		3	British Pound
		5	Euro

HSBC InvestDirect Commission Schedule

Depending on the volume of trades that you conduct, or your asset level you may be eligible for preferred pricing. If you do not qualify, then the standard commission rates below apply.

Equity Trades/ETFs

Online Trades	Canadian & US Equities		
	\$6.88		

Telephone Trades Minimum Commission of \$43	Stock Price	Canadian Equities	US Equities
	\$0.24 and under	2.5%	3%
	\$0.25 – \$1.00	\$35.00 + \$.005/sh	\$39.00 + \$.02/sh
	\$1.01 – \$2.00	\$35.00 + \$.02/sh	\$39.00 + \$.03/sh
	\$2.01 – \$5.00	\$35.00 + \$.03/sh	\$39.00 + \$.04/sh
	\$5.01 – \$10.00	\$35.00 + \$.04/sh	\$39.00 + \$.05/sh
	\$10.01 – \$20.00	\$35.00 + \$.05/sh	\$39.00 + \$.06/sh
	\$20.01 – \$30.00	\$35.00 + \$.06/sh	\$39.00 + \$.07/sh
	\$30.01 and over	\$35.00 + \$.06/sh	\$39.00 + \$.08/sh

Commission is charged in the currency of the market in which the security trades.

Full commission and fee schedules apply for each partial fill, except when transacted within the same business day.

All commissions are charged in the currency in which the security trades. Trade orders entered will be charged the applicable commission rate on a per order basis. Partially filled orders: Partial fills executed on more than one day will be charged applicable commissions for each day. Note: Commissions are in addition to fees charged by the local securities commission as applicable.

All orders are charged an applicable commission rate on a per order basis.

Options Trades

Telephone Trades Minimum Commission of \$43	Option Value	Commission
	\$0.00 – \$1.00	\$35 + \$1.00 per contract
	\$1.01 – \$2.00	\$35 + \$1.50 per contract
	\$2.01 – \$3.00	\$35 + \$2.00 per contract
	\$3.01 – \$4.00	\$35 + \$2.50 per contract
	\$4.01 – \$5.00	\$35 + \$3.00 per contract
	>\$5.01	\$35 + \$3.50 per contract

Online Trades	\$6.88 + \$1.25 per contract
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Assignment and Exercises	Regular equity commission schedule applies
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Commission is charged in currency of the market in which the option trades. All orders are charged an applicable commission rate on a per order basis.

For more details, please visit www.investdirect.hsbc.ca or call 1-800-760-1180.

Fixed Income

Online and Telephone Trades	Commissions, if any, are included in the bond price and charged in the currency of the bond
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Exchange Traded Bonds

Telephone and Online Trades Minimum Commission of \$110	Bond Value	Commission
	\$0 – \$49,999	\$40 + \$1.50/1000
	\$50,000 and over	\$40 + \$1.50/1000

Mutual Funds

Online and Telephone Trades	Invest in funds from Canada's leading mutual companies
Online buy, sell or switch orders	\$6.88 per order
Telephone buy, sell or switch orders	\$43 per order

* Commissions are charged in the currency in which the security trades.

* Not applicable to systematic investment plans (SIP).

* Switch orders are only permitted within the same family of funds.

Commissions, trailing commissions, management fees, and expenses, such as setup fees, may all be associated with your investment.

Most funds offered by HSBC InvestDirect require a minimum purchase amount of only \$1,000. However, some fund companies may require larger purchases. Please see the simplified prospectus or the Fund Facts of each fund for information.

HSBC Mutual Funds

Non-registered accounts – \$1,000 minimum, and subsequent purchases require a minimum of \$500.

Registered accounts – \$500 minimum, and subsequent purchases require a minimum of \$100.

Non-HSBC Mutual Funds

Minimum initial purchase for registered or non-registered accounts is \$1000 (some fund companies may have a higher minimum).

*A 1% of the selling value (minimum \$40) early redemption fee applies to all funds sold within 90 days of purchase, with the exception of money market funds.

Foreign Markets

Access world markets online

With HSBC InvestDirect, you have access to the world's major stock markets and securities exchanges. You can enter orders online for:

Canada and U.S., Hong Kong, London, Paris, Frankfurt
Plus access to 30 other markets via phone

Australia

Australia Securities Exchange (ASX)

Market Hours: 10:00 am – 4:00 pm local time

Trade Size	Commission
AU\$ 0 – 24,999	1.20%
AU\$ 25,000 – 49,999	1.15%
AU\$ 50,000 & over	1.00%

Minimum commission AU\$200

For example, if you trade AU\$ 30,000, your total fees are AU\$ 345.

If you trade AU\$ 10,000, you pay the minimum commission fee, AU\$ 200.

Dividend Handling Fee 1.5% (minimum AU\$ 10) may apply.

China

Shanghai Stock Exchange (SSE)

Market Hours: 9:30 – 11:30 am & 1:00 – 3:00 pm local time

Trade Size	Commission	Levies
US\$ 0 – 4,999	1.50%	0.28%
US\$ 5,000 – 9,999	1.40%	0.28%
US\$ 10,000 – 19,999	1.25%	0.28%
US\$ 20,000 & over	1.20%	0.28%

Minimum commission US\$ 80.

For example, if you trade US\$ 20,000, your total fees are US\$ 296 (commission fee US\$ 240 + levy US\$ 56).

Shenzhen Stock Exchange (SZSE)

Market Hours: 9:30 – 11:30 am & 1:00 – 3:00 pm local time

Trade Size	Commission	Levies
HK\$ 0 – 49,999	1.30%	0.2841%
HK\$ 50,000 – 124,999	1.20%	0.2841%
HK\$ 125,000 – 249,999	1.10%	0.2841%
HK\$ 250,000 & over	1.00%	0.2841%

Minimum commission HK\$ 650.

For example, if you trade HK\$ 100,000, your total fees are HK\$ 1,484.10 (commission fee HK\$ 1,200 + levy HK\$ 284.10).

Europe

Austria:	Vienna Stock Exchange
Belgium:	European Association of Securities Dealers Automated Quotation (EASDAQ)
Finland:	Helsinki Stock Exchange
France:	Euronext Paris (EPA) NouveauMarche Marché à Terme International de France (MATIF)
Germany:	Frankfurt Stock Exchange (FWB)
Greece:	Athens Stock Exchange
Italy:	Italian Stock Exchange

Market hours vary by exchange (online or telephone trading)

Trade Size	Commission
EUR 0 – 24,999	0.50%
EUR 25,000 – 44,999	0.45%
EUR 45,000 – 74,999	0.40%
EUR 75,000 & over	0.35%

Minimum commission EUR 105 (Market order only).

- ♦ [Learn more about trading on Euronext Paris](#)
- ♦ [Learn more about trading on the Frankfurt Stock Exchange](#)

Hong Kong

Global Trading Online – Hong Kong Stock Exchange (HKEx)

Market Hours: 9:30 am – noon & 1:00 – 4:00 pm local time

Trade size	Commission	Levies	Trading fee	Stamp duty
HK\$ 0 – 1,999,999	HK\$ 288	0.003%	0.005%	HK \$1.30 for every HK \$1,000 (round up to the nearest dollar)
HK\$ 2,000,000 & over	0.10%	0.003%	0.005%	HK \$1.30 for every HK \$1,000 (round up to the nearest dollar)

Dividend Collection Fee 0.5% (minimum HK\$20) may apply.

For example, if you trade HK\$ 200,000, your total fees are HK\$ 564 (commission HK\$ 288 + levy HK\$ 6 + trading fee HK\$ 10 + stamp duty HK\$ 260).

- ♦ [Learn more about trading on the Hong Kong exchange](#)

Global Trading By Phone – Hong Kong Stock Exchange

Market Hours: 9:30 am – 12 pm & 1:00 – 4:00 pm local time

Trade size	Commission	Levies	Trading fee	Stamp duty
HK\$ 0 – 49,999	HK\$ 350	0.003%	0.005%	HK \$1.30 for every HK \$1,000 (round up to the nearest dollar)
HK\$ 50,000 – 124,999	0.70%	0.003%	0.005%	HK \$1.30 for every HK \$1,000 (round up to the nearest dollar)
HK\$ 125,000 – 249,999	0.60%	0.003%	0.005%	HK \$1.30 for every HK \$1,000 (round up to the nearest dollar)
HK\$ 250,000 & over	0.50%	0.003%	0.005%	HK \$1.30 for every HK \$1,000 (round up to the nearest dollar)

Minimum Commission HK\$ 350

Dividend Collection Fee 0.5% (Min. HKD \$20.00) may apply.

Indonesia**Indonesia Stock Exchange (IDX)**

Market Hours: 9:30 am – 12 pm and 1:30 pm – 4 pm (Mon – Thurs) / 9:30 am – 11:30 am and 2 pm – 4 pm (Fri)

Trade size	Admin	Commission	VAT	Levies
IDR 0 – 34,999,999	IDR 225,000	1.30%	0.01%	0.04%
IDR 35,000,000 – 69,999,999	IDR 225,000	1.20%	0.01%	0.04%
IDR 70,000,000 & over	IDR 225,000	1.10%	0.01%	0.04%

Minimum Commission IDR 160,000.

For Sale Transactions Add 0.10% Transaction Tax.

Dividend Collection Fee US\$ 50 may apply.

Dividend Withholding Tax 20%.

For example, if you trade IDR 20,000,000, your total fees are IDR 495,000 (administration fee IDR 225,000 + commission IDR 260,000 + VAT & levy IDR 10,000).

Japan**Tokyo Stock Exchange (TSE)**

Market Hours: 9 am – 11:30 am and 12:30 pm – 3 pm

Trade size	Commission	Levies
¥ 0 – 1,000,000	1.40%	none
¥ 1,000,001 – 5,000,000	1.15%	¥ 2,500
¥ 5,000,001 – 10,000,000	1.15%	¥ 12,500
¥ 10,000,001 – 30,000,000	0.95%	¥ 25,000
¥ 30,000,001 – 50,000,000	0.85%	¥ 85,000
¥ 50,000,001 – 100,000,000	0.65%	¥ 160,000
¥ 100,000,001 – 300,000,000	0.40%	¥ 185,000

Tokyo Stock Exchange (TSE)

Market Hours: 9 am – 11:30 am and 12:30 pm – 3 pm

¥ 300,000,001 – 500,000,000	0.25%	¥ 410,000
¥ 500,000,001 – 1,000,000,000	0.20%	¥ 535,000

Minimum commission ¥ 10,000. Dividend Withholding tax 20%.

For example, if you trade ¥ 1,200,000, your total fees are ¥ 16,300 (commission ¥ 13,800 + levy ¥ 2,500).

♦ [Learn more about trading on the Tokyo Stock Exchange](#)**Malaysia****Bursa Malaysia (MYX)**

Market Hours: 9 am – 12:30 pm and 2:30 pm – 5 pm

Trade size	Commission	Levies
All	2.5%	0.14%

Minimum commission MYR 225.

Dividend Withholding Tax 28%.

Plus Transaction Fee for Buy MYR 120, for Sell MYR 130.

For example, if you trade MYR 100,000, your total fees are MYR 2,760 (commission fee MYR 2,500 + levy MYR 140 + transaction fee MYR 120).

Philippines**Philippines Stock Exchange (PSE)**

Market Hours: 9:30 am – 12 pm and 1:30 pm – 3:30 pm

Trade size	Admin	Commission	Levies
PHP 0 – 499,999	PHP 3,600	1.20%	*
PHP 500,000 – 999,999	PHP 3,600	1.10%	*
PHP 1,000,000 & over	PHP 3,600	1.00%	*

*For Buy: 0.76%, for Sell: 0.51%

Minimum Commission PHP 2,000.

Dividend Collection Fee US\$ 120 may apply.

Dividend Withholding Tax 15%.

For example, if you trade PHP 250,000, your total fees are PHP 8,500 (administration fee PHP 3,600 + commission PHP 3,000 + levy PHP 1900).

Singapore

Singapore Stock Exchange (SGX)

Market Hours: 9:00 am – 5:00 pm local time

Trade size	Commission	Levies
SG\$ 0 – 24,999	1.30%	0.05%
SG\$ 25,000 – 49,999	1.20%	0.05%
SG\$ 50,000 & over	1.10%	0.05%

Minimum commissions SG\$ 125.

Dividend Collection Fee 0.5% (minimum SG \$ 10) may apply.

For example, if you trade SG\$ 20,000, your total fees are SG\$ 270 (commission SG\$ 260 + levy SG\$ 10).

Jardine Strategic Holdings (JSH)

Market Hours: 9:00 am – 12:30 pm & 2:00 – 5:00 local time

Trade size	Commission	Levies
US\$ 0 – 19,999	1.20%	0.05%
US\$ 20,000 – 39,999	1.10%	0.05%
US\$ 40,000 & over	1.00%	0.05%

Minimum commission US\$ 90.

Withholding tax 26%.

Dividend Collection Fee 0.5% (minimum SG \$ 5) may apply.

For example, if you trade US\$ 16,000, your total fees at US\$ 200 (commission US\$ 192 + levy US\$ 8).

Thailand

Stock Exchange of Thailand (SET)

Market Hours: 10 am – 12:30 pm and 2 pm – 4:30 pm

Trade size	Commission	Levies
THB 0 – 999,999	1.15%	0.035%
THB 1,000,000 & over	1.00%	0.035%

Minimum commission THB 2,000 + transaction fee.

For example, if you trade THB 500,000, your total fees are THB 6,687.50 (transaction fee THB 850 + commission THB 5,750 + levy THB 87.50).

UK

London Stock Exchange (LSE)		
Market Hours: 8:00 am – 4:30 pm GMT		
Trade size	Commission	Stamp Duty (applies to Buy for London only)
£ 0 – 14,999	0.50%	0.50%
£ 15,000 – 29,999	0.45%	0.50%
£ 30,000 – 49,999	0.40%	0.50%
£ 50,000 & over	0.35%	0.50%

£ 1 Levies on Buys and Sells over 10,000. Minimum Commission £ 55. No minimum trade amount.

For example, if you trade £ 10,000, your total fees are £ 105 (commission fee £ 55 + stamp duty £ 50).

♦ [Learn more about trading on the London Stock exchange](#)

Dividend collection fee 0.5% (Min. HKD \$20.00) may apply.

Please visit www.investdirect.hsbc.ca for additional foreign market commission schedules.

Precious Metals

Precious Metal	Commission
Gold	\$25 + \$0.60 / oz.
Silver	\$25 + \$0.02 / oz.

Minimum commission: \$43 USD.

Minimum purchase for gold is 10 oz. and 500 oz. for silver.

HSBC InvestDirect Preferred Pricing

It's now easier to trade for less.

Automatically qualify for our best rates as an HSBC Premier or HSBC Advance client. Trade North American equity markets online for as low as \$4.88, and enjoy additional benefits and discounts. Details are outlined below.

		HSBC Premier	HSBC Advance	HSBC Active Trader
Other Ways to Qualify	Assets (CDN): AND Trades per quarter	\$500,000 AND 0 – 149 trades/quarter ¹	\$50,000 – \$499,999 AND 0 – 149 trades/quarter ¹	150+ trades/quarter ¹
Online Trading	Equities, ETFs	\$6.88	\$6.88	\$4.88
	Options	\$6.88 + \$1.25 per contract	\$6.88 + \$1.25 per contract	\$4.88 + \$1.25 per contract
Telephone Trading	Equities, ETFs	10% discount	5% discount	10% discount
	Options	20% discount off standard commissions	10% discount	20% discount off standard commissions
Global Trading	International Trades ² (excluding Hong Kong)	20% discount	10% discount	20% discount
	Online Hong Kong Trades	HK\$288 ³	HK\$288 ³	HK\$288 ³

¹ Based on qualified trades. Rates apply to online trades only. Options assignments and exercises are also counted as qualifying trades. All trade orders will be charged an applicable commission rate on a per order basis. For instance, if multiple trade orders are placed on the same day, for the same security, and on the same side of the market, each individual order is subject to the applicable commission rate. All commission fees are charged in the currency of the market. All commissions are charged in the currency in which the security trades. Trade orders entered will be charged the applicable commission rate on a per order basis. Partially filled orders: Partial fills executed on more than one day will be charged applicable commissions for each day. Note: Commissions are in addition to fees charged by the local securities commission as applicable. For option assignments and exercises, the regular telephone stock commission schedule applies. All features, fees and commission rates will be current as of October 4, 2017, and are subject to change without prior notice.

² International Equity trades made online, excluding Hong Kong, and all international trades placed on the phone qualify for the International Equities trade discount. Subject to minimum commission.

³ The HK\$288 commission applies for trades between HK\$0 – 1,999,999. For trades HK\$2,000,000 & over, 0.10% commission applies. For more details visit investdirect.hsbc.ca, click on Rates and Commissions.

HSBC Premier and HSBC Advance are offered by HSBC Bank Canada; limit one per household, must qualify by assets. For more details, visit hsbc.ca/Premier or hsbc.ca/Advance.

All information is subject to change without notice. Total cost will be affected by currency fluctuations and can be confirmed when the transaction is requested. Examples are provided for illustrative purposes only. Additional charges, taxes and custodian fees apply. When a transaction does not match the currency of the account a currency conversion will occur. The transaction will settle in the currency of your account. The currency conversion will be based on the current spot rate for the foreign currency, plus a spread rate, through which HSBC InvestDirect earns revenue. The spread rate varies depending on the currency to be converted and the market value of the transaction. For US/CAD transactions, depending on the market value of the transaction, the rate may be up to 1.85%. HSBC InvestDirect, a division of HSBC Securities (Canada) Inc., a wholly owned subsidiary of, but separate entity from, HSBC Bank Canada. Member of Canadian Investor Protection Fund.

HSBC InvestDirect Fees

Registered and Non-Registered Accounts		
HSBC InvestDirect Administrative Fees for both registered and non-registered accounts		
	Fee Type	Amount
Account Maintenance Fee ¹	<p>Clients with combined assets of \$25,000 CAD or more across all of their HSBC InvestDirect accounts.</p> <p>The fee is also waived if a client meets any one of the following criteria:</p> <ul style="list-style-type: none"> ♦ Your first account has been opened for less than 90 days. ♦ You are a HSBC Private Client Services (PCS) customer. ♦ Has a combined total of three or more commissionable trades² during the quarter across all HSBC InvestDirect accounts (registered and non-registered). 	No fee
	Clients with combined assets of less than \$25,000 CAD across all of their HSBC InvestDirect accounts.	\$25 CAD per quarter
Wire Transfers (at point of request)	To other Financial Institutions in Canada	\$50
	To HSBC branches (Local and Global)	\$35
	Stop Wire Payment	\$25
Handling	Transaction amendment for same beneficial owners	\$50
	NSF cheque	\$50
	Stop payment	\$25
	Standard Estate processing ⁴	\$200
	Cheque request	\$25
	Credit Sellout Handling Fee ⁶	\$15
	Internal Transfer Fee ⁷	\$25 per request
	Special courier (Canada)	\$35 per courier
	Special courier (US)	\$70 per courier
Hypothecated Account	Setup Fee	\$250
	Annual Fee ⁵	\$200
Document Administration	Search for records	\$25 per half hour, min. \$25
	Confirmation slip replacement (per document)	\$5
	Confirmation slip over 3 months old (per document)	\$135
	Duplicate trading summary	
	Duplicate Tax slip	\$20 per document
	Statement replacement ⁴	\$20 per document
	Letter writing	\$20 per document \$25 per letter

Registered and Non-Registered Accounts

HSBC InvestDirect Administrative Fees for both registered and non-registered accounts

Security Registration ⁴	Certificate deposit	\$100 per certificate
	Canadian security registration	\$200 per certificate
	Canadian security registration, rush	\$400 per certificate
	US security registration	\$200 USD per certificate
	US security registration, rush	\$400 USD per certificate
	Foreign security registration (other than US)	\$300 per certificate
	U.S. share ownership statement (per statement)	\$50 USD per statement
Transfer Out (at point of request)	Account transfer out – full	\$135
	Account transfer out – partial	\$135
Special Services	American Depositary Receipt (ADR) fee – banks that custody ADRs charge fees on a per share basis, which may vary by individual ADRs and are passed through to ADR investors.	N/A

Registered accounts

HSBC InvestDirect Administrative Fees for registered accounts.

	Fee Type	Amount
Registered Accounts (RRSP, RRIF, Locked-In Plans)	RSP de-registration (at point of request)	\$135 Full – \$75 Partial
	RIF – unscheduled withdrawal	1 free per year \$50 for each additional
Investment in Private Companies/ Equities (on approval basis only) ^{3,4}	Setup fee	\$300
	Annual fee ⁵	\$150
	Reorganization fee	\$250
	Redemption fee	\$250
	Certificate registration	\$100
Registered Educational Savings Plans	Annual administration fee	\$50
	Transfer fee (full or partial)	\$135
Lifelong Learning Plan / Home Buyer's Plan	Full de-registration	\$50
Lifelong Learning Plan / Home Buyer's Plan	Partial de-registration	\$25
Mortgage Held in a Self-Directed Retirement Savings Plan (SDRSP)	Annual administration fee	\$450
Please note that we no longer accept SDRSP mortgages.		

HSBC InvestDirect is a division of HSBC Securities (Canada) Inc., a wholly owned subsidiary of, but separate entity from, HSBC Bank Canada. HSBC Securities (Canada) Inc. is a member of the Canadian Investor Protection Fund.

All fees listed are as of July 1, 2022. Fees subject to change with prior notice. Unless otherwise specified, administrative fees are charged in the currency of the account – i.e. fees for services in a CAD account are charged in CAD, and fees for services in a USD account are charged in USD. However, fees for services in foreign accounts (other than US) are charged in CAD or CAD equivalent.

*Transfer out fees are charged on a per account basis. Each currency account is considered a separate account. Clients with multiple accounts – for example, CAD margin, CAD RRSP, USD margin, and USD RRSP – will be charged the transfer out fee in each account in the currency of the account, meaning the transfer out fee in this example would be CAD \$135 x 2, plus USD \$135 x 2.

¹ This fee will be assessed based on client information as of the end of each quarter (March 31, June 30, September 30, December 31) and, where applicable, will be charged in April, July, October and January of every year. Combined assets includes all accounts with the same base account number (CAD & foreign currency) on the last day of the quarter.

For clients with multiple positive balance accounts with HSBC InvestDirect, the maintenance fee will be pro-rated such that the total maintenance fee on all accounts (under same base number) will add up to \$25/quarter. For example, clients with two accounts (i.e. TFSA and non-registered) will pay \$12.50 per quarter, per account, and clients with three accounts will pay \$8.33 (i.e. TFSA, RRSP and non-registered) per quarter, per account and so on. HSBC InvestDirect will make efforts to not put accounts into a debit cash position by seeking to charge the maintenance fee to accounts with cash balances.

² Commissionable trades are: Buys and sells of Equities, ETFs, Options, Mutual Funds and Fixed Income – Bonds, Treasury Bills, Bankers' Acceptances, Bearer Deposit Notes, Commercial Paper and Crown Corporation Money market Instruments. The following are not considered commissionable trades: Buys and sells of Guaranteed Investment Certificates (GICs), Term Deposits, High Interest Rate Savings Accounts, Canada Savings Bonds and Provincial Savings Bonds.

³ Transactions subject to acceptance by HSBC InvestDirect.

⁴ Other charges may apply, including but not limited to all applicable fees incurred from the transfer agent, lawyer, or issuing company for re-registration.

⁵ The fee is debited from the account on or around January 15th of the following year.

⁶ In addition to commission charges, the handling fee will be applied to HSBC InvestDirect credit sell-outs of Under-Margined/Debit Balance Accounts.

⁷ Applied when Clients initiate a security movement from one account to another. (ie. joint to single, single to joint, personal to non-personal, non-personal to personal, non-personal to non-personal etc.)

Taxes such as GST/HST or Provincial Sales Tax may be applicable on certain charges.

We're here to listen

Resolving your complaints

At HSBC InvestDirect – a division of HSBC Securities (Canada) Inc. – we work hard to provide a good customer experience and welcome any feedback and suggestions. If you've had a poor experience, we want to hear about it.

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

Step 1. Start with contacting HSBC InvestDirect

You may start by discussing your concerns with HSBC InvestDirect by contacting us at the following:

Toll-free telephone: 1-800-760-1180
Email: investdirect@hsbc.ca
Mail: Attention: Customer Complaints
 1725 16th Avenue, Suite 102
 Richmond Hill, Ontario, L4B 4C6

What happens next?

Your complaint will be reviewed by HSBC InvestDirect. We will acknowledge receipt of your complaint within 5 business days. This acknowledgment may include a request for you to provide additional information if reasonably required to investigate the complaint.

The nature of your complaint will determine who will be managing the complaint. For example, the Compliance Department will handle any alleged misconduct, and the HSBC InvestDirect Management team will handle any customer service issues.

From here, you should expect the following from us:

- 1) Review of account documentation and communication relevant to the complaint.
- 2) Review of supporting HSBC InvestDirect documentation related to the concerns raised in the complaint.
- 3) Assessment of your concerns against our records and other internal information.
- 4) A substantive response within 90 days of receiving your complaint.

If this timeline can't be met, we will inform you in writing within the 90-day timeframe of the reason(s) for the delay, and the new estimated time for us to complete our review.

Important Note: 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** (OBSI) section for more details.

Step 2. Contact our Office of the Head of HSBC InvestDirect

If you're not satisfied with how your complaint was handled in Step 1, you can escalate further to the Head of HSBC InvestDirect.

Email: investdirect@hsbc.ca
Mail: Attention: Head of HSBC InvestDirect
 1725 16th Avenue, Suite 102
 Richmond Hill, Ontario, L4B 4C6

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.

Designated Complaints Officer

If your complaint deals with conduct related concerns, or if you wish to express concerns with the manner in which your complaint was previously handled by an HSBC InvestDirect representative, you may escalate your concerns with the Designated Complaints Officer, who is member of senior management and is responsible for the oversight of the firm's complaint handling procedures and the oversight of HSBC InvestDirect's complaint handling procedures.

Designated Complaints Officer

Mail: Attention: Compliance Department
 HSBC InvestDirect
 16 York Street, 6th Floor
 Toronto, ON M5J 0E6
Email: investdirect@hsbc.ca

Step 3. Escalate to HSBC Client Complaints Office

If you're not satisfied with the resolution after following Steps 1 and 2, you can further escalate your complaint to the HSBC Client Complaints Office, which offers clients a voluntary option for an internal review process.

Based on historical data, this office generally completes their review within 60 calendar days. The time limit for starting legal action will continue while this office reviews your complaint.

HSBC Client Complaints Office**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 InvestDirect; however, it is employed by our affiliate HSBC Bank Canada 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 (OBSI)

You have the right to refer your complaint to the OBSI, without going to the HSBC Client Complaints Office, in these two situations:

1. Within 180 days of receiving a closing response from HSBC InvestDirect; 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: 1-888-451-4519**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.

Investment Industry Regulatory Organization of Canada (IIROC)

As HSBC Securities (Canada) Inc. is a member of the Investment Industry Regulatory Organization of Canada (IIROC), you may contact IIROC.

Phone: 1-877-442-4322**Email:** investorinquiries@iirroc.ca**Website:** www.iirroc.ca**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 also request us to transfer your complaint file to the Autorité des marchés financiers.

Autorité des marchés financiers**Toll-free:** 1-877-525-0337**Fax:** 418-525-9512**Mail:** Place de la Cité, tour Cominar,
2640, boulevard Laurier, bureau 400,
Quebec (Quebec) G1V 5C1

How IIROC protects investors

Protecting Investors and Supporting
Healthy Capital Markets Across Canada



You're discussing your investment needs with a financial advisor registered with the Investment Industry Regulatory Organization of Canada (IIROC).

Smart move. Here's why:

IIROC Works to Protect Investors throughout your experience with a Registered Investment Advisor

Your advisor is providing you with this brochure so that you understand the advantages and protections offered by investing through an IIROC-regulated advisor and firm.

IIROC regulates the activities of all Canadian investment dealer firms and the advisors they employ.

These companies and their investment advisors must meet IIROC's high ethical and professional standards.

We conduct regular reviews of all firms to make sure they comply with our rules and we take disciplinary action if our rules and standards are broken by firms or their advisors.

IIROC Registration Means **Your Advisor Meets Our High Standards**



To become registered with IIROC, your investment advisor passed a series of background checks and tests to ensure he or she meets our experience requirements and professional standards.

IIROC-registered advisors must also complete mandatory continuing education courses to stay up to date on our rules, financial products and industry trends.

You can make sure your investment advisor is registered with IIROC and find out if he or she has ever been disciplined for breaking our rules by searching the **AdvisorReport** on our website.

Your IIROC-Registered
Advisor **Must Understand
and Address Your
Financial Needs**



Before your advisor can open an account and provide you with financial services, he or she will ask you a series of questions to understand how to best meet your particular needs.

This “Know Your Client” process is an IIROC requirement that ensures your advisor is familiar with your financial situation, investment knowledge and objectives, tolerance for risk and the time horizon for your investment objectives, before making investment recommendations.

This may take more than one meeting, but please provide the information your advisor requests. This will help ensure that your advisor offers you investment account types, strategies and products that are suitable for your individual financial needs and circumstances.

Your Advisor
**Must Keep You
Informed** about
Your Investments



IIROC requires your advisor to share information with you about the products, services and account types you are offered and any associated fees and charges.

Most of this information will be included in a Relationship Disclosure Document, which you should read carefully.

Your advisor must also keep you updated with regular account statements and periodic reports on the fees and charges you pay and on the performance of your investments.

As an investor, you can protect yourself by reading and understanding the information IIROC requires your advisor to provide.

Ask your advisor about any information you do not understand.

You also Benefit from **other** **Protections**



All IIROC member firms must maintain an adequate cushion of capital, which reduces the risk of them becoming insolvent.

Firms must also keep your investments separate from their own assets.

Your account is also eligible for protection by the Canadian Investor Protection Fund, which covers up to

\$1,000,000

per account if an IIROC-regulated firm becomes insolvent. You can learn more at www.cipf.ca.

Your Complaints Must be Addressed



If you have a concern about your advisor or investment firm, you can complain directly to them and they must address your complaint in accordance with IIROC standards. The firm must also report your complaint to IIROC so we can ensure it has been dealt with appropriately.

IIROC can also investigate your complaint and, if necessary, take disciplinary action.

**You can contact IIROC directly
at 1-877-442-4322 or email us
at InvestorInquiries@iircoc.ca.**

Need More Information?



Please visit www.iircoc.ca to:

Make sure your investment advisor is registered and the firm that employs your advisor is regulated

Find out if your advisor has ever been disciplined by IIROC for breaking our rules

Get more information about opening an account and understand the importance of providing complete information to your advisor

Learn more about how IIROC protects investors and supports healthy capital markets

Questions?

CONTACT US:

Tel: 1-877-442-4322

Fax: 1-888-497-6172

Email: investorinquiries@iiroc.ca

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Suite 2800

P.O. Box 11164

Vancouver, British Columbia

V6E 3R5

www.iiroc.ca

Making a Complaint

A Guide for Investors

PART 1 OF 2

Investment Industry Regulatory
Organization of Canada

Protecting Investors and Supporting
Healthy Capital Markets Across Canada



The Investment Industry Regulatory Organization of Canada (IIROC) **Protects Investors and Supports Healthy Capital Markets**

- **All** Canadian investment firms and individual investment advisors dealing in Canada's stock and bond markets **must** be registered with IIROC
- IIROC-regulated companies and their investment advisors **must** meet our high ethical and professional standards
- IIROC conducts regular reviews of registered investment firms to make sure they comply with our rules
- IIROC takes action if our rules are broken or our standards are not met

Do you have concerns about the conduct or behaviour of your **IIROC-regulated investment firm or advisor**?



You can make a complaint to any and/or all of the following:

- Your investment advisor
- The supervisor/branch manager who oversees your investment advisor
- The firm where your advisor works
- Directly to IIROC

Account losses are not necessarily an indication that your advisor has engaged in misconduct, as most investments carry a degree of risk, with no guarantee of profitability. When you complain to IIROC, we will review your complaint to determine whether our rules have been broken.

First – check to ensure
**your investment advisor
is regulated by IIROC**



Make sure you are dealing with an IIROC-regulated investment firm and that your advisor is registered with us.

www.iiroc.ca provides a list of all the firms we regulate and a database of the advisors they employ.

Our online database can help you find out more about

- the background, qualifications and employment history of your advisor
- any record of IIROC disciplinary action.



Do you believe
**your investment firm or
advisor may have acted
improperly or unethically?**

For example by:

- Buying or selling investments without your approval
- Making excessive trades in your investment account
- Recommending investments that are not suitable for you (such as too risky)

If you believe your investment firm or advisor may have broken IIROC's rules or failed to meet our professional standards, **we want to hear from you.**

If our investigation concludes that an investment firm and/or individuals working for the firm have broken our rules, we may take disciplinary action to hold them accountable. This could result in warnings, reprimands, fines, suspensions and/or permanent bans for advisors and firms.

Please note that IIROC discipline **cannot provide compensation** to investors or force firms or individual advisors to do so.

Don't Delay!



Please make your complaint as quickly as possible. If too much time passes between the issue arising and your complaint, it might not be possible to investigate properly. As well, if you are seeking compensation through other channels (see page 9), there are time limits for taking action.

How to file a complaint with IIROC

IIROC has a dedicated Complaints & Inquiries department, which you can contact in four ways:

Use our secure downloadable form:

www.iiroc.ca/investors/makingacomplaint/Documents/ComplaintForm_en.pdf

Send us an email:

investorinquiries@iiroc.ca

Call us toll free:

1-877-442-4322

Fax us at:

1-888-497-6172

What we need to follow up on your complaint



- **Please provide IIROC with as much information as possible**, including your name and contact information, as well as the name and contact information for any individual or firm mentioned in your complaint.
- **Keep a file of all documents that relate to your account and your specific issue.** Include copies of letters and email messages. Keep records of conversations – dates, times and details of what was said, as well as any other information you feel is important.
- **You don't need to "prove" your case.** Just provide IIROC with the facts and your supporting documents. You can talk to IIROC staff to help you determine what information is important for our review.
- **Please be prepared to cooperate.** If we decide to take disciplinary action, you may be asked to participate as a witness.

What happens when you file a complaint?



When you file a complaint with IIROC:

1. We will let you know we have received it.
2. We will update you after we have reviewed your complaint and decided whether we will proceed with an investigation.

We carefully review all the information we receive to see if IIROC's rules have been broken and if we need to take further action.

IIROC helps protect you by ensuring **your complaints are investigated appropriately**



If you complain to the investment firm directly, IIROC requires that the firm abide by our rules for handling client complaints. IIROC-regulated firms must report all written client complaints about possible breaches of our rules so we can determine **whether to conduct our own investigation**.

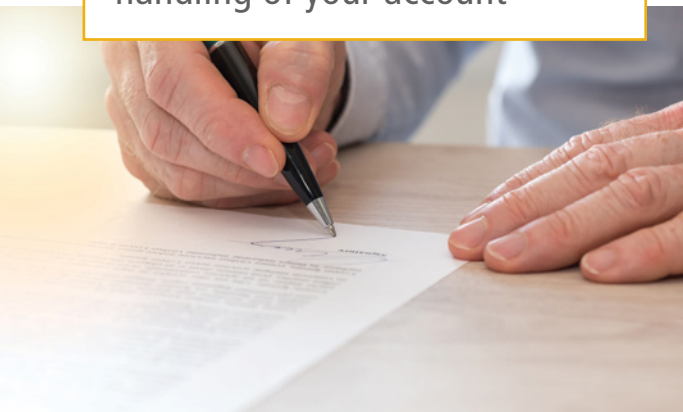
While IIROC does not review customer service issues, we ensure that the firms we regulate respond to such complaints.

If you have a **customer service** complaint, for example:

- Difficulty getting in touch with your advisor
- Being asked to move your account to another firm

and you put your complaint in writing, the firm must provide you with a written response.

If you complain to the firm or someone at the firm about their handling of your account



The firm is required to:

1. Acknowledge your complaint within five business days
2. Provide you with their final response within 90 calendar days, including:
 - a summary of your complaint
 - results of their investigation
 - an explanation of their final decision and
 - options available to you for seeking compensation if you are not satisfied with the firm's response.

What if I'm not satisfied with the investment firm's response?

If your complaint is not resolved with the firm, you have several options:

- The **Ombudsman for Banking Services and Investments** resolves disputes between participating investment firms and investors. Visit www.obsi.ca or call 1-888-451-4519.
- Québec residents can contact the **Autorité des marchés financiers**. Visit <http://lautorite.qc.ca/en/general-public/> or call 1-877-525-0337.
- Arbitration is available through **ADR Chambers** (adrchambers.com/ca or 1-800-856-5154) and in Québec through the **Canadian Commercial Arbitration Centre** (www.ccac-adr.org/en/ or 1-800-207-0685).
- You also have the option of going to court, but you should first get advice from a lawyer.

How can I get money back?

See our brochure online [How Can I Get My Money Back?](#) for more information.

Questions?

CONTACT US:

Tel: 1-877-442-4322

Fax: 1-888-497-6172

Email: investorinquiries@iiroc.ca

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P.O. Box 11164

Vancouver, British Columbia

V6E 3R5

www.iiroc.ca

How Can I Get My Money Back? A Guide for Investors

PART 2 OF 2

Investment Industry Regulatory
Organization of Canada

Protecting Investors and Supporting
Healthy Capital Markets Across Canada

The Ombudsman for Banking Services and Investments (OBSI)

Seeking Financial Compensation



If you've suffered a financial loss because your investment advisor or firm acted improperly, you will likely ask, "How can I get my money back?"

First of all, it's important you act promptly. There are **time limits** attached to all of the options available to you.

The first step in seeking compensation is to make a **written complaint** directly to your investment advisor and his/her firm. They must provide you with a substantive response to your claim **within 90 days**.

Still not satisfied?

Please go directly to OBSI or consider the other options outlined in this brochure.

You can contact OBSI at:
1-888-451-4519
ombudsman@obsi.ca
www.obsi.ca

OBSI is Canada's free, independent service for resolving investment and banking disputes with participating firms.

IIROC requires all the investment firms it regulates to take part in the OBSI process.

Some firms may suggest you use their own internal ombudsman first, but it is your choice whether or not to participate in that process. It is voluntary.

If you've already formally complained to your investment firm and feel your complaint wasn't resolved to your satisfaction, you have **up to 180 days** from the time you receive the firm's written response to submit a complaint to OBSI.

It is important to know that if you choose to use a firm's internal ombudsman, you will have less than 180 days to complain to OBSI as the 180 time limit begins to apply **after** the firm's written response to you. **You do not need to appeal the firm's decision to the internal ombudsman before going to OBSI.**

OBSI can recommend compensation up to \$350,000 but its decisions are not legally binding. Many firms will compensate the complainant but some choose not to.

Going to Court



There is no limit to the amount of compensation you can claim. It is a good idea to get advice from a lawyer before pursuing legal action, as this can be an expensive option.

There is also a statute of limitations on legal action. This means there are legal time limits and you could run out of time to pursue some of your claims in court.

If you choose legal action, your provincial law society can help you find a lawyer. For a list of provincial law societies, go to www.flsc.ca.

Arbitration

Arbitration is a process where a qualified arbitrator – chosen in consultation with both you and the investment firm – hears both sides and makes a final, **legally binding decision** about your complaint.

IIROC requires all the investment firms it regulates to take part in this option if you choose to go to arbitration.

The arbitrator acts as the judge in the proceedings and reviews facts presented by each side of the dispute. Either side can choose to be represented by a lawyer, though this is not required. Arbitrators can award up to \$500,000.

There are **costs** to using arbitration, often less than the cost of going to court. The arbitration fees themselves are usually divided between the two parties. When you file your case, you can decide whether to give the arbitrator the added power to award legal costs on top of any other award, in which case the unsuccessful party would pay the other party's legal costs.

IIROC has designated two independent arbitration organizations:

ADR Chambers
1-800-856-5154
www.adrchambers.com

In Québec: Canadian Commercial
Arbitration Centre
1-800-207-0685
www.ccac-adr.org/en/

Compensation Options



CHANNEL	TIME LIMIT* TO COMPLAIN	AWARD LIMIT	COST	DECISION BINDING
OBSI	Yes	Up to \$350,000	No	No
Court	Yes	None	Yes	Yes
Arbitration	Yes	Up to \$500,000	Yes	Yes
Québec / AMF	Yes	Up to \$200,000	No	No

*It is important to understand the time limits of each option.

In Québec: AMF Mediation Services

If you live in Québec you can use the free services of the **Autorité des marchés financiers** (AMF). You must first make a formal complaint to your investment firm. If you are not satisfied with its response, you can ask the firm to transfer your complaint to the AMF.

The AMF will assess the complaint and may offer mediation services, though firms are not required to participate.

For more information on the AMF:

1-877-525-0337

renseignements-consommateur@lautorite.qc.ca

www.lautorite.qc.ca/en/

Other options if you live in Manitoba, New Brunswick or Saskatchewan

Securities regulators in these provinces can order a person or company that has broken provincial securities law to pay compensation. These orders are enforced similar to court judgments.

For more information, contact:

Manitoba Securities Commission:

www.mbsecurities.ca/index.html

New Brunswick Financial and Consumer

Services Commission: FCNB.ca

Financial and Consumer Affairs Authority of
Saskatchewan: www.fcaa.gov.sk.ca

Understanding IIROC's Role



As an investor you can complain to IIROC and we will review your complaint to determine whether or not your advisor and/or firm has broken our rules. If we find that our rules have been broken, we may take disciplinary action including fines, suspensions or permanent bans. However, IIROC cannot provide compensation to you or force an investment firm or individual advisor to reimburse you.

**If you have questions, please contact
IIROC at:**

Tel: 1-877-442-4322

Fax: 1-888-497-6172

Email: investorinquiries@iroc.ca

Questions?

CONTACT US:

Tel: 1-877-442-4322

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www.iiroc.ca

Opening an Investment Account: A Guide for Investors


Investment Industry Regulatory
Organization of Canada

Protecting Investors and Supporting
Healthy Capital Markets Across Canada



Opening an investment account

Opening an investment account has major implications for your financial future. An IIROC-registered advisor can help you answer important questions and recommend the most appropriate investments for your individual circumstances. It's vital that the investments made through your account fit your current situation and your plans for the future.



Questions you may be asked

It's essential that your advisor gathers the information needed to understand your unique situation in order to recommend investments that are suitable for you. IIROC's rules require that advisors understand or know their clients. This is done by asking you a series of questions.

Your advisor may ask:

- How much do you know about investing?
- What is your financial situation?
- What are your investment objectives?
- How long is your time horizon?
- How much risk are you willing and able to tolerate?

Investment dealers, also called investment firms, must meet regulatory requirements and may be unable to open an account if investors are unwilling to provide certain personal information.

“Why so many questions?”

Firms and individuals working with you must make recommendations suitable to your circumstances. This IIROC rule applies whether your advisor recommends the transaction or it is your own idea.

Before proposing any investments or activity, your advisor must work with you to determine what types of investments fit your immediate and long-term financial needs. To do this properly, your advisor must obtain an accurate and complete understanding of your personal and financial information.

To determine which investments are suitable for you, your firm and advisor need your and your spouse's:

- current financial situation
- investment objectives
- time horizon
- investing knowledge
- current investment portfolio
- tolerance for risk

While this is a lot of personal information, it allows your advisor to recommend investments suitable to your present circumstances and your financial goals.

Your advisor is also required to keep this information current. As your circumstances may change over time, you should keep your financial advisor up to date on any changes to the information above.

“I don’t have an advisor. Do these requirements still apply to me?”

Please note that if you have chosen the “do-it-yourself” route and opened a direct or order execution only (OEO) account, the requirements are not the same. These firms are not permitted to provide advice. OEO firms are investment dealers who allow self-directed investors to execute transactions and are not permitted to provide their clients with investment recommendations. OEO firms are exempt from determining suitability. They do not need to collect all suitability information. However, these firms may still obtain some client financial information.

Questions to ask an advisor

- What are your qualifications?
- What is your investment philosophy/approach?
- How are you compensated?
- What kind of products can you sell?
- What kind of return can I reasonably expect on my investments?
- How frequently do you communicate with your clients?
- Will you be the only person from your firm working with me?
- Have you ever been disciplined by regulatory authorities?

Other requirements



To meet both IIROC and legal requirements and to protect against money laundering and fraud, advisors/firms must obtain certain information when you open an account, including:

- Your full legal name
- Your citizenship
- Spousal information
- Verification of identity
- Home address
- Home, cellular, business numbers, and email address
- The intended use of your account – for example, for income or as a long-term investment
- Whether any other individuals have a financial interest in or trading authority over your account
- Whether you are an insider of a publicly traded corporation

Complying with rules, legislation, regulations and agreements



Advisors/firms ask for this information to comply not only with IIROC rules, but also federal legislation (such as anti-money laundering and tax legislation), securities regulations and/or international agreements. Information required under such laws includes:

- Full legal name and date of birth
- Occupation
- Politically exposed persons*
- Third parties with a financial interest or trading authority over your accounts
- Intended use of your account (i.e., income or long-term capital appreciation)
- Source of funds
- Your signature
- Social insurance number
- Citizenship

To validate this information, you may be asked to provide the following original documents:

- Passport
- Driver's licence
- Proof of citizenship
- Birth certificate (for applicants under 21)

*Some information required by government might apply to only a small number of people – but you'll still be asked, for example, whether you or a family member has ever held a prominent position with a domestic or foreign government or international organization, making you a "politically exposed person," potentially subject to bribery or blackmail. This question seems odd, but it's required under federal anti-money laundering legislation.

For more information on applicable government regulations and legal requirements, visit www.fintrac-canafe.gc.ca (or www.iiroc.ca).

Different accounts, different information



You will be asked for additional information depending on the type of account you open. For example:

- If you open a corporate account, you will be asked to provide information on any beneficial owners and directors.
- If you open a trust account, you will be asked to provide information on trustees, beneficiaries and anyone else who exercises control over the affairs of the trust.
- If you open a margin account, you may be asked for more financial information so that firms can determine your credit-worthiness.

Sign here



You'll be asked to provide an electronic signature or to physically sign a number of documents to provide your consent. For example:

- Your advisor must ask for your consent to have account-related documents sent to you by email.
- You must acknowledge that you have read and understand the firm's privacy policy, which sets out when the firm can share your personal information.
- Your advisor must obtain your instructions on whether you want to receive information materials from companies that issue stocks, mutual funds and other investments.

Make sure you read and fully understand any document before you sign it. Ensure that all of the information is accurate since these documents may be relied upon in the event of a dispute. If you're not sure about something, ask questions.

Privacy



Under federal and/or provincial privacy legislation requirements, you will be asked to acknowledge that you have read and understand the firm's privacy statement, which sets out when and how your firm may use your personal information.

Information your advisor/



Your advisor/firm must also give you information, such as:

- IIROC's brochures:
 - "How IIROC Protects Investors,"
 - "An Investor's Guide to Making a Complaint," and
 - "How Can I Get My Money Back?"These explain your rights and responsibilities as an investor with an IIROC-regulated firm.
- A Relationship Disclosure Document, which outlines the firm's products and services, fee structure, account relationships, investment benchmarks and more.
- Whether there are service or referral fees.
- Risks associated with borrowing money to buy securities.

- Risks associated with trading futures or options.
- If the dealer shares premises with another financial services business.
- If the advisor is an agent rather than an employee of your firm.
- If the firm trades or advises on their own securities, for example, if your advisor recommends the stock of the company for which they work. This would also apply to the securities of issuers related to or connected to the firm.

To learn more, click on the Investors' section at www.iiroc.ca.

Questions? Call us at 1-877-442-4322. IIROC has a dedicated Complaints & Inquiries department and staff available to help answer your questions.

About IIROC



The Investment Industry Regulatory Organization of Canada (IIROC) regulates all investment dealers and the IIROC-registered representatives (commonly referred to as advisors) they employ in Canada. IIROC sets high regulatory standards for the investment industry to protect investors and strengthen market integrity. IIROC monitors and enforces rules for the business conduct and trading activity of these investment firms and their individual investment advisors.

For more information,
see www.iiroc.ca

Questions?

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Canadian Investor Protection Fund

Canadian Investor Protection Fund



WHAT DOES THE CANADIAN INVESTOR PROTECTION FUND DO FOR INVESTORS?

If you have an account with a member firm, and that firm fails, CIPF works to ensure that any property being held for you by the firm at that time is given back to you, within certain limits. Property can include cash and securities.

To help you get started, a list of the initial steps that you may wish to take if your firm fails is available on CIPF's website at www.cipf.ca.

What does CIPF cover?

CIPF COVERS:

Missing property – This is property held by a member firm on your behalf that is not returned to you following the firm's insolvency. Missing property can include:

- cash
- securities
- other property described in CIPF's Coverage Policy

A “security” is a type of financial instrument. Some examples of securities are: bonds, GICs (guaranteed investment certificates) and shares or stock of a company. A share or stock is an ownership interest in a company issued by that company. The company or other legal entity that issues the securities is often called the “issuer” of the securities.

CIPF DOES NOT COVER:

Not all losses that may arise are covered by CIPF. For example, CIPF does not cover losses resulting from any of the following:

- a drop in the value of your investments for any reason
- investments that were not suitable for you
- fraudulent or other misrepresentations that were made to you
- misleading information that was given to you
- important information that was not disclosed to you
- poor investment advice
- the insolvency or default of the company or organization that issued your security (the entity that you invested in)
- other exclusions identified in the CIPF Coverage Policy



DOES CIPF GUARANTEE THE VALUE OF YOUR INVESTMENT?

No. CIPF does not guarantee the value of your property.

EXAMPLE OF HOW CIPF COVERAGE WORKS

If you bought one hundred shares of Company X at \$50 per share through a member firm, and the share value on the day of the member firm's insolvency was \$30, CIPF's objective would be to ensure the return of the one hundred shares to you because that's the property in your account at the date of insolvency. If the one hundred shares are not returned to you, CIPF would provide compensation based on the value of the missing shares on the day of the member firm's insolvency. In this example, that's \$30 per share.

WHO PAYS FOR THIS COVERAGE AND HOW DO I GET IT?

You're automatically eligible for coverage if you have an account with a member firm that is used solely for investing in securities or in futures contracts. And because CIPF is funded by its member firms, you do not pay a fee for CIPF protection. Non-residents and non-citizens are eligible for coverage.



WHO ARE CIPF MEMBER FIRMS?

Member firms are investment dealers that are members of IIROC (Investment Industry Regulatory Organization of Canada). Approximately 170 investment dealers across Canada are CIPF members. Please see CIPF's website for a list.

WHAT ARE THE COVERAGE LIMITS?

CIPF will provide compensation for the value of the missing property as at the date of insolvency, up to the limits prescribed in the CIPF Coverage Policy.

For an individual holding one or more accounts with a member firm, the limits on CIPF protection are as follows:

- \$1 million for all general accounts combined, plus
- \$1 million for all registered retirement accounts combined, plus
- \$1 million for all registered education savings plans (RESPs) combined.

The limits of coverage for other types of clients are outlined on CIPF's website.

All coverage by CIPF is subject to the terms and conditions of the CIPF Coverage Policy and Claims Procedures.

**Get CIPF
Protection –
Invest with
an IIROC
Regulated
Member**

HSBC INVESTDIRECT IS A DIVISION OF
HSBC SECURITIES (CANADA) INC., A
WHOLLY OWNED SUBSIDIARY OF, BUT
SEPARATE ENTITY FROM, HSBC BANK
CANADA.

Check the Member Directory on CIPF's website
to confirm you are dealing with a member of the
Canadian Investor Protection Fund.



Canadian Investor Protection Fund

Canadian Investor Protection Fund
100 King Street West, Suite 2610, Box 481
Toronto, Ontario, Canada M5X 1E5

For more information on CIPF, please visit
www.cipf.ca or call toll-free at 1.866.243.6981
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