

# HSBC Investment Funds (Canada) Inc.

## **Terms and Conditions**

Effective as of June 30, 2021





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## **How the Terms and Conditions apply to you**

This Terms and Conditions booklet sets out the terms and conditions that will govern our relationship with you and the account that you open with us. This version of the Terms and Conditions has new and updated terms, and it replaces older versions of the Terms and Conditions.

This booklet is divided into two parts:

- Part 1: Terms and conditions for your account (including additional terms in section 10 for HSBC World Selection Portfolio Accounts)
- Part 2: Registered plan documentation.

Please read the parts that apply to the type of account you have with us and contact us if you have any questions.

## **Your signature on the Application**

When you sign your Application, you confirm that you have read and agree to these Terms and Conditions and any documents incorporated by reference, which may be amended from time to time as we describe.

## Part 1: Terms and Conditions

### Defined Terms

The following terms used in Part 1 of these Terms and Conditions mean:

**Account** means your HSBC Investment Funds Account or your HSBC World Selection Portfolio Account, whichever you have opened with us.

**Agreement** means your Application Form, Part 1 of these Terms and Conditions, including all applicable schedules, as may be amended from time to time, the Fee Schedule, any terms and conditions on other Account related forms and, if you have a registered Account, the applicable registered plan document attached to these Terms and Conditions.

**Application** means our application form you completed to open an Account and, if applicable, apply to become an annuitant, holder or subscriber under the applicable registered plan attached to these Terms and Conditions.

**Banking Information** means the most recent banking information you have provided to us about your bank account at a Financial Institution, in the form requested and accepted by us and from which you want Transactions to be conducted. Banking Information may differ depending on whether the Transaction is based on Instructions given from time to time or continuous through a Pre-Authorized Contribution Plan or Systematic Withdrawal Plan.

**Electronic Instruction** means any Instruction that is given or transmitted by any means of electronic communication acceptable to us, which may include telephone, computer, mobile device, fax communication or email, and includes Instructions provided through an electronic Service Channel.

**Fee Schedule** means the terms and conditions related to fees and charges that govern your Account, including (as applicable) the HSBC Investment Funds (Canada) Inc. Account Fees & Charges and the HSBC World Selection Portfolio Fee Schedule.

**Financial Institution** means HSBC Bank or any other Canadian financial institution named in the Banking Information.

**HSBC Bank** means HSBC Bank Canada.

**HSBC Global Asset Management** means HSBC Global Asset Management (Canada) Limited.

**HSBC Investment Funds Account** means an account in which you purchase, hold or sell mutual funds (including the HSBC Mutual Funds), exchange traded funds or guaranteed investment certificates as offered by us from time to time with the benefit of advice and account servicing by an MFA. You may also hold cash in your HSBC Investment Funds Account in accordance with these Terms and Conditions.

**HSBC Wealth Compass™** means the online service accessed by you using a Secret Code through which you can apply to open an HSBC Investment Funds Account and, if permitted by us, make Transaction(s) or give Instructions related to that Account.

**HSBC World Selection® Portfolio Account** means an account

managed by us and HSBC Global Asset Management, in which we and HSBC Global Asset Management purchase, hold and sell mutual funds, which may include the HSBC Pooled Funds and/or the HSBC Mutual Funds, based on your selected model portfolio (as more fully described below in subsection 10.2 called "Your Selected Model Portfolio"). You may also hold cash in your HSBC World Selection Portfolio Account in accordance with these Terms and Conditions.

**HSBC World Selection Portfolio Service** means the portfolio investment service we provide for your HSBC World Selection Portfolio Account.

**Instructions** means any information we receive from you or your agent (or that we reasonably believe comes from you or your agent) related to (i) opening, maintaining or closing your Account, (ii) a Transaction or (iii) initiating, amending or cancelling a Pre-Authorized Contribution Plan or Systematic Withdrawal Plan. We may receive the information through an instruction, an agreement or a document. For greater certainty, **Instruction** includes an **Electronic Instruction**.

**Losses** means claims, charges, costs (including legal fees on a solicitor and client basis or other professional costs), damages, debts, expenses, taxes, liabilities, and other payments or losses of any kind, obligations, allegations, suits, actions, demands, causes of action, proceedings, or judgments of any kind however calculated or caused. These losses can be direct or indirect, consequential, incidental or economic.

**MFAs** means our registered Mutual Fund Advisors.

**Online Banking** means the HSBC internet banking and wealth management service that you access using a Secret Code.

**Pre-Authorized Contribution Plan** means a regular investment plan offered by us that allows you, on a regular basis, to contribute cash to your Account, purchase investments for your Account or switch between investments held in your Account.

**Prospectus** means the HSBC Mutual Funds and HSBC Pooled Funds Simplified Prospectus, as amended from time to time.

**Records** means statements, reports, Transaction confirmations and other documents relating to your Account.

**Secret Code** means each of your secret access codes (a combination of letters, numbers or both) that confirms your identity and, as required and permitted by us in our discretion, allows you to access a Service Channel to provide Instructions, authorize a Transaction or use a particular Service. Examples are your TelePIN (personal identification number to access our Telephone Service) and your access code(s) required to access and use Online Banking and HSBC Wealth Compass.

**Service Channel** means any way in which we offer Services to you from time to time, such as:

- through an HSBC Bank branch;
- Telephone Services;
- Online Banking;

- HSBC Wealth Compass;
- Receiving Electronic Instructions from you;
- other ways we develop to allow you to make a Transaction or give Instructions.

Some Service Channels may not be available to you.

**Services** includes:

- Evaluating your application and assessing our willingness to provide you with products and services, opening, maintaining and closing your Account(s);
- Providing you with products and services; and
- Maintaining our relationship with you.

**Systematic Withdrawal Plan** means a regular redemption plan offered by us for non-registered and RRIF/LIF accounts that allow you, on a regular basis, to sell investments in your Account if it meets the criteria, and, as instructed by you and permitted by us, either retain the proceeds from the sale in your Account or receive the proceeds from the sale in accordance with the related Instructions provided by you.

**Telephone Services** means our telephone channel accessed by you using a Secret Code and by which you can give Instructions on the Account.

**Transaction** means:

- for an HSBC Investment Funds Account, a purchase, sale or switch of an investment held in your Account or a contribution or withdrawal of funds to/from your Account;
- for an HSBC World Selection Portfolio Account, a contribution or withdrawal of funds to/from your Account; or
- for both types of Accounts, a request for information about your Account.

A Transaction may occur from time to time or on a regular basis under a Pre-Authorized Contribution Plan or Systematic Withdrawal Plan.

**Trustee** means HSBC Trust Company (Canada).

**us, we** and **our** mean HSBC Investment Funds (Canada) Inc.

**you** or **your** means each customer who holds, or has applied for, an Account or Services or received Services. This includes your heirs, executors, administrators, successors and permitted assigns. It also includes each person who holds an Account jointly.

## 1. Proper Use

1.1 You must not use your Account or Service Channels for:

- illegal purposes (such as financial crime)
- improper purposes (such as those that do not meet generally accepted standards of conduct)
- the benefit of third parties

1.2 We take measures to protect our customers, ourselves and the financial system from financial crimes such as money laundering, terrorist financing, bribery, corruption, tax evasion and evasion of economic and

trade sanctions. We are committed to abiding by financial crime laws, regulations and requirements. We expect you will also abide by financial crime laws and use your Account and Service Channels appropriately.

1.3 If you use your Account or Service Channel for purposes not authorized by us, we may close your Account or stop Services or Service Channels without telling you first. We may also place a hold on your Account(s) while we investigate. We may refuse to let you open or use a new Account or continue to use an existing Account. You agree to indemnify, or reimburse, us for any Losses we may suffer from your using or contributing to your Account or Service Channel being used for illegal or improper purposes.

You must take all reasonable precautions to protect your Account from fraud or unauthorized use.

## 2. Your Responsibility to Provide Accurate Information

2.1 We may require that you apply in writing, in person, by telephone or electronically for an Account, Service, Service Channel, Pre-Authorized Contribution Plan or Systematic Withdrawal Plan.

2.2 You confirm that all information you provide to us in the Application and in connection with your Account now or in the future is accurate and complete.

2.3 You agree that you will notify us immediately if any of the information you provide to us changes.

2.4 From time to time, and at our discretion, we may request new or additional information from you and you agree to provide it to us so that we can continue to operate your Account, provide you Services or continue to provide you access to a Service Channel.

## 3. Relationship with other HSBC Entities

3.1 We are a direct subsidiary of HSBC Global Asset Management and an indirect subsidiary of HSBC Bank.

3.2 MFAs are employed with HSBC Bank and registration is sponsored by us. All banking related activities are offered by HSBC Bank and are not our business nor responsibility.

3.3 We are related to HSBC Global Asset Management and the Trustee. HSBC Global Asset Management and the Trustee are both direct subsidiaries of HSBC Bank.

3.4 HSBC Global Asset Management is the manager, primary investment advisor and trustee of the HSBC Mutual Funds and the HSBC Pooled Funds. HSBC Global Asset Management is also the portfolio manager for the HSBC World Selection Portfolio service.

3.5 Activities carried on, for, or on behalf of us are not the business or responsibility of HSBC Bank.

## 4. Joint Accounts

This section applies to joint personal Accounts only:

- 4.1 **Joint Instructions:** Subject to our discretion, unless you tell us in writing that all of you must give us Instructions together, we may accept Instructions from any one of you and such Instructions shall be valid and binding upon each of you, together and separately, and your respective heirs, executors, successors and assigns. Any payment, notice or Record to just one of you will satisfy our obligations to all joint Account holders.
- 4.2 **Instructions from All:** If you specify to us in writing that you must give us Instructions together, then Instructions must be provided to us by each of you by written means accepted by us.
- 4.3 **Joint and several liability:** Each person who shares a joint Account under this Agreement is jointly and severally (solidarily if in Québec) responsible for the liabilities and obligations set out in this Agreement. The death of a joint Account holder does not release the estate from the joint and several liability provided in this Agreement.
- 4.4 **If you reside outside of Québec:** Any assets in your Account is your joint property with the right of survivorship. This means that if one of you dies, the assets in the Account will automatically become the property of the joint Account holders who are still alive (the survivors). The death of one of you does not affect the right of the survivor(s) to continue to deal in any manner with the funds in the Account.
- 4.5 **If you reside in the Province of Québec:** After the death of a joint Account holder resident in Québec, your rights and obligations related to the Account are set out in the Federal laws of Canada and the laws of Québec that apply to the survivors' rights and obligations. The right of survivorship does not apply to the interest of a Québec resident into an Account.

## 5. Registration of Investments

- 5.1 We will register the investments in your Account in our name as nominee on your behalf, and you consent to the registration of the investments in your Account in our name on your behalf.

## 6. Statements of Accounts and Other Records

- 6.1 **Delivery of Records:** From time to time, we will deliver Records to you by ordinary mail, or if acceptable by us and agreed to by you, electronically through Online Banking or other electronic delivery service. We will use your most recent contact information on our records when delivering Records.
- 6.2 **Review of Records:** You must promptly review your Records to check and verify your account transactions, fees and all entries posted to your Account. If you believe there are any errors, omissions or irregularities, including any fraud or unauthorized activities you must tell us within the applicable time period set out in the section below titled "Your Responsibility to notify of errors and fraud".

## 6.3 Record Keeping Options

- **Online Records:** Any Record received through Online Banking is in place of a paper one sent by mail. You agree to log on to Online Banking at least once every 30 days to review your online Record(s).
- **Paper Records:** You agree that you will advise us promptly if you have not received a Record within 10 days of the date upon which you would normally receive that type of Record.

## 6.4 Receipt of Records:

We may consider you to have received a Record, on the earliest of the events below, even if you have not actually received it:

- a) the day you actually receive a Record;
- b) the day you received information that made you aware (or should have made you aware) there might be problems with your Account or the Transactions (for example, errors, omissions, irregularities, fraud or unauthorized activities);
- c) for a statement of account or report about your Account, 10 days after the last day of the month we sent you the statement of account or report about your Account; or
- d) for Records delivered to you through Online Banking, each time you log on to Online Banking.

## 6.5 Your responsibility to notify of errors and fraud:

You must advise us in writing within 30 days of any errors, omissions, irregularities, fraud or unauthorized activity in the Record. The 30-day period begins when you received the Record, or we consider you to have received it, whichever is earlier.

Unless you object in writing to the Record within the 30-day period, you agree that the Record is conclusive evidence of your dealings with us regarding the Account. You also agree that the Record and all Transactions and entries recorded are correct, complete, and authorized by you.

## 6.6 Our liability is limited:

Even if you follow the terms in section 6, we are not responsible and you release us from any liability (even if we are negligent) for Losses that are caused or contributed to by:

- Your negligence, or
- Your not meeting your responsibilities and obligations under this Agreement.

You must also let us know immediately if you, acting reasonably, suspect or become aware of any possible fraud or other unauthorized activity on your Account. If you do not, we will not be responsible for Losses that could have been prevented.

If we have responsibility or liability for any Losses caused by errors, omissions, irregularities, fraud or unauthorized activity, our maximum liability to you is the amount of funds withdrawn from your Account



due to the errors, omissions, irregularities, fraud or unauthorized activity. We are not responsible or liable for any other amount or any Losses that are indirect, consequential, incidental or economic.

- 6.7 **Admissibility of Records:** You will not object to the admission of Records as evidence in court or any legal or administrative proceeding on the grounds that they are not originals, are not in writing, are hearsay, are not the best evidence or are documents containing information extracted from a computer. These Records will be conclusive evidence in legal or administrative proceedings of any Instruction or other matter or thing relating to the Account or its operation or any Transaction.
- 6.8 **Digital or Electronic Records:** We may in our discretion and subject to applicable laws, create and retain digital or electronic representations of all Records we have with you. We may destroy the original paper versions of such Records, if any, without telling you. Our digital or electronic copies of the Records may, except where expressly prohibited by law, be relied upon as originals and you will not object to the use of such in court or any legal or administrative proceedings on the grounds that they are not originals, are not in writing, are hearsay, are not the best evidence or are documents created from computer records.
- 6.9 **Certificates of Investments:** We may keep all certificates and other proof of investments made on your behalf at our offices or any acceptable depository.

## 7. Giving Instructions

- 7.1 **Accepting Instructions:** We may accept Instructions that you or your agent give us, or that we reasonably believe you or your agent have given us. We do not have to confirm that you actually give us these Instructions, and you are responsible for them.

All Instructions are subject to acceptance by us and, in our sole discretion, we will determine what type of Instructions may be provided through a Service Channel. We have the right to reject any Instruction or to cancel any Transaction resulting from your Instruction.

- 7.2 **No changes after processing:** You acknowledge that an Instruction cannot be changed or withdrawn after we process it. If you wish to withdraw or correct an Instruction before it has been processed, contact us at Telephone Services at 1-800-830-8888 or visit any HSBC Bank branch.

To verify our receipt and processing of an Instruction, contact us through the Telephone Services at 1-800-830-8888 or visit any HSBC Bank branch.

- 7.3 **True, accurate and complete:** You are responsible for ensuring that any Instruction is true, accurate and complete. You acknowledge that we will rely upon the truth, accuracy and completeness of an Instruction. You will be solely responsible and liable for any Losses that you, we or any other person may incur as a

result of your submission of any false, inaccurate or incomplete Instructions.

- 7.4 **Signatures:** If we need your signature on an Instruction and we reasonably believe you signed it (or electronically signed it), then you will be responsible for the Instruction, even if you did not sign it.
- 7.5 **Electronic Instructions:** An Electronic Instruction has the same legal validity and effectiveness as a written instruction signed by you or your agent with your or their hand written signature.

We do not accept some types of Electronic Instructions. We may refuse Electronic Instructions, and this decision is entirely up to us.

An Electronic Instruction will be deemed not to be delivered to or accepted by us until it is processed by us. We are not obligated to accept or process any Electronic Instruction that appears to be incomplete or otherwise adversely affected by transmission problems.

- 7.6 **More documents required:** At our discretion, we may require you to sign further documents to verify or confirm an Instruction.
- 7.7 **Risks of Email:** Email is not encrypted or secure and should not be used to transmit information that is sensitive or confidential. Even if we permit you to use email for an Instruction, it is your sole choice to use email to transmit an Instruction and we will not be responsible or liable for any Losses that result.
- 7.8 **Non-Personal Account:** If you are a corporation, trust, partnership, sole proprietorship, estate or other entity and there are two or more authorized signatories required for providing Instructions related to your Account, Instructions must be provided to us by all authorized signatories in a manner accepted by us.
- 7.9 **Identity or Authority:** We do not have to confirm the identity or authority of any person using your HSBC Bank card or Secret Codes to give Instructions, make Transactions or use any Service Channel. We may:
- require proof that you have allowed someone to make a Transaction (including someone who says they have a power of attorney to make a Transaction for you); delay carrying out an Instruction or Transaction while we investigate or satisfy ourselves;
  - refuse to accept an Instruction if we are not completely satisfied.

## 8. Processing Transactions

- 8.1 **Effective Transactions:** You understand that Transactions are not effective until they are accepted and processed by us. We have time requirements for receiving trade requests and processing orders. These may differ depending on the investment. Please ask your MFA about the trade cut off times and also refer to the



specific Transaction form. In addition, Pre-Authorized Contribution Plans or Systematic Withdrawal Plans will take at least 5 business days to set up before the first Transaction under the Pre-Authorized Contribution Plan or Systematic Withdrawal Plan is processed.

8.2 **Authorization to Process Transactions:** You authorize us to process Transactions in accordance with your Instructions provided on the applicable Transaction form and in accordance with these terms:

**For purchases:**

- If you have instructed us in the applicable Transaction form to use your Banking Information, we will debit funds from your HSBC Bank account or an account at another Financial Institution. We will then deposit those funds to the cash held in your Account. We will then use the cash held in your Account for the Transaction; or
- If you have instructed us in the applicable Transaction form to use the cash held in your Account, will we use the cash for the Transaction; or
- If you have instructed us in the applicable Transaction form to make the Transaction using an electronic funds transfer from another Financial Institution, we will use the funds that are transferred in from the other Financial Institution for the Transaction.

**For redemptions:**

- We will redeem the investments held in your Account in accordance with the Transaction form and the cash proceeds from that redemption will be deposited in your Account and held in cash. If you want to move the cash in your Account to your bank account, you will need to provide us additional written instructions. If you want us to send you a cheque for the proceeds of redemptions, you will need to provide us additional written instructions.

8.3 **Release of Information:** You hereby authorize us to request confirmation of the Banking Information from the Financial Institution and the Financial Institution is hereby authorized and directed by you to confirm such information. In addition, you hereby authorize us to furnish the Financial Institution with all data, information, instructions and authorizations that may be required by it to complete a Transaction.

8.4 **Direction to Financial Institution:** You hereby authorize the Financial Institution to withdraw funds from the bank account named in the Banking Information in order to conduct the Transaction(s).

**9. Refused Instructions and Transactions**

9.1 We have the right to refuse any Instruction or Transaction. Without limiting the generality of the foregoing, the following are situations in which we may refuse to follow an Instruction or complete a

Transaction:

- We cannot process it or complete it for a cause beyond our reasonable control.
- A Service Channel does not work properly or is unavailable.
- It is not allowed under the terms of the Account or Service Channel.
- We do not have enough evidence that someone acting for you has authority to do so.
- You do not have sufficient funds to complete the Transaction.
- The Transaction is inconsistent with your stated objectives or trading practices.
- The Instruction or Transaction violates any provision in any other agreement you have with us.
- The refusal or reversal relates to Financial Crime Risk Management (as defined in Schedule A).
- Completion of it could violate any policies or procedures or any law, regulation, rule, standard or guideline with any governmental authority to which we or our affiliates are subject.

**10. HSBC World Selection Portfolio Service**

If you have opened an HSBC World Selection Portfolio Account, then the terms and conditions in this section 10 also apply to you and your Account.

10.1 **The Model Portfolios**

The HSBC World Selection Portfolio Service is a portfolio investment service offering a number of model portfolios. The model portfolios together occupy successive portions of the investing spectrum from conservative, income-oriented investing to more aggressive, growth-oriented investing. Each model portfolio is comprised of investments in mutual funds or cash (or cash equivalents).

Each model portfolio is comprised of different asset classes. For each asset class there is an asset allocation range and a benchmark percentage. The asset allocation range is the minimum and maximum percentage of the model portfolio that can be allocated to that asset class. The benchmark percentage is the target percentage within the asset allocation range.

One or more mutual funds, which may include HSBC Pooled Fund(s) and/or HSBC Mutual Fund(s), are selected to comprise the investments in each asset class. Each investment is assigned a target weight based on the asset allocation range for the asset class.

Investments in the model portfolio may be changed at any time, including adding a new mutual fund or removing an existing mutual fund, provided the model portfolio continues to meet its investment objectives and risk tolerance. In addition, the asset classes and the asset allocation ranges within a model portfolio may be

changed provided you receive 60 days' advance written notice of the change.

The development and management of the model portfolios is further explained in the Portfolio Management section below.

#### 10.2 **Your Selected Model Portfolio**

After you consult with us, we recommend an appropriate model portfolio based on your financial circumstance, investment objectives, time horizon and risk tolerance.

We will provide you with a description of your selected model portfolio. You may change your selected model portfolio if you consider it necessary based on changes in your personal circumstances or financial situation. If you wish to change your selected model portfolio, you must meet with us and complete any documentation required by us. A change in your selected model portfolio requires our review and approval.

#### 10.3 **Rebalancing**

As part of the HSBC World Selection Portfolio Service, your Account will be periodically rebalanced through a series of purchase and redemption trades. Rebalancing will be carried out by HSBC Global Asset Management. For further details on the role of HSBC Global Asset Management, please refer to the Portfolio Management section below.

Rebalancing may take place for any of the following reasons:

- If the percentage weighting of at least one of the asset classes in a model portfolio exceeds or falls below the asset allocation range, trades will be carried out on behalf of all clients invested according to that model portfolio to bring the asset classes within the asset allocation range;
- If the percentage weighting of at least one mutual fund in a client's account exceeds or falls below its target weight range, trades will be carried out on behalf of that client's account to bring the mutual fund(s) in the client's account back to their target weight range;
- Upon review of the model portfolios, to make any changes to the model portfolios that HSBC Global Asset Management believes are advisable and are permissible and consistent with their stated objectives; or
- To take advantage of market conditions and trends.

At all times, rebalancing trades will be done in accordance with the model portfolio's investment objectives and risk tolerance. All rebalancing trades carried out in your Account will be reflected in your quarterly Account statement. You acknowledge that rebalancing trades may have tax consequences and you are solely responsible for any resulting taxes.

#### 10.4 **Portfolio Management**

We have entered into a portfolio management agreement with HSBC Global Asset Management under the terms of which HSBC Global Asset Management will provide the following discretionary investment management services, either directly or through third party service provider, for the HSBC World Selection Portfolio Service:

- Developing the model portfolios, which includes determining the asset classes, setting an asset allocation range and determining a benchmark percentage for each asset class;
- Selecting (including changing) the mutual funds to comprise the investments in each asset class and assigning a target weight for each investment;
- Changing the benchmark percentage for a model portfolio and, provided 60 days' advance written notice is given to each affected client, changing the model portfolio's asset classes or allocation ranges, including adding a new asset class or removing an existing asset class; and
- Carrying out the rebalancing activities described in the Rebalancing section above.

In return for the portfolio management services, we pay HSBC Global Asset Management a fee based on the value of assets held in HSBC World Selection Portfolio accounts.

#### 10.5 **Fees**

You agree to pay us fees, including applicable taxes, (the "Fees") for the HSBC World Selection Portfolio service in accordance with the terms and conditions set out in the HSBC World Selection Portfolio Fee Schedule, as amended from time to time. Fees are based on your selected model portfolio and the market value of investments in your Account on the last day of the calendar quarter. By signing the Application you acknowledge that you have received, understand and agree to the Fee Schedule.

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

If you owe us any outstanding Fees for the services we provided you under this Agreement, you authorize us, in our sole discretion, to sell, redeem or otherwise dispose of securities in your Account to pay the Fees.

#### 10.6 **Account Administration**

**Minimum Balance:** Unless otherwise agreed with us, you must invest and maintain a minimum balance of CAD\$50,000 value of investments in your Account. If your balance falls below the minimum, we may redeem your investments and close your Account. We may change the minimum balance at our discretion by providing you 30 days' advance notice of this change.

**Contributions:** Your initial contribution to your Account will only be accepted once the Application to open your Account has been approved by us. We will invest your contributions in accordance with your selected model portfolio.

**Withdrawals:** You may request withdrawals from your Account by contacting your MFA. Pursuant to your request, we will redeem investments from your Account in accordance with your selected model portfolio, as necessary, to fund the withdrawal.

**Account Closure:** If your Account is closed for any reason, subject to the terms of this Agreement, we will either redeem all the investments in your Account and deposit the net proceeds to your HSBC Bank account or bank account with another Financial Institution, or send you a cheque, or we may at our discretion choose to take a different action, in which case we will provide you advance notice.

## 10.7 Acknowledgement about the HSBC World Selection Portfolio Service

You acknowledge, understand and agree to the following:

- If we agree to open an Account for you, we will provide you the HSBC World Selection Portfolio Service in accordance with the terms of the Agreement;
- You have received a copy of a document describing your selected model portfolio;
- You have received a copy of each of the Fund Facts for the mutual funds, including as applicable the HSBC Mutual Fund(s) and/or HSBC Pooled Fund(s), that may comprise your selected model portfolio at the time that you apply to open your Account;
- You have received the HSBC World Selection Portfolio Fee Schedule;
- Unless otherwise agreed to in writing with us, you must maintain a minimum balance of \$50,000 value of investments in your Account at all times;
- Your Account may hold mutual funds, including HSBC Mutual Funds and/or HSBC Pooled Funds. Your Account may also hold cash from time to time that you contributed for the purposes of making additional investments or as permitted under the terms of this Agreement;
- All contributions you make to your Account will be allocated among the investments that comprise your selected model portfolio based on decisions made solely by HSBC Global Asset Management, including the decision of when to make the additional investments;
- You authorize us to retain HSBC Global Asset Management to invest your monies in accordance with the terms of this Agreement and your selected model portfolio;
- As our client, you have a relationship only with us and not with HSBC Global Asset Management.

You do not have a direct relationship with HSBC Global Asset Management and participating in the HSBC World Selection Portfolio Service does not provide you with direct access to their investment management services;

- We, not HSBC Global Asset Management, are responsible for determining or confirming the suitability of your selected model portfolio;
- Provided we give you 60 days' advance written notice, HSBC Global Asset Management may, on our behalf and at its discretion, change the asset classes, including adding a new asset class or removing an existing asset class, and the asset allocation ranges within your selected model portfolio, provided such change is in accordance with your investment objectives and risk tolerance. If this occurs, and the change results in adding a new mutual fund that was not included in your selected model portfolio at the time you opened your Account, we will provide you with the applicable Fund Facts along with delivery of 60 days' advance written notice;
- Without giving you notice, HSBC Global Asset Management may, on our behalf and at its discretion, change the investments in your selected model portfolio, including adding a new mutual fund or removing an existing mutual fund, provided any change is in accordance with your investment objectives and risk tolerance. If this occurs, and the change results in adding a new mutual fund that was not included in your selected model portfolio when you opened your Account, we will provide you with the applicable Fund Facts concurrently with the delivery of your quarterly Account statement following such change;
- HSBC Global Asset Management provides the discretionary investment management services in connection with the periodic rebalancing of your Account and other changes to the investments held in your selected model portfolio and Account;
- You will receive a trade confirmation at the time of your initial investment, a subsequent contribution, a withdrawal and for any trades that relate to a change in your selected model portfolio. You will not receive trade confirmations for any redemption trades made to pay Fees or any rebalancing trades carried out in your Account at the time they are carried out by HSBC Global Asset Management; and
- You will receive quarterly statements which will include details of the investments held in your Account and any trades for the applicable period.

## 11. Cash in your Account

- 11.1 We may permit you to hold cash in your Account from time to time solely for the purpose of making payments related to investments held in your Account. This may

include payments in connection with i) the settlement of Transactions, ii) fees owing in relation to transactions or investments held in your Account, iii) fees owing in relation to the operation of your Account, or iv) for other purposes contemplated by this Agreement.

- 11.2 The decision to hold cash in your Account is your decision alone and in no circumstances will there be a requirement to hold cash in your Account, other than as contemplated by this Agreement. No interest will be paid on cash held in your Account. We permit you to hold cash in your Account only as a convenience to you. Cash held in your Account shall be held uninvested unless and until you instruct us to invest the funds and you agree that we shall have no obligation to seek or provide any return on uninvested cash in your Account. Your Account is not a deposit account.
- 11.3 We will not manage or advise on the cash that you contribute to your Account. Any cash that you contribute to your Account for any purpose does not form part of your investment portfolio and will not be considered as part of the portfolio's targeted asset mix.
- 11.4 No fees or other charges will be applied to the cash held in your Account.
- 11.5 Your Accounts are protected by the MFDA Investor Protection Corporation ("IPC") within specific limits.

Accounts in Quebec are generally not covered by the IPC. Please refer to the IPC Coverage Policy on the website at [www.mfda.ca/ipc](http://www.mfda.ca/ipc) for a description of the nature and limits of coverage, or contact the IPC at 1-888-466-6332.

In addition, because the cash in your Account is held by us in a trust account with HSBC Bank Canada, the cash may be eligible for deposit insurance by the Canada Deposit Insurance Corporation (CDIC) up to certain dollar amounts. For more information on coverage, please refer to [www.hsbc.ca/bank-with-us/cdic-information](http://www.hsbc.ca/bank-with-us/cdic-information).

Units of the HSBC Mutual Funds and/or HSBC Pooled Funds held in your Account are not insured by CDIC or any other government issuer or financial institution and are not guaranteed by HSBC Bank Canada or any member of the HSBC Group and may fluctuate in value.

## 12. Distributions

- 12.1 For HSBC World Selection Portfolio Account, all distributions earned by a mutual fund held in your Account are automatically reinvested in additional units. Cash distributions are not available.
- 12.2 For HSBC Investment Funds Account, all distributions earned by a mutual fund held in your Account are automatically reinvested in additional units of that mutual fund, unless you provide us written instructions (in a form acceptable to us) to receive cash distributions and your Account type permits cash distributions. If you

provide written instructions to receive cash distributions and your Account type permits cash distributions, the cash will be held in your Account for you to manage at your own discretion. The cash will not form part of the investments in your Account. For more details on cash in your Account, see the section above called Cash in your Account.

## 13. Change or End the Services

- 13.1 From time to time, we may change (including adding to or ending) Accounts, Services or Service Channels without telling you first. A change to a Service or Service Channel may include Instructions or Transactions permitted through a Service Channel, the procedures, hours of operation, Secret Code requirements or other attributes of the Service or Service Channel. If we make changes and have notified you as required by law or regulation, we will not be liable to you for Losses this causes you once the change is implemented. If the Service or Service Channel does not work properly or is unavailable, we are also not responsible or liable to you for Losses caused to you, unless elsewhere in the Agreement we say we are.
- 13.2 If we change or end a Service or Service Channel the terms of this Agreement will continue to apply.

## 14. Changes to This Agreement

- 14.1 Without telling you first, and from time to time, we may change this Agreement. Any change to this Agreement takes effect 30 days after the change is published on our website at [www.hsbc.ca](http://www.hsbc.ca) (the **Effective Date**). If you wish, you can get a copy of the revised Agreement at one of our HSBC Bank branches or on our website at [www.hsbc.ca/hifceterms](http://www.hsbc.ca/hifceterms).
- 14.2 If we decide to tell you about a change to the Agreement, we may do so in one of these ways:
- (a) displaying a sign at HSBC Bank branches; (b) sending you by mail or electronic message (including posting through Online Banking) a notice telling you about the changes; (c) sending you by mail or electronic message (including posting through Online Banking) a copy of the revised agreement; or (d) posting the changes on our website at [www.hsbc.ca](http://www.hsbc.ca).

## 15. Cancelling this Agreement, a Service or a Service Channel and survival of some parts of this Agreement

- 15.1 If we withdraw Services or Service Channels, the terms of this Agreement will continue to apply.

If this Agreement is cancelled or terminated, the terms regarding termination of this Agreement, admissibility of records, abandoned or unclaimed property, amounts owing to us and our affiliates, expenses, responsibility and liability, indemnity, resolving complaints between us and Customer Information (as that term is defined in Schedule A) and the general terms in this Agreement



will survive and continue to apply. For example:

- We may still use the Personal Information (as that term is defined in Schedule A) you have given us.
- We may use our right of set-off for amounts you owe.
- You or us may use and rely on this Agreement to resolve a disagreement between us.

The cancellation or termination of this Agreement will not affect your liabilities or obligations incurred prior to cancellation or termination.

#### 15.2 **Termination by us (HSBC Investment Funds (Canada) Inc.):**

Without telling you first, we may terminate this Agreement or stop your right to use one or more Accounts, Services or Service Channels at any time if:

- you are in breach or default of any of your representations, warranties, covenants or obligations under this Agreement or related to your Account or use of a Service Channel;
- any of the information you provided to us related to this Agreement, your Account, the Services or your use of a Service Channel, is incorrect or inaccurate in any way;
- there are no assets in your Account and there has been no activity in your Account for a period of 12 months; or
- we are required by law or regulation.

In addition, we may terminate this Agreement or stop your right to use a Service or Service Channel at any time by providing you with written notice at least 30 days prior to the date the termination or withdrawal becomes effective.

We will not be responsible or liable to you for Losses that result from any termination of this Agreement or stopping of your right to use a Service or Service Channel, unless such Loss was caused by our gross negligence or intentional misconduct.

15.3 **Termination By You:** You can terminate this Agreement at any time by either (i) redeeming all of the assets in your Account and providing instructions to close your Account and terminate this Agreement or (ii) providing written notice to us at any HSBC Bank branch or in any other way we tell you is permitted by us telling us that you want to terminate this Agreement and close your Account (in which case termination will be effective only when we close your Account).

15.4 **Upon Termination of this Agreement:** Upon termination of this Agreement by us or you, unless otherwise expressly instructed by you, we may do any of the following with the investments in your Account at the time of termination as permitted by law:

- Redeem all of the assets in your Account and deposit any proceeds from the redemptions in accordance with your Banking Information on record or mail a

cheque to your mailing address on record;

- Redeem all of the assets in your Account into cash and hold the cash in your Account until such time as you provide written Instructions regarding the transfer of the cash; or
- Take any other actions.

Upon termination, we will not be obligated to recommend or implement any action with regard to your Account, including the liquidation of your Account. However, we reserve the right to complete any Transactions open as of the termination date and to retain amounts in your Account sufficient for such purpose.

#### 16. **Your agreement to keep copies of regulatory information sent electronically**

16.1 You must keep copies of the information we send to you electronically. We only keep this information and make it available to you according to our record retention policy.

#### 17. **Abandoned or Unclaimed Property**

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

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

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

17.3 Unless otherwise required by applicable law, we will only treat your property as abandoned or unclaimed where

we reasonably believe it has become unclaimed or abandoned, including but not limited to where we send you communications that are returned undeliverable, we seek your instructions or ask you to take certain steps by a specified date and you do not do so, or we send a payment to you and it is not claimed or deposited.

- 17.4 You agree to pay any costs and fees we incur in dealing with your abandoned or unclaimed property, up to the maximum amount permitted by applicable law, if any.
- 17.5 If you wish to reclaim any unclaimed property and we still have it, we may impose certain requirements on you that need to be met to our satisfaction before we release the abandoned or unclaimed property to you (or your heirs, estate, successor) or any other person claiming to have ownership of the unclaimed property. These requirements may include, but are not limited to, providing documents that show you own the property, proving your identity and indemnifying us from responsibility when we release the property to you.

## 18. Amounts Owing to HSBC

- 18.1 Notwithstanding any other term or condition in this Agreement we may, subject to applicable law, in our sole discretion and without notice to you, set-off or compensate any amount which you owe to us or to any of our affiliates, including HSBC Bank, against any of the assets in the Account.
- 18.2 To the extent permitted by law, we or our affiliates can enforce our rights under this section by (a) withdrawing cash from your Account or redeeming the investments in the Account to pay a debt or liability with us or any of our affiliates, (b) using any cash in the Account to buy currency to pay a debt or liability for an account with us or any of our affiliates that is in a different currency, or (c) both.
- 18.3 For joint Accounts, each of you agrees that the full amount in the Account can be applied to the payment of any indebtedness or liability owed to us or any of our affiliates by any one of you. This applies even if the other joint Account holder is not responsible for amounts owed and even if they contributed to the amount in the Account.

## 19. Security and confidentiality of Secret Codes

- 19.1 Only you will use your Secret Codes. No one else may use them.
- 19.2 You will:
- Take reasonable care to keep your Secret Codes confidential and secret, and to prevent anyone else from using them. You must not reveal your Secret Code to anyone;
  - Not use a Secret Code that is easy to guess, such as a Secret Code based on the number on your HSBC Bank debit card or the name, birthdate, telephone number, or address of yourself or a close relative;

- Memorize all Secret Codes; and
- Keep any record of your Secret Codes separate from other Account information or information related to another Account with one of our affiliates, including HSBC Bank, so no one will be able to find or steal them.

- 19.3 When you enter your Secret Code into an electronic device, you will take reasonable precautions to prevent another person from seeing your Secret Code. If your internet browser application permits a user to electronically store user names and passwords for easy future access to a website, you agree not to use that functionality to store your Secret Code.
- 19.4 We may at any time, without giving notice to you, cancel or suspend your Secret Code, or require you to change your Secret Code.
- 19.5 At our discretion, we may change any requirements relating to a Secret Code including, but not limited to, requiring one or more Secret Codes to (a) access or use any Service Channel; or (b) confirm a Transaction or Instruction provided by you through a Service Channel.
- 19.6 If you know or suspect that anyone knows your Secret Codes then as soon as possible you will:
- Change your Secret Codes;
  - Contact any HSBC Bank branch;
  - Phone the numbers we gave you. The current telephone number is: 1-877-621-8811

Until you give that notice to us and we actually receive and process it, you will be fully responsible and liable for all authorized and unauthorized use of your Secret Code.

- 19.7 Once you have initiated a session through HSBC Wealth Compass, Online Banking or any other Service Channel that requires the use of a Secret Code, you will not, under any circumstances, leave the personal computer or other device you are using until you have terminated that session and signed off from the Service Channel. At the end of any session, you must sign off of the Service Channel. You will implement any and all security measures available through the operating systems and internet browser applications you use to access an electronic Service Channel, including clearing the browser application's cache and closing the browser application after each session.

## 20. Limitation of Liability and Responsibility for Losses

- 20.1 **Limitation of Liability:** We will not be responsible and you release us from all Losses related to this Agreement, an Account, Service or Service Channel unless the Loss was caused only by our gross negligence or intentional misconduct. In no circumstances will we be responsible for Losses that are indirect, consequential, special, aggravated, punitive, or exemplary, regardless of the basis for the claim. In addition, in no circumstances will we be responsible for Losses related to (i) fraud or

unauthorized activity by you, (ii) your failure to follow these Terms and Conditions, (iii) system malfunction or interruption or (iv) improper, inaccurate or incomplete Instructions you give to us.

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

## 21. Policy on Death or Incapacity

- 21.1 Subject to the provisions in this Agreement governing joint Accounts, you acknowledge that upon our receipt of notice of your death or mental incapacity (in a form acceptable to us), we will not accept Instructions from any person who claims to be your legal representative until we are provided with all documentation and assurances we may deem necessary to follow their instructions. These may include, in the case of your death, a grant of probate, grant of administration or notarial will, and in the case of your mental incapacity, an originally signed or certified copy of your enduring power of attorney or an order of a Canadian court.

## 22. No Guarantee

- 22.1 Unless we specifically inform you in writing, any holdings in your Account, including but not limited to units of the HSBC Mutual Funds or HSBC Pooled Funds, are not insured by a government deposit insurer, are not guaranteed by HSBC Bank or any other Financial Institution and may fluctuate in value.

## 23. Expenses

- 23.1 In addition to any fees or expenses related to your Account and the investments held in your Account, you must indemnify us for any expenses we may incur if we have to respond to or comply with court processes, court orders, government requirements, demands, order or instructions that relate to you or your Account. These expenses might include looking for and giving the courts or government agencies documents they are entitled to obtain. You authorize us to charge these expenses to you or your Account.

## 24. General Terms

- 24.1 **Assignment:** Notwithstanding any other provision in this Agreement and upon written notice to you, we may assign any of our rights, responsibilities and obligations under this Agreement (in whole or in part) to any affiliate without your prior consent.
- 24.2 **Notices:**
- a) **Notices you send to us:** If you are required to give us any notice under this Agreement or any

other agreement we have related to your Account, you must give us notice in writing at an HSBC Bank branch. We may require certain information and/ or your signature on the notice. The notice will be deemed to have been received by us on the date it is actually received by us in a form acceptable by us.

- b) **Notices we sent to you:** We may send you notices and all other documents required under this Agreement electronically, in person or by any method we choose, unless we are required by law to communicate with you in a certain way. We may consider you to have received the notice on the earliest of:
- the time the notice is actually received by you;
  - the time the notice is posted through Online Banking;
  - the time the notice is deemed to be received by you in law; or
  - 5 days after sending the notice to you.

- 24.3 **Severance:** If some or all of the terms in this Agreement become illegal, invalid, or unenforceable in any way under the law of any jurisdiction, that does not affect the legality, validity or enforceability of the rest of the Agreement in that jurisdiction.

- 24.4 **No Waiver:** We may exercise some, all or none of our rights including remedies or powers, under this Agreement or our rights under the law or in equity. If we choose not to exercise some or all of our rights right now, we are not giving up those rights. We may still exercise those rights later.

- 24.5 **Language:** The language version of this Agreement (either French or English) customarily used by us in our communications with you shall prevail with respect to the interpretation of the terms of this Agreement. We and you have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. *Nous et vous avons expressément demandé que la présente convention et tous les documents y afférent, y compris tous les avis, soient rédigés en anglais.*

### 24.6 Governing Law

- a) If your Account is held only by you: This Agreement is governed by the laws of the Canadian province in which you reside and by applicable Canadian laws. If you do not reside in a Canadian province, the laws of British Columbia shall apply.
- b) If your Account is a joint account: If you live in the same Canadian province, this Agreement is governed by the laws of the Canadian province in which you reside and by applicable Canadian laws. If you live in different Canadian provinces or one or more of you do not reside in a Canadian province, the laws of British Columbia.



- c) For the purpose of this Agreement, we consider you to reside at your most recent address appearing on our records.
- d) You agree to submit to the exclusive jurisdiction of the courts of the province whose laws govern this Agreement and all courts competent to hear appeals from those courts.

24.7 For all Accounts, this Agreement is binding upon the parties and their respective heirs, executors, administrators, representatives, successors, agents and permitted assigns.

## 25. Other agreements

This Agreement is in addition to other agreements you have with us (now or in the future) for your Account or Service Channels. If there is a conflict between this Agreement and your other agreements with us, this Agreement governs the part that is inconsistent, unless the other agreement expressly states otherwise.

## 26. Schedules

### Schedule A – Client Information Consent

You consent to the collection, use and disclosure of Client Information as set out in the attached Schedule A.

### Schedule B – Disclosure Regarding Leveraging

We are required to provide you information on borrowing money to buy investments – leveraging. The information is set out in the attached Schedule B.

### Schedule C – Conflicts of Interest Disclosure

In the course of providing services to you, there will be situations where a conflict will arise between our interests and yours. We believe it is important that you are fully informed regarding these conflicts. Canadian securities law also requires us to take reasonable steps to identify and respond to existing and potential material conflicts of interest and, in certain circumstances, provide you with certain information regarding these conflicts and obtain your prior consent before we engage in certain types of transactions. Information regarding certain conflicts of interest that may arise in connection with the services we provide you is contained in the Conflicts of Interest Disclosure set out in the attached Schedule C. You can obtain an updated copy of this Conflicts of Interest Disclosure at any time by visiting our website at [www.hsbc.ca](http://www.hsbc.ca).

### Schedule D – Information for Non-Resident Account Holders

If you are or become a non-resident of Canada you will be subject to the terms of the attached Schedule D.

### Schedule E – Additional Information About Your Relationship with Us

We want you to be fully informed about matters that are important to your relationship with us. Canadian securities laws also require us to provide you with certain information

about our relationship. The information in the attached Schedule E contains additional information regarding your relationship with us and supplements the information set out elsewhere in this Agreement. This information is important and we encourage you to review it carefully.

### Schedule F – Resolving Customer Complaints

We take complaints seriously. For information on what to do if you have a complaint, please read the attached Schedule F.

### Schedule G – Client Complaint Information Form

Customers of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. For information on what steps you can take, please read the attached Schedule G.

## Schedule A – Client Information Consent

Additional terms used in this Schedule are defined below.

### Definitions

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

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

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

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

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

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

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

“**HSBC Group**” means HSBC Holdings plc, its affiliates, subsidiaries, associated entities, and their branches and offices

(together or individually). “**Member of the HSBC Group**” has the same meaning.

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

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

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

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

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

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

Reference to the singular includes the plural (and vice versa).

## 1. Collecting, using, processing, transferring and disclosing client information:

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

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

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

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

1.2 **Purposes for Collecting, Using, Processing, Transferring and Disclosing:** We or other members of HSBC Group will collect, use, process, transfer, and disclose Client Information for the following **Purposes**:

- a) Providing you with Services and to approve, manage, administer, or effect transactions you request or authorise
- b) Meeting Compliance Obligations

- c) Conducting Financial Crime Risk Management Activity
- d) Collecting amounts due from you
- e) Conducting credit checks and obtaining or giving credit references, if applicable
- f) Enforcing or defending our rights or those of a member of the HSBC Group
- g) For our internal operations or those of the HSBC Group (including credit and risk management, system or product development and market research, insurance, audit, administration, security, statistical, and processing, transfer and storage of records)
- h) Maintaining our relationship with you (including with your optional consent, marketing or promotion)
- i) Honouring your privacy choices

(the “**Purposes**”)

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

- a) Members of the HSBC Group, including but not limited to HSBC Bank and HSBC Global Asset Management
- b) Sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors, and officers)
- c) Authorities
- d) Someone acting on your behalf, payment recipients, beneficiaries, account nominees, intermediaries, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, or companies in which you have an interest in securities, as long as we hold these securities for you
- e) Parties to a transaction acquiring interest in, or assuming risk in, or in connection with, the Services
- f) Financial institutions, credit agencies, or credit bureaus to obtain or give credit reports and/or credit references
- g) Third party fund managers who provide you with asset management services
- h) A broker we introduce or refer you to
- i) Insurers, where permitted by law
- j) Canadian government registries and Canadian financial industry databases (which may share information with others)

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

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

- 1.5 Before you give us information (including Personal Information or Tax Information) about a Connected Person, you must:
- Tell the Connected Person that you are giving us (or a member of HSBC Group) their information
  - Ensure the Connected Person agrees that we (or a member of HSBC Group) can collect, use, process, disclose, and transfer their information as set out in these Terms
  - Tell the Connected Person that they may have rights to access and correct their Personal Information

You must ensure this has all been done, even if someone else gives us the Connected Person's information on your behalf.

- 1.6 If any of these things occur:
- You fail to promptly give Client Information we reasonably request
  - You withhold or withdraw consent we need to collect, use, process, transfer, or disclose Client Information for the Purposes (except for marketing and promoting)
  - The HSBC Group has suspicions about Financial Crime or an associated risk

We may take any of these actions:

- a) Be unable to provide Services, including new Services, to you and we reserve the right to terminate our relationship with you
- b) Take actions to meet Compliance Obligations
- c) Block, transfer, or close your accounts where local Laws permit it.

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

## 2. Data protection

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

## 3. Financial Crime Risk Management Activity

- 3.1 We, and members of the HSBC Group, are required to meet Compliance Obligations relating to detecting, investigating and preventing Financial Crime ("**Financial Crime Risk Management Activity**"). We and members of the HSBC Group may take action to meet these Compliance Obligations, including:
- a) Screening, intercepting, and investigating instructions, communications, drawdown requests, applications for Services, or payments sent to, by you, or on your behalf
  - b) Investigating who sent, received, or was intended to receive funds
  - c) Combining Client Information with related information that HSBC Group has
  - d) Making enquiries about a person or entity's status or identity, including whether they are subject to sanctions
  - e) Any combination of a) to d)
- 3.2 In rare cases, our Financial Crime Risk Management Activity may lead us to delay, block, or refuse to:
- Make (or clear) a payment
  - Process your instructions or application for Services
  - Provide all or part of the Services

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

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

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

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

Neither we nor any member of the HSBC Group:

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

We advise you to seek independent legal and tax advice.

## 5. Miscellaneous

- 5.1 If there is a conflict or inconsistency between these Terms in this Schedule and the terms in other services, products, business relationships, accounts, or

agreements between you and us, these Terms prevail. If you gave us consents, authorisations, or waivers or permissions we asked for related to Client Information, they continue to apply in full force and effect, as relevant local laws allow.

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

5.3 **Survival on termination:** These Terms in this Schedule continue to apply even if:

- The Agreement is terminated
- We or a member of the HSBC Group, stop providing Services to you
- An account is closed

**6. Self-Regulatory Organizations:** For regulatory purposes, you consent to us disclosing your Personal Information to applicable regulators and self-regulatory organizations including, the Investment Industry Regulatory Organization of Canada, the Mutual Fund Dealers Association of Canada, Bourse de Montreal Inc., and the Canadian Investor Protection Fund, as applicable (collectively, "SROs"). SROs collect, use or disclose such personal information for regulatory purposes including surveillance of trading-related activity, regulatory reviews and audits, investigations of potential regulatory and statutory violations, regulatory databases, enforcement or disciplinary proceedings, reporting to securities regulators and information-sharing with securities regulatory authorities, regulated marketplaces, other SROs and law enforcement agencies in any jurisdiction in connection with any of the above. You may refuse this consent; however, you recognize that we have the right to cancel or withhold products or services upon your refusal, if required to do so by the SRO.

**7. Optional Consent for Personal Clients:** We may also (a) collect and use your Personal Information and, where permitted by law, share it within the HSBC Group, to identify and inform you of products and services provided by the HSBC Group that may be of interest to you; and (b) collect and use your Personal Information to promote the products and services of select third parties that may be of interest to you. You may at any time refuse or withdraw your consent to (a) or (b) by: contacting HSBC at 1-888-310-4722 or visiting an HSBC Bank branch. You understand that if you do refuse or withdraw your consent to the above it will not affect your eligibility for credit or other products or services.

**8. Consent to Use of Social Insurance Number (SIN) Including Optional Consent:** The government requires that we ask you for your SIN when it is necessary for tax reporting purposes. You understand that if you provide us with your SIN, we and the HSBC Group will collect, use and share your SIN for tax reporting purposes where applicable. We may also collect, use and share your SIN for the additional optional

purposes of conducting Financial Crime Risk Management Activities, for collections, and for internal audit, security, statistical, and record-keeping purposes. You may at any time refuse or withdraw your consent to the use of your SIN for these additional purposes by contacting HSBC at 1-888-310-4722 or by visiting an HSBC Bank branch. This will not affect your eligibility for products or services.

**9. Recordings:** You consent to us making an audio recording of any telephone conversation you have with us, or a record of any electronic communication with us, to preserve the context of all Instructions or other information you provide to us and for us to use these recordings for the following purposes:

- So that we have a record of Instructions and information provided;
- So that we can meet the Services sought by you; and
- So that we can monitor service levels.

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

## Schedule B – Borrowing Money to Buy Investments (Leveraging)

### Risk of Borrowing to Invest

Here are some risks and factors that you should consider before borrowing to invest:

### Is It Right for You?

Borrowing money to invest is risky. You should only consider borrowing to invest if:

- a) You are comfortable with taking risk.
- b) You are comfortable taking on debt to buy investments that may go up or down in value.
- c) You are investing for the long-term.
- d) You have a stable income.

You should not borrow to invest if:

- e) You have a low tolerance for risk.
- f) You are investing for a short period of time.
- g) You intend to rely on income from the investments to pay living expenses.
- h) You intend to rely on income from the investments to repay the loan. If this income stops or decreases you may not be able to pay back the loan.

### **You Can End Up Losing Money**

- i) If the investments go down in value and you have borrowed money, your losses would be larger than had you invested using your own money.
- j) Whether your investments make money or not you will still have to pay back the loan plus interest. You may have to sell other assets or use money you had set aside for other purposes to pay back the loan.
- k) If you used your home as security for the loan, you may lose your home.
- l) If the investments go up in value, you may still not make enough money to cover the costs of borrowing.

### **Tax Considerations**

- m) You should not borrow to invest just to receive a tax deduction.
- n) Interest costs are not always tax deductible. You may not be entitled to a tax deduction and may be reassessed for past deductions. You may want to consult a tax professional to determine whether your interest costs will be deductible before borrowing to invest.

Your advisor should discuss with you the risks of borrowing to invest.



## Schedule C – Disclosure Regarding Conflicts of Interest

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

We seek to avoid or minimize conflicts where reasonably possible. We seek to avoid actual or perceived favouritism or discrimination amongst clients and to ensure that no client receives preferential treatment over another 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 where we do not or cannot avoid a conflict of interest, where our interests may compete with yours, we will always strive to give your interests priority over ours. This allows you to be confident that we address conflicts in your best interest. In addition, there may be other situations that pose unique conflict of interest issues; in those cases, we will provide you with supplemental disclosure. Unless otherwise specified, we deal with and manage conflicts as follows:

- We avoid conflicts which are prohibited by law as well as conflicts that we cannot effectively control.
- Our representatives are required to comply with various policies and procedures, which are designed to ensure 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 these policies and procedures are effective.
- We control or manage acceptable conflicts by separating different business functions and restricting the internal exchange of information.

- Our internal compensation practices are designed to ensure our representatives are not incented or influenced to make recommendations to you about specific products or services we offer.
- For each material conflict, we seek to resolve it in your best interest.
- We disclose information about conflicts of interest we consider are material when we and our representatives provide financial products and services to you so that you can assess independently if these conflicts are significant to you.

### Material Conflicts of Interest

Below is important information that will help you be 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.

We are a direct subsidiary of HSBC Global Asset Management (Canada) Limited and indirect subsidiary of HSBC Bank Canada ("HSBC Bank"), a Schedule II chartered Canadian bank.

HSBC Global Asset Management (Canada) Limited is the investment fund manager and primary portfolio manager for all the products and services we offer to our clients. We, together with HSBC Bank and HSBC Global Asset Management (Canada) Limited, are all members of the HSBC Group. All members of HSBC Group are separate entities from each other with information barriers and robust compliance systems.

Some of our directors and officers are also directors or officers of HSBC Bank and/or other HSBC Group members. In addition, we have various governance committees 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 HSBC Group members, will give rise to conflicts of interest, and we have adopted policies and procedures to identify and respond to these conflicts. For example, we receive portfolio management services from HSBC Global Asset Management (Canada) Limited for the HSBC World Selection Portfolio Service. 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 HSBC Group members, and that you may have

concerns about our products and services that are sourced from or provided by those members. Described below, we have set out these conflicts and other conflicts of interests and how we manage them to ensure we act in your best interests.

### **Our Products and Services**

Our representatives only provide recommendations that you invest in HSBC products and services, such as the HSBC Mutual Funds, the HSBC Pooled Funds and the HSBC World Selection Portfolio Service. Because we do not recommend investments in third party products, the suitability determination conducted by us and our representatives will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse, or equal in meeting your investment needs and objectives.

The HSBC Mutual Funds and the HSBC Pooled Funds are managed by HSBC Global Asset Management (Canada) Limited who engages its affiliated and non-affiliated global asset managers to assist in managing the funds. We offer the HSBC World Selection Portfolio Service, using the portfolio management services of HSBC Global Asset Management (Canada) Limited. We receive fees either directly or indirectly from you for these products and services.

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

In most cases, our connection to HSBC products and services will be obvious to you because the names of the funds or other financial products will be sufficiently similar to our name. For example, in most cases the names of the funds will include the word "HSBC" as part of their name. If we believe that the name of any fund or financial product is not similar enough to convey the fund's or product's relationship to us, we will provide you with specific disclosure regarding that relationship when we recommend that fund or product.

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

### **Fees and Charges**

We and the other members of the HSBC Group, like other financial services firms, are commercial businesses and seek to maximize profits, while also providing fair, honest and suitable products and services to clients. We earn compensation by selling products and services to you for which you pay us directly or in the case of the funds, is paid to us by the manager of the funds.

For HSBC Investment Funds account, we receive a fee from HSBC Global Asset Management (Canada) Limited for distributing the HSBC Mutual Funds. This fee is paid from management expense ratio of the funds which includes the management fee and fund operating expenses and is collected by HSBC Global Asset Management (Canada) Limited. For the HSBC World Selection Portfolio Service, we receive a fee for the services we provide and a portion of that fee is paid to HSBC Global Asset Management (Canada) Limited for their portfolio management services. HSBC Global Asset Management (Canada) Limited and its affiliated and non-affiliated global asset managers receives revenues based on the amount of investments you make into the funds and services they manage.

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

### **Referral Arrangements**

We may enter into referral arrangements from time to time, where we refer clients to another entity and receive a benefit, or another entity refers clients to us and receives a benefit from us. These arrangements may be with other members of the HSBC Group or parties unrelated to us. This can create a potential conflict of interest because the arrangements provide a financial incentive to make referrals to the person we are receiving a referral fee from. The details of these referral arrangements, including the parties to the referral arrangement, the manner in which the referral fee for referral services is calculated and the party to whom it is paid, will be provided to you in writing.

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



## **HSBC Global Decisions**

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

## **Conflicts of Our Representatives**

Our representatives are employed by HSBC Bank and act in other capacities with HSBC Bank and may recommend or provide you with financial services and products for HSBC Bank which may be issued by HSBC Bank or other related entities. When they are providing you with products and services for your securities account with us, they are acting as our representatives. We and HSBC Bank have policies and procedures to ensure that the representatives understand the separation of their duties and can explain to you in which capacity and for whom they are acting when they discuss your financial needs. When the representatives are acting for us, we monitor the products and services provided to you, when the representatives are acting for us, to ensure that they are suitable for you and put your interests first.

Our representatives receive remuneration from HSBC Bank which may be comprised of a base salary and a variable pay based on a number of performance criteria. Performance criteria remuneration may include compensation for the representative's role in introducing our clients to other investment products or services offered by our affiliates in Canada as appropriate. In addition, from time to time, we or our affiliates may also award other incentives (such as merchandise or corporate events) to our representatives for their role in the sale of our investment products or services. Such incentives will be paid by us or our affiliates and be based on pre-set targets or other variable criteria. All incentive programs provided by us or our affiliates are designed so that investment products or services will only be introduced to you if they are suitable for you. Our representatives may 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, 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 must not use their position to obtain special treatment or investment opportunities not generally available to our clients or the public. They are only allowed to make certain personal trades if it falls within our Personal Account Dealing Policy and they have received approval from their managers and HSBC's Global Personal Account Dealing team to ensure such trade will not conflict with the best interest of our clients.

## **Outside Business Activities**

At times, our executives, directors, officers and representatives may participate in outside business activities such as serving on a board of directors, participating in community events or pursuing personal outside business interests. We have policies in place that require individuals to disclose situations where a conflict of interest may arise before engaging in any outside business activity 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 according to our policies.

## **Gifts and Entertainment**

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

## **We May Change this Conflicts Disclosure Statement**

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

## **Schedule D – Account Held by Non-Resident of Canada (if applicable)**

If you are or become a non-resident of Canada (including changing residency from one foreign country to another), you acknowledge that you have received, read, understood, and agree to the following:

- a) You may be required, under the laws of the foreign jurisdiction, to report investments. You also may be restricted in holding or trading certain investments and subject to taxes or penalties of

that foreign jurisdiction. It is your responsibility to determine if this is relevant to your situation and to satisfy any requirements.

- b) Depending upon your country of residence your account may be restricted from providing instructions for purchases, switches, and automatic investment plans.
- c) We have advised of what activities are restricted in your country of residence at the time of account opening, however if regulations or policies in Canada or any other jurisdiction that affect you change, the restricted and permitted activities could change. We may not be able to proactively communicate these changes to you based on the regulations of your country of residence. You may be required to close your Account. This may have tax implications. You may also be required to sell all your investments to liquidate your holdings.
- d) We do not provide legal, tax or other professional advice. You are advised to seek independent legal, tax and other professional advice.
- e) In respect of your Canadian investments, we and/or the fund manager will withhold Canadian withholding taxes from all income/distributions or other taxable amounts derived from your investments at the rate we/they reasonable determine to be applicable based on the current information available to us/ them. Should you be entitled to a lower rate under a tax treaty, you are solely responsible for obtaining a refund of reclaim of any withheld taxes from the Canada Revenue Agency.
- f) Exchange control regulations may apply to your country of residence. It is your responsibility to determine if this is relevant to your situation and satisfy any requirements. We take no responsibility and will have no involvement in this respect.
- g) As we rely on the most recent residency information on file with us, you must notify us immediately of any changes to your residency.
- h) For withholding tax purposes, you certify to us that you are the beneficial owner of all amounts derived from your investments with us and that you are a resident for tax purposes of the country you indicate to us as your country of residence or principal residence in connection with your Account. You certify that you will advise us of any change to these facts or circumstances. Notwithstanding these certifications you recognize that we and/or the applicable fund manager have the right to apply the maximum rate of Canadian withholding tax under applicable law, and we may exercise our discretion to do so in certain circumstances.

## **Schedule E – Additional Information Regarding Your Relationship with HSBC Investment Funds (Canada) Inc.**

### **General**

We want you to be fully informed about matters that are important to your relationship with us. Canadian securities laws also require us to provide you with certain information about our relationship. This schedule contains additional information regarding your relationship with us, supplementing the information set out elsewhere in the Terms and Conditions, which we encourage you to review carefully.

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

As the principal distributor of the HSBC Mutual Funds we market and distribute to the public, units of the HSBC Mutual Funds, managed by HSBC Global Asset Management.

We also market and offer to the public the HSBC World Selection Portfolio Service, which we manage and administer, in part using the services provided by HSBC Global Asset Management.

We are registered as a Mutual Fund Dealer in all provinces of Canada, except Prince Edward Island, and are a member of the Mutual Fund Dealers Association of Canada. As a Mutual Fund Dealer we and our HSBC Mutual Fund Advisors have the authority to trade in securities of mutual funds and to provide advice to clients that is incidental to those trades. You are responsible for making investment decisions (which for HSBC World Selection Portfolio account means agreeing to your investor profile and choosing your selected model portfolio). You can rely on the recommendations given by Mutual Fund Advisors, who are responsible for ensuring that the recommendation is suitable based on your documented investment needs and objectives. For customers who open an HSBC Investment Funds account, we do not provide discretionary investment services. For customers who open an HSBC World Selection Portfolio service, we do provide a discretionary investment service using the services provided by HSBC Global Asset Management.

HSBC Mutual Fund Advisors are employed with HSBC Bank and their registration is sponsored by us. When our Mutual Fund Advisors are involved in activities related to the HSBC Mutual Funds or HSBC Pooled Funds (including activities related to the HSBC World Selection Portfolio Service), they are acting on behalf of us. Any activities carried out by these individuals for, or on behalf of HSBC Bank, are not the business, nor the responsibility of us.

### **Products and Services Offered**

#### **HSBC Investment Fund accounts holding HSBC Mutual Funds**

We are the principal distributor of the HSBC Mutual Funds, which are managed by HSBC Global Asset Management. The HSBC Mutual Funds include a wide range of money market, fixed income, equity and balanced mutual funds, and include Funds which invest in a diversified mix of other mutual funds.

Services we offer to you include, but are not limited to:

- a) Purchasing, redeeming or transferring units of the HSBC Mutual Funds based on your instructions,
- b) Recommending suitable investments based on the information you have provided to us,
- c) Conducting regular reviews of your Account,
- d) Responding to enquiries about your Account,
- e) Sending you statements, confirmations and other documents relating to your Account from time to time,
- f) Updating information relating to you and your Account, and
- g) Initiating or cancelling your enrolment in the Pre-Authorized Contribution Plan or Systematic Withdrawal Plan.

The above services may be available through an HSBC Bank branch, either in person or by phone, through HSBC Wealth Compass or by other electronic means accepted by us.

HSBC Mutual Funds cannot be transferred in-kind to some registered dealers and must be transferred in cash. There may also be tax consequences to a redemption and transfer in cash.

For more information regarding the HSBC Mutual Funds or these services, please read the Agreement, the applicable Fund Facts for each HSBC Mutual Fund and the Prospectus.

### **HSBC World Selection Portfolio Service**

Under the HSBC World Selection Portfolio Service, we distribute the HSBC Pooled Funds and HSBC Mutual Funds managed by HSBC Global Asset Management. We also provide the HSBC World Selection Portfolio Service as described in this Agreement. We offer the following services as part of the HSBC World Selection Portfolio Service:

- a) Managing and administering model portfolios, in part using the services provided HSBC Global Asset Management,
- b) Purchasing or redeeming units of the investments held in your Account based on your Instruction, either directly or using the services of HSBC Global Asset Management,
- c) Recommending appropriate model portfolio based on the information you have provided to us,
- d) Rebalancing your Account, using the services provided by HSBC Global Asset Management,
- e) Conducting regular reviews of your Account,
- f) Responding to enquiries about your Account,
- g) Sending you statements, in certain cases confirmations and other documents relating to your Account from time to time,
- h) Updating information relating to you and your Account, and
- i) Initiating or cancelling your enrolment in the Pre-Authorized Contribution or Systematic Withdrawal Plan.

The above services may be available through an HSBC Bank branch, either in person or by phone, or by other electronic means accepted by us.

The HSBC World Selection Portfolio Service is a portfolio investment service that is exclusive to HSBC customers. The HSBC Pooled Funds and HSBC Mutual Funds cannot be transferred in-kind to any other registered dealer and must be redeemed to transfer out in cash. There may also be tax consequences to a redemption and transfer in cash.

For more information regarding the World Selection Portfolio Service, please read the Agreement. For more information regarding the HSBC Mutual Funds and HSBC Pooled Funds please read the applicable Fund Facts for each Fund and the Prospectus.

### **Procedures Regarding the Receipt and Handling of Client Cash**

We will accept payment for purchases of investment from bank accounts or electronic fund transfers. Payments made in any other name will not be accepted. We will consider that an electronic fund transfer is sent to us to have been received by us only once

it's actually been received by us. If you have provided us written authorization to make payments from your bank account, we will withdraw the funds directly from your bank account to pay for purchases or deposit the proceeds of redemptions, in accordance with this Agreement.

We do not accept cheques.

### **Suitability of Orders Accepted/ Recommendations Made**

We have an obligation under applicable securities laws to take reasonable steps to ensure that we have sufficient information regarding your investment needs and objectives, financial circumstances and level of risk tolerance. This is referred to as Know Your Client information. We require this to ensure that the investment recommendations we make to you are suitable, and, depending on the type of Account you hold, that (i) that the purchases and sales of the HSBC Mutual Funds that you decide upon, are suitable for you or (ii) the model portfolio that you decide upon is suitable for you. This assessment is performed for each Account you hold with us. For HSBC Investment Fund accounts, our suitability obligation applies to trades proposed by you, whether or not a recommendation is made by us to you.

As applicable, where investments in your Account are determined to be unsuitable or where the model portfolio you select for your Account is determined to be unsuitable, we will advise you. For HSBC Investment Funds accounts, we will make recommendations to address any inconsistencies between the HSBC Mutual Funds held in your Account and the Know Your Client information that we have on record. For HSBC World Selection Portfolio Accounts, we will make recommendations to address any inconsistencies between the selected model portfolio for your Account and the Know Your Client information that we have on record.

We are required to assess the suitability of your Account if you advise us that there has been a material change to your financial position, personal circumstances, or investment objectives, or when you transfer new assets to your Account. For HSBC Investment Funds account, we rely on this information to determine if your investment in the HSBC Mutual Fund(s) continues to be suitable for you. For HSBC World Selection Portfolio Accounts, we rely on this information to determine if your investment in the selected model portfolio or any investment in the HSBC Mutual Funds and/or HSBC Pooled Funds continues to be suitable for you. Accordingly, it is important that you inform us promptly of any change in your personal circumstances.

### **Defining "Know Your Client" Terms**

We collect Know Your Client information by asking you questions regarding your investment objectives, your investment knowledge, your financial position, your time horizon and your tolerance for investment risk to assist us in determining whether an investment is suitable for you. We will record your investment objectives, risk tolerance and time horizon for each of your Accounts and give you an opportunity to review it prior to authorizing any transaction in your Account. In order to help you understand how to answer these questions we have provided definitions for certain key terms used in the Investor Profile Questionnaire.

## Investor Profiles

- a) **Conservative** – Your primary objective is to generate current income with limited equity exposure where the majority of your investments may be invested in fixed income and minimal allocation to equities. Your time horizon is an important consideration when determining the amount invested in fixed income and equities. You look for stable income and limited growth and you are willing to accept a low level of volatility to achieve your goals.
- b) **Moderate Conservative** – Your primary objective is to generate income with a moderate equity exposure where your investments may be mostly invested in fixed income with some allocation to equities. Your time horizon is an important consideration when determining the amount invested in fixed income and equities.
- You look for stable income and growth and you are willing to accept some volatility to achieve your goals.
- c) **Balanced** – Your primary objective is a balance of income and growth where your investments may be invested in a balanced mix of fixed income and equities. Your time horizon is an important consideration when determining the amount invested in fixed income and equities. You look for income and growth and you are willing to accept a moderate level of volatility to achieve your goals.
- d) **Growth** – Your primary objective is growth with moderate exposure to income where your investments may be invested mostly in equities and some allocation to fixed income. Your time horizon is an important consideration when determining the amount invested in fixed income and equities. You look for growth and some income and you are willing to accept higher volatility to achieve your goals.
- e) **Aggressive Growth** – Your primary objective is to maximize growth with minimal income where the majority of your investments may be invested in equities and a small allocation to fixed income. Your time horizon is an important consideration when determining the amount invested in fixed income and equities. You look for growth and minimal income and you are willing to accept a high level of volatility to achieve your goals.

## Time Horizon

Time Horizon means the period from now until when you will need to access a significant portion of the money you have invested in your Account.

## Risk Tolerance

- a) **Low** – Low risk investments demonstrate a low volatility and are for investors who are willing to accept lower returns for greater safety of capital and may include such investments as Canada Savings Bonds, GICs, money market funds, mortgage funds and short-term bond funds.
- b) **Low to Medium** – Low to Medium risk investments demonstrate a low to medium volatility but a higher volatility than those described above and may include bond or balanced funds.
- c) **Medium** – Medium risk investments demonstrate a medium volatility and are for investors that are looking for moderate

growth over a longer period of time and may include Canadian dividend, Canadian equity, U.S. equity and certain international equity funds.

- d) **Medium to High** – Medium to High risk investments demonstrate a medium to high volatility and are for investors that are looking for long-term growth and may include funds that invest in smaller companies, specific market sectors or geographic areas.
- e) **High** – High risk investments demonstrate a high volatility and are for investors who are growth oriented and are willing to accept significant short-term fluctuations in portfolio value in exchange for potentially higher long-term returns and may include funds that invest in specific market sectors or geographic areas such as emerging markets.

## Content and Frequency of Reporting

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

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

Your Account statement includes the following details:

- a) General Information
- i) the type of account;
  - ii) the account number;
  - iii) the period covered by the statement;
  - iv) the name of the MFA servicing the account, if applicable;
  - v) our name, address and telephone number; and
  - vi) the definition of "book cost" as set out in the Mutual Fund Dealer's Association Rules 5.3(1) (a) and (h).
- b) Account Activity
- For each transaction made during the period covered by the statement:
- i) the date of the transaction;



- ii) the type of transaction;
- iii) the total value of the transaction;

For each transaction that is a purchase, sale or transfer during the period covered by the statement:

- iv) the name of the investments;
- v) the number of investments; and
- vi) the price per investment.

c) Market Value and Cost Reporting.

For all investments in your Account:

- i) As at the beginning of the period for which the statement is made:
  - A) the name and quantity of each investment in the account;
  - B) the market value of each investment in the account and, if applicable, a notification that there is no active market for the investment and that its value has been estimated. Where a value cannot be reliably determined, we must include the following notification or a notification that is substantially similar: "Market value is not determinable".
  - C) the cost of each investment position presented on an average cost per unit or share basis or on an aggregate basis, and determined as at the end of the applicable period;
  - D) the total cost of all investment positions;
  - E) the total market value of each investment position in the account;
  - F) any cash balance in the account;
  - G) the total market value of all cash and investments in the account; and
  - H) the name of the party that holds or controls each investment and a description of the way it is held.

For HSBC Investment Funds accounts, following each Transaction we will also send you a confirmation slip confirming the details of your transaction. However, if you have set up Pre-Authorized Contribution, we will send you a confirmation after the initial investment has been made, but not for each of the subsequent regular investments.

The confirmation includes the following details:

- a) The quantity and description of the investment purchased or redeemed;
- b) The price per unit at which the trade was effected;
- c) The amount paid, or proceeds received;
- d) The date of the trade and the settlement date;
- e) Certain other required disclosure.

For HSBC World Selection Portfolio Accounts, we will send you a trade confirmation at the time of your initial investment, a subsequent contribution, a withdrawal and any trades that relate to a change in your selected model portfolio. You will not receive trade confirmations for any rebalancing trades carried

out in your Account at the time they are carried out by HSBC Global Asset Management.

## Compensation and Expenses

### Compensation

#### HSBC Investment Fund accounts holding HSBC Mutual Funds

Other than as described below under "Other Fees and Expenses", we do not receive any compensation or commissions from you for any Transactions of HSBC Mutual Funds.

**Fee Sharing Arrangement** – We receive a fee from HSBC Global Asset Management for our services as principal distributor of the HSBC Mutual Funds. This compensation is negotiated between us and HSBC Global Asset Management from time to time, and is a percentage of the net management fee retained by HSBC Global Asset Management on the units of the HSBC Mutual Funds distributed by us. As an investor in an HSBC Mutual Fund, you may bear a portion of this compensation, as the net management fee is paid by the Mutual Fund(s) of which you may be a unitholder.

Please refer to the Prospectus, or speak to an MFA for more information regarding the nature of any fees or compensation we receive in relation to transactions of HSBC Mutual Funds.

#### HSBC World Selection Portfolio Service

In return for the services we provide to you as part of the HSBC World Selection Portfolio service, you pay us a fee. The details of that fee are explained in the HSBC World Selection Portfolio Fee Schedule, of which you received a copy at the time of account opening. We can change the fees at any time provided we give you 60 days advance notice of the change. In addition to the service fees, there may be other fees or expenses for your HSBC World Selection Portfolio Account as described below under "Other Fees and Expenses".

### Other Fees and Expenses

There may also be other fees or expenses related to your Account depending on the circumstances.

These other fees and expenses may be charged by us or the Manager and are further described below.

- For HSBC Investment Funds registered accounts, we may charge you \$15, plus applicable taxes, per year to cover the annual administration costs for registered account established with us (for example, for each RRSP, RRIF, LIRA, LIF, PRIF) This will be charged each year in two installments (at the middle of year and end of year), with each payment in the amount of \$7.50 plus applicable taxes
- For HSBC Investment Funds accounts and HSBC World Selection Portfolio accounts, we charge a fee of \$50 per account, plus applicable taxes, if you transfer your registered account (for example, your RRSP, RRIF, LIRA, LIF, PRIF, or TFSA) to another financial institution.
- For HSBC Investment Funds accounts and HSBC World Selection Portfolio accounts, if you have a registered account (including a TFSA) and you pass away, if your registered Account

remains open after the year after your death, we or HSBC Trust Company (Canada) may be required, under the Income Tax Act and the Declaration of Trust governing the registered account, to file tax returns for your Account. In these circumstances, we will redeem from your Account the costs related to preparing and filing the tax return, along with any taxes owing.

For each of the fees or expenses set out above, we will collect the payments by debiting cash from your Account or, if there is not sufficient cash in your Account, we will redeem investments to cover the payment as follows:

- For HSBC Investment Funds Account, we will redeem units for the mutual fund based on a fund hierarchy in your applicable Account;
- For HSBC World Selection Portfolio Account, will redeem investments the applicable Account in a manner consistent with your selected model portfolio.

## Benchmarks

### Investment Performance Benchmark

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

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

## Schedule F – Resolving Customer Complaints

### We're Here to Listen

At HSBC Investment Funds, 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 your Relationship Manager or Mutual Fund Advisor

You may start by discussing your concerns with your Relationship Manager or Mutual Fund Advisor.

Alternatively, you can:

- Call Telefund at 1-800-830-8888
- Email [HSBCInvestmentFundsComplaints@hsbc.ca](mailto:HSBCInvestmentFundsComplaints@hsbc.ca)
- Provide a written letter addressed to a Mutual Fund Advisor or

Branch Manager at your branch.

- Mail a letter to our head office at:

HSBC Investment Funds (Canada) Inc.  
PO Box 6600 Stn Terminal  
Vancouver, BC V6B 6R1  
Attention: Complaints Management

### What happens next?

We will make every effort to acknowledge receipt of your complaint within 5 business days.

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 appropriate Branch Manager 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 internal comments and supporting documents provided by the applicable Mutual Fund Advisor(s).
- 3) Discussion with the Mutual Fund Advisor and other branch employees about your concerns.
- 4) Assessment of your concerns against our records and other internal information.
- 5) A substantive response within 90 days of receiving your complaint.

If this timeline can't be met, we'll send you a written response within the 90-day timeframe outlining the reason(s) for the delay, and the new estimated time for us to complete our review.

### Step 2 Contact our Escalated Complaints team

If you're not satisfied with how your complaint was handled in Step 1, you can escalate further or ask your Relationship Manager / Mutual Fund Advisor to escalate on your behalf to our Escalated Complaints team.

**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.

#### HSBC Escalated Complaints team

Toll-free: 1-888-989-HSBC (4722)

Email: [escalated.complaints.canada@hsbc.ca](mailto:escalated.complaints.canada@hsbc.ca)

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

### Step 3 Escalate to HSBC Commissioner of Complaints

If you're not satisfied with the resolution after following Steps 1 and 2, you can further escalate your complaint to the HSBC Commissioner of Complaints.

This office has 30 business days to respond to your concerns. The time limit for starting legal action will continue while this office reviews your complaint.

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

Toll-free: 1-800-343-1180

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

Mail: PO Box 9950, Station Terminal,

Vancouver, BC V6B 4G3

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

#### **For privacy complaints only**

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

#### **HSBC Chief Privacy Officer**

Email: [privacy\\_officer@hsbc.ca](mailto:privacy_officer@hsbc.ca)

Mail: PO Box 9950, Station Terminal,

Vancouver, BC V6B 4G3

#### **Resolution through an external complaint body**

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

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

1. Within 180 days of receiving a closing response from HSBC Investment Funds; 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](mailto:ombudsman@obsi.ca)

Mail: 20 Queen Street West, Suite 2400,

PO Box 8, Toronto, ON M5H 3R3

Website: [www.obsi.ca](http://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.

##### **Mutual Fund Dealers Association of Canada**

Because HSBC Investment Funds is a member of the Mutual Fund Dealers Association of Canada (MFDA), you may contact the MFDA.

Phone: 416-361-6332 or 1-888-466-6332

Email: [complaints@mfd.ca](mailto:complaints@mfd.ca)

Website: [www.mfda.ca](http://www.mfda.ca)

##### **Autorité des marchés financiers**

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

Toll-free: 1-877-525-0337

Fax: 418-525-9512

Mail: Place de la Cité, tour Cominar,

2640, boulevard Laurier, bureau 400,

Quebec (Quebec) G1V 5C1

##### **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](http://www.priv.gc.ca)

##### **Schedule G – Customer Complaint Information Form**

Customers of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- Contact the Mutual Fund Dealers Association of Canada, which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
  - By completing the on-line complaint form at [www.mfda.ca](http://www.mfda.ca)
  - By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
  - By e-mail at [complaints@mfd.ca](mailto:complaints@mfd.ca)
  - In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9
  - Or by fax at (416) 361-9073



## Compensation

The MFDA does not order compensation or restitution to customers of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments (“OBSI”): You may make a complaint to OBSI after you have complained to the dealer, at either of the following times:
  - If the dealer’s Compliance Department has not responded to your complaint within 90 days of the date you complained, or;
  - After the dealer’s Compliance Department has responded to your complaint and you are not satisfied with the response. **Please note that you have 180 calendar days to bring your complaint to OBSI after receiving the dealer’s response.**
- OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:
  - By telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
  - By e-mail at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca) or at [www.obsi.ca](http://www.obsi.ca)
- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
  - Manitoba: [www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)
  - New Brunswick: [www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca)
  - Saskatchewan: [www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)
- Québec:
  - If you are not satisfied with the outcome or with the examination of a complaint, the Autorité des marchés financiers (“AMF”) can examine your complaint and may provide dispute resolution services.
  - If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the *Fonds d’indemnisation des services financiers* (“Financial Services Compensation Fund”). An indemnity up to \$200,000 can be payable through monies accumulated in the fund for an eligible claim.
  - For more information:
    1. Contact the AMF by telephone at (418) 525-0337 (in Québec), or toll free at 1- 877-525-0337
    2. Visit [www.lautorite.qc.ca](http://www.lautorite.qc.ca).

## Part 2: Registered Plan Documentation

### HSBC Investment Funds RSP Declaration of Trust

#### (This Declaration of Trust is for Retirement Savings Plans only.)

HSBC Trust Company (Canada), a trust company incorporated under the laws of Canada (hereinafter referred to as the "Trustee") hereby declares that it will act as Trustee for the applicant (hereinafter referred to as "you" the annuitant as defined in the Income Tax Act) named in the application under the HSBC Investment Funds Retirement Savings Plan (hereinafter referred to as "the Plan") upon the following terms and conditions:

**1. Registration:** The Trustee will apply for registration of the Plan pursuant to the provisions of the Income Tax Act (Canada) as amended from time to time (hereinafter referred to as the "Act"), and any applicable legislation in the province or territory of residence designated by you in the application as amended from time to time (the Act, relevant pension legislation and any other such other laws of Canada and of the provinces and territories applicable hereto being hereinafter collectively referred to as "Applicable Laws"). The Trustee will give all notices as to commencement and termination of the Plan required under applicable legislation.

**2. Delegation:** Without limiting the responsibilities of the Trustee under the Plan, you expressly authorize the Trustee to delegate to HSBC Investment Funds (Canada) Inc. or such other duly authorized agent or agents as it may appoint (hereinafter referred to as the "Agent") the performance of such duties and responsibilities of the Trustee under the Plan as may be agreed upon from time to time between the Trustee and the Agent and which the Trustee may by law delegate to the Agent. Notwithstanding the foregoing, the Trustee acknowledges and confirms that the ultimate responsibility for the administration of the Plan remains with the Trustee.

You also authorize the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by you to the Trustee under the Plan and may reimburse the Agent for its out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge you therefor.

**3. Your Account:** The Trustee will maintain an account in your name which will record all contributions made to the Plan, all investment transactions, investment income earned and expenses incurred and all payments from the Plan (as defined herein).

The Trustee will send you annual or more frequent statements setting forth the particulars of each transaction since the last statement. Upon the expiration of ninety (90) days from the date of the mailing of the statement to you, the Trustee shall be released and discharged from all liability and accountability to you or anyone else with respect to the Trustee's acts and transactions during the period of time covered by the statement.

**4. Contributions:** The Trustee shall accept only such contributions of cash or investments permitted by the Agent in a form acceptable to it, which are qualified investments for registered retirement savings plans within the meaning of the Act, as may be directed by you or your spouse to be contributed to the Trustee. If you participate in a Payroll Savings Plan as indicated in your application, you appoint the Plan Sponsor, the employer/association named in the application (the "Plan Sponsor") that is your employer or with which you otherwise have a membership or affiliation to act as your agent. The Plan Sponsor may remit contributions to your Plan on behalf of you or your spouse. The contributions, together with any income therefrom, shall constitute a trust fund (hereinafter referred to as the "Fund") to be used, invested and held subject to the terms of this Declaration of Trust. You are solely responsible for determining whether the aggregate amount of your contributions to the Fund are within the contribution limits imposed by Applicable Laws.

**5. Investment:** The Trustee shall invest the contribution to the Fund in any investments permitted by the Agent, as directed from time to time by you or your agent.

In the absence of satisfactory investment instructions, cash received by the Trustee in connection with your Plan will be converted into the currency denomination of your Plan and invested in units of a money market fund permitted by the Agent.

**6. Qualified Investment:** The Trustee and the Agent will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment, however you are also responsible for ensuring that the investments held in your Plan are at all times qualified investments for your Plan under the Act.

**7. Prohibited Investment:** You are responsible for ensuring that the investments held in your Plan do not at any time include a prohibited investment for your Plan under the Act. It is your sole responsibility to determine whether any investment is, or could become, a prohibited investment for your Plan under the Act and to determine whether such investment could result in the imposition of any taxes.

**8. Taxes and Penalties on Non-Qualified and Prohibited Investments:** Neither the Trustee nor the Agent will be liable for or in respect of any taxes, interest, penalties or other charges which may be imposed on you, the Plan, the Trustee or the Agent under Applicable Laws, including the Act, whether by way of assessment, reassessment or otherwise or for any other charges levied or imposed by any governmental authority, due to payments out of the Plan or the purchase, sale or retention of any investment, including an investment that is a non-qualified investment or a prohibited investment for your Plan under the Act (other than those taxes, interest or penalties for which the Trustee is liable in accordance with the Act and which cannot be charged against the assets of the Plan in accordance with the Act). The Trustee is authorized to reimburse itself for, or may pay, any such taxes, interest,

penalties or other charges out of whichever assets of the Plan it may choose in its absolute discretion and where necessary the Trustee, in its absolute discretion, may liquidate investments of the Plan to provide payment of such taxes, interest, penalties or other charges and reasonable expenses in connection with such payment. You and your heirs, executors and administrators shall indemnify and hold harmless at all times both the Trustee and the Agent in respect of any such taxes and reasonable expenses imposed on either the Trustee or the Agent. Neither the Trustee nor the Agent will be liable for any loss to or diminution of the assets of the Plan resulting from any act or omission in connection with the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to in Paragraph 22 hereof.

**9. Retirement Income:**

- a) The whole of the Fund shall be invested, used and applied by the Trustee for the purpose of providing retirement income as defined in the Act; subject to Paragraph 17. You are required, upon ninety (90) days written notice to the Trustee, to specify the date for the commencement of a retirement income, which date shall not be later than the latest maturity date permitted by the Act (such date being hereinafter referred to as "Maturity"). Such notice shall indicate the name of the company from which such retirement income shall be purchased and shall instruct the Trustee to liquidate the assets in the Plan and apply the proceeds for the provision of a retirement income for you in accordance with the terms hereinafter set out, or shall instruct the Trustee to amend the Plan in order to permit the transfer of the value of the Fund to a registered retirement income fund of which you are the annuitant. Any retirement income purchased by the Trustee shall, at your option, subject to Applicable Laws, be:
  - i) An annuity payable to you for your life (or if you so designate, to you for the lives jointly of you and your spouse and to the survivor of you and your spouse for the survivor's life) commencing at Maturity and with or without a guaranteed term not exceeding the period of time calculated in accordance with the formula set out in accordance with the formula set out in (a)(ii) of this Paragraph 9; or
  - ii) An annuity commencing at Maturity payable to you, or to you for your life and to your spouse after your death, for a term of years equal to ninety (90) minus either your age in whole years at Maturity, or, where your spouse is younger than you, and you so elect, the age in whole years of your spouse at Maturity.
- b) Any annuity acquired:
  - i) Shall be provided by a company qualified under the Applicable Laws to provide a retirement income;
  - ii) May be integrated with any Old Age Security pension;
  - iii) May be increased in whole or in part to reflect increases in the Consumer Price Index or at such other rate not exceeding 4% per annum as may be specified

- under the terms of such annuity;
- iv) Shall not provide for the aggregate of the periodic payments in a year after your death to exceed the aggregate of the payments in a year before your death;
- v) Shall be payable by equal annual or more frequent periodic payments until such time as there is a payment in full or partial commutation of the retirement income, and where such commutation is partial, equal annual or more frequent periodic payments thereafter;
- vi) Shall by its terms not be capable, either in whole or in part, of assignment; and
- vii) Shall provide for commutation if such annuity would otherwise become payable to a person other than you or, on or after your death, your spouse.

- c) In the event that you do not provide written notice to the Trustee at least ninety (90) days prior to the latest maturity date permitted by the Act to purchase a retirement income for you, you are deemed to have instructed the Trustee as follows:
  - a) if the assets of the Fund are not sufficient to produce retirement income of greater than \$50 per month, to liquidate the assets of the Fund and pay the proceeds to you in a single lump sum payment; and
  - b) if the assets of the Fund are sufficient to produce retirement income of greater than \$50 per month, to transfer all the assets to the Fund to a registered retirement income fund selected by the Trustee at its sole discretion and to execute all such documents as may be reasonably required for such transfer; however, if the issuer of the registered retirement income fund does not accept the transfer, to liquidate all the assets of the Fund and to pay the proceeds to you in a single lump sum payment.

Taxes will be withheld from any payments from the Plan as required by Applicable Laws.

**10. Splitting of Assets on Breakdown of Marriage or**

**Common-Law Partnership:** Subject to Applicable Laws, the Trustee will, upon receipt of written direction by you, allow and arrange for the splitting of assets of the Fund on breakdown of marriage or common-law partnership and transfer on your behalf any property held thereunder to a registered retirement savings plan or a registered retirement income fund under which your spouse or former spouse is the annuitant if, at the time of any such transfer, you and your spouse or former spouse are living separate and apart and the payment or transfer is being effected pursuant to a decree, order or judgement of a competent tribunal, or in accordance with a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership, in accordance with paragraph 146(16)(b) of the Act or in any amended or substituted provision therefor.

**11. Refund of Excess Amounts:** The Trustee shall, upon written application by you or your spouse, in form satisfactory to the Trustee, pay an amount to you in order to reduce the amount of tax otherwise payable under Part X.1 of the Act. The Trustee will not have any responsibility whatsoever for determining the amount as stated in the preceding sentence in respect of any registered retirement savings plan.

**12. Transfers:** Upon receipt at least ninety (90) days prior to Maturity by the Trustee of a written direction from you in a form satisfactory to the Trustee, the Trustee shall forthwith transfer in such form and manner as is prescribed under the Applicable Laws, all of the assets of the Fund or such part thereof as is specified in your written direction together with all relevant information with respect to the Plan:

- a) To the person who has agreed to be the issuer of another registered retirement savings plan or the carrier of a registered retirement income fund under which you are the annuitant, or subject to Applicable Laws, your spouse or former spouse is the annuitant if, at the time of such transfer, you and your spouse or former spouse are living separate and apart and the transfer is being effected pursuant to a decree, order or judgment of a competent tribunal, or in accordance with a written separation agreement relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership; or
- b) As a contribution to or under a registered pension plan or pooled registered pension plan.

Such transfer shall take effect in accordance with the Applicable Laws and other applicable laws and within a reasonable time after all forms required by law and by the Trustee to be completed in respect of such transfer have been completed and provided to the Trustee as the Trustee so requires. Upon such transfer, the Trustee shall be subject to no further liability or duty with respect to the Plan, or the portion thereof, so transferred, as the case may be.

**13. Withdrawals:** You may, by written application, at any time before the commencement of a retirement income, request that the Trustee pay to you all or part of the assets held under the Plan, and the Trustee may liquidate any investments held under the Plan, to the extent deemed necessary for that purpose. Such payment shall be made by the Trustee subject to the deduction of all proper charges, including income tax, if any, required to be withheld.

**14. Payment on Death:** In the event of your death prior to Maturity, the Trustee shall, upon receipt of satisfactory evidence of your death and all other documents that the Trustee may reasonably require, redeem the investments then held by the Trustee for your account and, subject to the deduction of all proper charges including income tax, if any, required to be withheld, the proceeds of such realization shall be held by the Trustee for payment to or for the benefit of the beneficiary, if any, designated pursuant to Paragraph 15, or to

your legal personal representatives, upon such beneficiary or representatives furnishing the Trustee with such releases and other documents as may be required or as counsel may advise.

**15. Designation of Beneficiary:** If you are domiciled in a jurisdiction designated by the Trustee as one in which a participant in a retirement savings plan may validly designate a beneficiary other than by will, you may by instrument in writing in the form prescribed by the Trustee and delivered in accordance with the terms of this Plan to the Trustee prior to your death, designate any person as beneficiary to be entitled to receive the proceeds payable under the Plan in the event of your death prior to the provision of a retirement income hereunder.

Subject to the Applicable Laws, such person shall be deemed to be your designated beneficiary for the purposes hereof unless such person shall predecease you or unless you by instrument in writing in the form prescribed by the Trustee and delivered to the Trustee prior to your death revoke such designation.

A designation shall only be made, altered or revoked by an instrument in a form provided by the Trustee for such purpose, dated and signed by you and filed with the Trustee prior to your death or, if a provincial law does not allow such a designation, by your Will, if permitted by Applicable Laws.

If no beneficiary has been designated, or if all designated beneficiaries predecease you or if Applicable Laws require it, the proceeds will be paid to your legal personal representatives.

If more than one designation has been filed in the form provided by the Trustee and if such designations are inconsistent, then to the extent of such inconsistency, payment shall be made only in accordance with the designation bearing the latest execution date and such designation shall be determinative of any inconsistency. The Trustee shall be fully discharged from any further obligations and liability in connection with the Plan upon payment being made in accordance with this Declaration of Trust.

**16. No Advantages:** No advantage (as defined in section 207.01 of the Act) in relation to the Plan may be extended to, or be received or receivable by you, the Plan, or any person with whom you do not deal at arm's length.

**17. Trustee Fees and Disbursements:**

- a) Notwithstanding any other provision hereof, the Trustee shall be entitled to compensation for its services, and reimbursement of disbursements hereunder, in accordance with the fee schedule provided to you, as amended from time to time. Notice of amendments to such schedule shall be given to you and shall take effect no earlier than thirty (30) days from the date of such notice which may be effected in accordance with the method set out in Paragraph 21 hereof.
- b) All fees, taxes and reimbursements of disbursements provided for hereunder shall be charged against and



deducted from the assets of the Plan, at such time or times during each year as the Trustee may, in its absolute discretion determine, and where necessary, the Trustee, in its sole discretion, may liquidate investments of the Plan to provide for payment of such fees, taxes and reimbursements. The Trustee shall not be responsible for any loss which results from such liquidation.

**18. Income Tax Information:** The Trustee will forward, or cause to be forwarded, to you or your spouse appropriate receipts for income tax purposes for all contributions made to the Plan and such other information regarding the Plan as may be required under the Applicable Laws. Such receipts or other information shall be forwarded to the address set out in the application for the Plan, or at any subsequent address of which you shall have notified the Trustee.

**19. Tax Information for Citizens and Residents of Countries Outside of Canada:** If you are also a citizen or resident of a country other than Canada, we strongly advise you to contact your professional tax advisor before investing in a Canadian registered plan, and on a regular basis thereafter. It is important that you are aware of the foreign tax consequences and reporting and filing requirements, if any, associated with being an owner or part-owner of a Canadian registered plan. Failure to comply with any such requirements can result in significant penalties.

**20. Amendments to Plan:** The Trustee may, from time to time at its sole discretion, amend this Declaration of Trust with the concurrence of the authorities administering the Applicable Laws:

- a) Without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Laws; and
- b) In all other cases, by giving thirty (30) days' notice, provided that in all cases no such amendment will have the effect of disqualifying the Plan as a registered retirement savings plan within the meaning of the Applicable Laws.

**21. Notices:** Any notice or other document required to be given by the Trustee shall be given in writing in person or, except where expressly prohibited by law, using any of the following methods:

- Mail, fax or email by using the most recent mailing address, fax number or email address the Trustee has on records for you;
- Posting notice to you through Online Banking; or
- Using any other means we reasonably believe will bring the notice to your attention.

Any notice provided by the Trustee to you is deemed to have been received by you on the earliest of (a) the time the notice is actually received by you, (b) the time and day our server says it was sent; (c) the time the notice is posted on Online Banking; (d) the time the notice is deemed to have been received by you in law; or (e) five days after sending the notice to you.

If you are required to give notice to the Trustee, you must give notice in writing at a HSBC Bank branch to the Trustee c/o HSBC Investment Funds (Canada) Inc. The notice will be deemed to have been received by the Trustee on the date it is actually received by HSBC Investment Funds (Canada) Inc.

**22. Standard of Care and Trustee's Liability:** In exercising its powers and performing its responsibilities hereunder, the Trustee shall act honestly and in good faith. The Trustee shall not be liable for any loss to, or diminution of the assets of the Plan, resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to herein.

**23. Agent's Liability:** The Trustee's Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for the following:

- a) Any loss or diminution suffered by the Plan or by you or any beneficiary under the Plan as a result of the acquisition, disposition or retention of any investments; or
- b) Any loss to or diminution of the assets of the Plan except for any loss or diminution caused by the Agent's wilful misconduct or lack of good faith.

The Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for any loss or damages whether direct or indirect resulting from the delay or failure of any of them in forwarding to you any information received by them concerning investments.

**24. Indemnity:** You, any beneficiary receiving proceeds payable under Paragraph 14, and your heirs, executors and legal representatives shall indemnify at all times the Trustee, the Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents against and hold them harmless from all taxes, interest, penalties, assessments, expenses (including, for greater certainty, all expenses incurred in respect of any audit by a governmental authority of the Plan), losses, liabilities, claims, and demands whatsoever in respect of the Plan, including but not limited to those arising from the acquisition, holding or disposition of investments by the Plan or anything done hereunder, except if due to the Trustee's breach of the standard of care referred to in Paragraph 22 hereof, willful misconduct or lack of good faith (other than those taxes, interest or penalties for which the Trustee is liable in accordance with the Act and which cannot be charged against the assets of the Plan in accordance with the Act). You authorize the Trustee to reimburse itself to satisfy this indemnity and to sell investments held in the Plan to generate funds to satisfy this indemnity. This indemnity survives the termination of the Plan.

**25. Proof of Age:** The statement of your date of birth on the application for the Plan shall constitute a certification by you and an undertaking to furnish such further evidence of proof of age as may be required for the provision of a retirement income.

**26. No Pledge or Assignment:** No property held under the Plan can be pledged, assigned, or in any way alienated as security for a loan or for any other purpose other than that of providing for you a retirement income (subject to Paragraph 17) in accordance with the terms of the Plan.

**27. Trustee as Subsidiary:** You acknowledge that the Trustee is a wholly-owned subsidiary of HSBC Bank Canada and that it may periodically have dealings with HSBC Bank Canada, its affiliates or other subsidiaries (the "Bank") in the performance of its duties. You authorize and direct the Trustee, in the exercise of its powers under this agreement to have such dealings (and enter into transactions) with the Bank, to purchase securities or deposit instruments of or guaranteed by the Bank, to deposit cash with the Bank, or to purchase services from the Bank, provided such dealings and transactions are made on terms no less favourable than market terms and conditions and competitive and fair rates.

**28. Replacement of Trustee:** The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon sixty (60) days' notice in writing to you, or such shorter notice as you shall accept as sufficient, provided that a successor trustee has been appointed in writing by HSBC Investment Funds (Canada) Inc. and the successor trustee has accepted such appointment. In the event of a change of trustee, the Trustee shall transfer the Fund in such form and manner as may be prescribed by the Act together with such information as is necessary to continue the administration thereof to the successor trustee within ninety (90) days after the latter of the appointment of the successor trustee and giving notice in writing to you of such resignation. If a successor trustee cannot be found, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. In such event, HSBC Investment Funds (Canada) Inc. shall bear the costs incurred by the Trustee in appointing a successor trustee.

**29. Applicable Laws:** This Declaration of Trust shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein except that the term "spouse" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Act respecting retirement savings plans.

**30. Québec Only:** *It is the express wish that this Declaration of Trust and any related documents be drawn up and executed in English.* Les parties conviennent que la **présente** convention et tous les documents s'y rattachant soient **rédigés** et **signés** en anglais.

**31. Locked-In Account:** You may transfer assets and/or cash to the Plan from other registered plans as permitted by Applicable Laws. In addition to the terms and conditions of the Plan, you agree to be bound by, and the Plan will be subject to, any additional terms and conditions required to complete the transfer. If an addendum concerning a Locked-in Retirement Account or Locked-In Retirement Savings Plan is attached to

this agreement, the following provisions shall apply:

- a) In case of conflict between the addendum and this agreement, the provisions of the addendum shall prevail with respect of the Locked-In Retirement Account or Locked-In Retirement Savings Plan;
- b) Locked-In Funds shall be accounted for separately from non Locked- In Funds; and
- c) The terms of the addendum may be amended from time to time without notice to you in order to ensure that the Locked-In account continues to comply with all legislation including without limitation applicable pension benefits legislation governing locked-in funds.

**32. Binding Agreement:** The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Trustee.

## HSBC Investment Funds RIF Declaration of Trust

### (This Declaration of Trust is for Retirement Income Funds only.)

HSBC Trust Company (Canada), a trust company incorporated under the laws of Canada (hereinafter referred to as the "Trustee") hereby declares that it will act as Trustee for the applicant (hereinafter referred to as "you" the annuitant as defined in the Income Tax Act) named in application under the HSBC Investment Funds Retirement Income Fund (hereinafter referred to as "the Plan") upon the following terms and conditions:

- 1. Registration:** The Trustee will apply for registration of the Plan pursuant to the provisions of the Income Tax Act (Canada) as amended from time to time (hereinafter referred to as the "Act"), and any applicable legislation in the province or territory of residence designated by you in the application as amended from time to time (the Act, relevant pension legislation and any other such other laws of Canada and of the provinces and territories applicable hereto being hereinafter collectively referred to as "Applicable Laws"). The Trustee will give all notices as to commencement and termination of the Plan required under applicable legislation.
- 2. Delegation:** Without limiting the responsibilities of the Trustee under the Plan, you expressly authorize the Trustee to delegate to HSBC Investment Funds (Canada) Inc. or such other duly authorized agent or agents as it may appoint (hereinafter referred to as the "Agent") the performance of such duties and responsibilities of the Trustee under the Plan as may be agreed upon from time to time between the Trustee and the Agent and which the Trustee may by law delegate to the Agent. Notwithstanding the foregoing, the Trustee acknowledges and confirms that the ultimate responsibility for the administration of the Plan remains with the Trustee. You also authorize the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by you to the Trustee under the Plan and may reimburse the Agent for its out-of-

pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge you therefor.

- 3. Your Account:** The Trustee will maintain an account in your name which will record all the transfers-in, all investment transactions, investment income earned and expenses incurred and all payments of Retirement Income from the Fund (as defined herein).
- The Trustee will send you annual or more frequent statements setting forth the particulars of each transaction since the last statement. Upon the expiration of ninety (90) days from the date of the mailing of the statement to you, the Trustee shall be released and discharged from all liability and accountability to you or anyone else with respect to the Trustee's acts and transactions during the period of time covered by the statement.
- 4. Contributions:** The Trustee shall accept only such transfer of cash or investments permitted by the Agent in a form acceptable to it, which are qualified investments for registered retirement income funds within the meaning of the Act, as may be directed by you to be transferred to the Trustee, provided the contributions may only be transferred under the terms listed in paragraph 146.3(2)(f) of the Act or such other legislation as may succeed, amend or supplement that paragraph, which may include transfers from the following:
- a) A registered retirement savings plan under which you are the annuitant; or
  - b) Another registered retirement income fund under which you are the annuitant; or
  - c) You to the extent only that the amount of the consideration was an amount described in Subparagraph 60(1)(v) of the Act or in any amended or substituted provision therefor; or
  - d) Subject to Applicable Laws, registered retirement income fund or registered retirement savings plan of your spouse (as defined herein) or former spouse pursuant to a decree, order, or judgement of a competent tribunal or a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of, or on the breakdown of, your marriage or common-law partnership; or
  - e) A deferred profit sharing plan in accordance with subsection 147(19) of the Act; or
  - f) A registered pension plan of which you are a member; or
  - g) A registered pension plan in accordance with subsection 147.3(5) or (7) of the Act or any amended or substituted provision therefor; or
  - h) A specified pension plan in circumstances to which subsection 146(21) of the Act or any amended or substituted provision thereof applies; or
  - i) A pooled registered pension plan in accordance with subsection 147.5(21) of the Act.

The contributions, together with any income therefrom, shall constitute a trust fund (hereinafter referred to as the "Fund")

to be used, invested and held subject to the terms of this Declaration of Trust.

- 5. Investment:** The Trustee shall invest the contribution to the Fund in any investments permitted by the Agent, as directed from time to time by you.
- Income earned on any investment held by the Trustee for the Plan shall be automatically reinvested at the net asset value thereof as at the close of business on the next valuation date following such receipt in units of the fund from which the distribution was made and the investment so purchased shall be held by the Trustee for the Plan.
- 6. Qualified Investment:** The Trustee and the Agent will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment, however you are also responsible for ensuring that the investments held in your Plan are at all times qualified investments for your Plan under the Act.
- 7. Prohibited Investment:** You are responsible for ensuring that the investments held in your Plan do not at any time include a prohibited investment for your Plan under the Act. It is your sole responsibility to determine whether any investment is, or could become, a prohibited investment for your Plan under the Act and to determine whether such investment could result in the imposition of any Taxes.
- 8. Taxes and Penalties on Non-Qualified and Prohibited Investments:** Neither the Trustee nor the Agent will be liable for or in respect of any taxes, interest, penalties or other charges which may be imposed on you, the Plan, the Trustee or the Agent under Applicable Laws, including the Act, whether by way of assessment, reassessment or otherwise or for any other charges levied or imposed by any governmental authority, due to payments out of the Plan or the purchase, sale or retention of any investment, including an investment that is a non-qualified investment or a prohibited investment for your Plan under the Act (other than those taxes, interest or penalties for which the Trustee is liable in accordance with the Act and which cannot be charged against the assets of the Plan in accordance with the Act). The Trustee is authorized to reimburse itself for, or may pay, any such taxes, interest, penalties or other charges out of whichever assets of the Plan it may choose in its absolute discretion and where necessary the Trustee, in its absolute discretion, may liquidate investments of the Plan to provide payment of such taxes, interest, penalties or other charges and reasonable expenses in connection with such payment. You and your heirs, executors and administrators shall indemnify and hold harmless at all times both the Trustee and the Agent in respect of any such taxes and reasonable expenses imposed on either the Trustee or the Agent. Neither the Trustee nor the Agent will be liable for any loss to or diminution of the assets of the Plan resulting from any act or omission in connection with the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to in Paragraph 18 hereof.



**9. Retirement Income:** Subject to Paragraph 14, the whole of the Fund shall be invested, used and applied by the Trustee only for the provision of payments to you or, if applicable, subject to Applicable Laws, to your spouse as the successor annuitant after your death as follows:

- a) In each year commencing not later than the first calendar year after the year the Plan is established, the Trustee shall make one or more payments, the aggregate of which is not less than the minimum amount established in accordance with Subsection 146.3(1) of the Act or in any amended or substituted provision therefor and not exceeding the value of the Fund immediately before any payment. The minimum amount for the year in which the Plan commences is nil.
- b) The amount and frequency of the payment or payments referred to in Paragraph 9(a) above in respect of any year shall be as specified in writing by you on the face hereof or on such form as may be provided for this purpose. You may change the amount and frequency of the said payment or payments or request additional payments in writing on such form as may be provided for this purpose. If you do not specify the payment or payments to be made in a year or if the payment or payments are less than the minimum amount for the year, the Trustee shall make such additional payment or payments as it deems necessary so that the minimum amount for that year is paid to you.
- c) No payment required to be made in accordance with the provisions hereof may be assigned in whole or in part.
- d) On thirty (30) days written notice from you, the Trustee shall in the prescribed form and manner, transfer all or part of the Fund together with all information necessary for the continuance of the Fund to another carrier of a registered retirement income fund of which you are the annuitant provided that the Trustee retains property required to be retained in accordance with paragraph 146.3(2)(e) and paragraph 146.3(2)(e.1) or 146.3(2)(e.2), as applicable, of the Act.
- e) On thirty (30) days written notice from you, the Trustee shall in the prescribed form and manner, transfer all or part of the Fund in accordance with subsection 146.3(14.1) of the Act to a money purchase registered pension plan of which, at any time before the transfer, you were member, provided that the Trustee retains property required to be retained in accordance with paragraph 146.3(2)(e.1) or 146.3(2)(e.2), as applicable, of the Act.

After effecting the transfer on such basis as described in paragraphs d) and e) above, the Trustee shall be discharged from all further duties and liabilities hereunder immediately following payment of all amounts required hereunder.

**10. Splitting of Assets on Breakdown of Marriage or Common-Law Partnership:** Subject to Applicable Laws, the Trustee will, upon receipt of written direction by you, allow and arrange for the splitting of assets of the Fund on breakdown of marriage or common-law partnership and transfer on your behalf any property held thereunder to a

registered retirement savings plan or a registered retirement income fund under which your spouse or former spouse is the annuitant if, at the time of any such transfer, you and your spouse or former spouse are living separate and apart and the payment or transfer is being effected pursuant to a decree, order or judgement of a competent tribunal, or in accordance with a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership, in accordance with subsection 146.3(14) of the Act or in any amended or substituted provision therefor.

**11. Payment on Death:** In the event of your death prior to the Trustee paying all amounts required as provided in Paragraph 9 and upon receipt of satisfactory evidence of your death and all other documents that the Trustee may reasonably request, the Trustee shall:

- a) If your spouse has been designated as the successor annuitant in accordance with this Declaration of Trust and any Applicable Laws, or under your Will, continue the payments of a retirement income to your spouse in accordance with the provisions of Paragraph 9; or
- b) If your spouse has not been so designated as the successor annuitant and if there is no designation of beneficiary in accordance with the terms of this Declaration of Trust and any Applicable Laws, or under your Will, and with the consent of your personal representative, continue the payments of a retirement income to your spouse in accordance with the provisions of Paragraph 9; or
- c) If your spouse has not been designated as the successor annuitant and if permitted by Applicable Laws, redeem the investments held in your Plan and distribute in a lump sum the value of the Plan, after deduction of all proper charges including any applicable income tax to the beneficiary designated by you in accordance with this Declaration of Trust, or, if a provincial law does not allow a designation under this Declaration of Trust, to the beneficiary designated by you under your Will; or
- d) If your spouse has not been designated as the successor annuitant and if no beneficiary has been designated in accordance with this Declaration of Trust, or if all the beneficiaries so designated have predeceased you, or the value of the Plan cannot be distributed to your designated beneficiary because it is not permitted by Applicable Laws, redeem the investments held in your Plan, and distribute in a lump sum the value of the Plan, after deduction of all proper charges, including any applicable income tax, to the personal representative of your estate.

**12. Designation of Successor Annuitant or Beneficiary:** If you are domiciled in a jurisdiction designated by the Trustee as one in which a participant in a retirement income fund may validly designate a beneficiary or a successor annuitant other than by will, you may by instrument in writing in the form prescribed by the Trustee and delivered in accordance with the terms of this Plan to the Trustee prior to your death,

designate your spouse as successor annuitant or any person as beneficiary to be entitled to receive your share of the Plan in the event of your death.

Subject to the Applicable Laws, such person shall be deemed to be your successor annuitant or designated beneficiary, as the case may be, for the purposes hereof unless such person shall predecease you or unless you by instrument in writing in the form prescribed by the Trustee and delivered to the Trustee prior to your death, revoke such designation.

A designation shall only be made, altered or revoked by an instrument in a form provided by the Trustee for such purpose, dated and signed by you and filed with the Trustee prior to your death or, if a provincial law does not allow such a designation, by your Will if permitted by Applicable Laws.

If no beneficiary has been designated, or if all designated beneficiaries predecease you or if Applicable Laws require it, the proceeds will be paid to your legal personal representatives.

If more than one designation has been filed in the form provided by the Trustee and if such designations are inconsistent, then to the extent of such inconsistency, payment shall be made only in accordance with the designation bearing the latest execution date and such designation shall be determinative of any inconsistency. The Trustee shall be fully discharged from any further obligations and liability in connection with the Plan upon payment being made in accordance with this Declaration of Trust.

**13. No Advantages:** No advantage (as defined in section 207.01 of the Act) in relation to the Plan may be extended to, or be received or receivable by, you, the Plan, or any person with whom you do not deal at arm's length.

#### **14. Trustee Fees and Disbursements**

- a) Notwithstanding any other provision hereof, the Trustee shall be entitled to compensation for its services, and reimbursement of disbursements hereunder, in accordance with the fee schedule provided to you, as amended from time to time. Notice of amendments to such schedule shall be given to you and shall take effect no earlier than thirty (30) days from the date of such notice which may be effected in accordance with the method set out in Paragraph 17 hereof.
- b) All fees, taxes and reimbursements of disbursements provided for hereunder shall be charged against and deducted from the assets of the Plan, at such time or times during each year as the Trustee may, in its absolute discretion determine, and where necessary, the Trustee, in its sole discretion, may liquidate investments of the Plan to provide for payment of such fees, taxes and reimbursements. The Trustee shall not be responsible for any loss which results from such liquidation.

**15. Tax Information for Citizens and Residents of Countries Outside of Canada:** If you are also a citizen of a country other than Canada, we strongly advise you to contact your

professional tax advisor before investing in a Canadian registered plan, and on a regular basis thereafter. It is important that you are aware of the foreign tax consequences and reporting and filing requirements, if any, associated with being an owner or part-owner of a Canadian registered plan. Failure to comply with any such requirements can result in significant penalties.

**16. Amendments to Plan:** The Trustee may, from time to time at its sole discretion, amend this Declaration of Trust with the concurrence of the authorities administering the Applicable Laws:

- a) Without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Laws; and
- b) In all other cases, by giving thirty (30) days' notice, provided that in all cases no such amendment will have the effect of disqualifying the Plan as a registered retirement income fund within the meaning of the Applicable Laws.

**17. Notices:** Any notice or other document required to be given by the Trustee shall be given in writing in person or, except where expressly prohibited by law, using any of the following methods:

- Mail, fax or email by using the most recent mailing address, fax number or email address the Trustee has on records for you;
- Posting notice to you through Online Banking; or
- Using any other means we reasonably believe will bring the notice to your attention.

Any notice provided by the Trustee to you is deemed to have been received by you on the earliest of (a) the time the notice is actually received by you, (b) the time and day our server says it was sent; (c) the time the notice is posted on Online Banking; (d) the time the notice is deemed to have been received by you in law; or (e) five days after sending the notice to you.

If you are required to give notice to the Trustee, you must give notice in writing at a HSBC Bank branch to the Trustee c/o HSBC Investment Funds (Canada) Inc. The notice will be deemed to have been received by the Trustee on the date it is actually received by HSBC Investment Funds (Canada) Inc..

**18. Standard of Care and Trustee's Liability:** In exercising its powers and performing its responsibilities hereunder, the Trustee shall act honestly and in good faith. The Trustee shall not be liable for any loss to, or diminution of the assets of the Plan, resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to herein.

**19. Agent's Liability:** Neither the Trustee's Agent nor their nominees, agents or correspondents shall be liable for the following:

- a) Any loss or diminution suffered by the Plan or by you or any successor annuitant or beneficiary under the Plan as

a result of the acquisition, disposition or retention of any investment; or

- b) Any loss to or diminution of the assets of the Plan except for any loss or diminution caused by the Agent's wilful misconduct or lack of good faith.

The Agent, their nominees, agents or correspondents shall not be liable for any loss or damages whether direct or indirect resulting from the delay or failure of the Agent, their nominees, agents or correspondents in forwarding to you any information received by them concerning investments.

**20. Indemnity:** You, any successor annuitant, any beneficiary receiving proceeds payable under Paragraph 9, and your heirs, executors and legal representatives shall indemnify at all times the Trustee, the Agent, their respective subsidiaries and affiliates and each of their respective officers, directors, employees and agents against and hold them harmless from all taxes, interest, penalties, assessments, expenses (including, for greater certainty, all expenses incurred in respect of any audit by a governmental authority of the Plan), losses, liabilities, claims, and demands whatsoever in respect of the Plan, including but not limited to those arising from the acquisition, holding or disposition of investments by the Plan or anything done hereunder, except if due to the Trustee's breach of the standard of care referred to in Paragraph 18 hereof willful misconduct or lack of good faith (other than those taxes, interest or penalties for which Plan in accordance with the Act). You authorize the Trustee to reimburse itself to satisfy this indemnity and to sell investments held in the Plan to generate funds to satisfy this indemnity. This indemnity survives the Termination of the Plan.

**21. Proof of Age:** The statement of your date of birth on the application for the Plan shall constitute a certification by you and an undertaking to furnish such further evidence of proof of age as may be required for the provision of a retirement income.

**22. No Pledge or Assignment:** No property held under the Plan can be pledged, assigned, or in any way alienated as security for a loan or for any other purpose other than that of providing for you a retirement income in accordance with the terms of the Plan.

**23. Trustee as Subsidiary:** You acknowledge that the Trustee is a wholly-owned subsidiary of HSBC Bank Canada and that it may periodically have dealings with HSBC Bank Canada, its affiliates or other subsidiaries (the "Bank") in the performance of its duties. You authorize and direct the Trustee, in the exercise of its powers under this agreement to have such dealings (and enter into transactions) with the Bank, to purchase securities or deposit instruments of or guaranteed by the Bank, to deposit cash with the Bank, or to purchase services from the Bank, provided such dealings and transactions are made on terms no less favourable than market terms and conditions and competitive and fair rates.

**24. Replacement of Trustee:** The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon sixty (60) days' notice in writing to you, or such shorter notice as you shall accept as sufficient, provided that a successor trustee has been appointed in writing by HSBC Investment Funds (Canada) Inc. and the successor trustee has accepted such appointment. In the event of a change of trustee, the Trustee shall transfer the Fund in such form and manner as may be prescribed by the Act together with such information as is necessary to continue the administration thereof to the successor trustee within ninety (90) days after the latter of giving notice in writing to you of such resignation and the appointment of the successor trustee.

If a successor trustee cannot be found, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. In such event, HSBC Investment Funds (Canada) Inc. shall bear the costs incurred by the Trustee in appointing a successor trustee.

**25. Applicable Laws:** This Declaration of Trust shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein except that the term "spouse" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Act respecting retirement income funds.

**26. Québec Only:** It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

**27. Locked-In Account:** You may transfer assets and/or cash to the Plan from other registered plans as permitted by Applicable Laws. In addition to the terms and conditions of the Plan, you agree to be bound by, and the Plan will be subject to, any additional terms and conditions required to complete the transfer. If an addendum concerning a Life Income Fund or Locked-In Retirement Income Fund is attached to this agreement, the following provisions shall apply:

- a) In case of conflict between the addendum and this agreement, the provisions of the addendum shall prevail in respect of the Life Income Fund or Locked-In Retirement Income Fund;
- b) Locked-In Funds shall be accounted for separately from non Locked-In Funds; and
- c) The terms of the addendum may be amended from time to time without notice to you in order to ensure that the Locked-In account continues to comply with all legislation including, without limitation, applicable pension benefits legislation governing locked-in funds.

**28. Binding Agreement:** The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Trustee.

## HSBC Investment Funds RESP Declaration of Trust

We, HSBC Investment Funds (Canada) Inc. (the “**Promoter**”), are the promoters of the HSBC Investment Funds Education Savings (Family) Plan (the “**Plan**”). The words “we,” “us” and “our” refer only to HSBC Investment Funds (Canada) Inc. You are the person or persons named as the subscriber (as defined below) in the application (the “**Application**”). This agreement contains the terms and conditions applicable to the Plan. Under the Terms and Conditions stated herein, the Promoter agrees to pay, or cause to be paid, educational assistance payments to or for one or more beneficiaries. HSBC Trust Company (Canada), a subsidiary of HSBC Bank Canada is licensed to carry on in Canada the business of offering to the public its services as a trustee (the “**Trustee**”) (see paragraph 11) will be the trustee for the Plan Assets (as defined herein), but as the promoter of the Plan we have ultimate responsibility. As required by the Income Tax Act (Canada) (the “**Act**”) we are “resident” in Canada. A “**subscriber**” under an education savings plan at any time means:

- a) Each individual or the public primary caregiver with whom the promoter of the Plan entered into the Plan,
- b) Another individual or another public primary caregiver who has before that time, under a written agreement, acquired a public primary caregiver’s rights as a subscriber under the Plan,
- c) An individual who has before that time acquired a subscriber’s rights under the Plan pursuant to a decree, order or judgment of a competent tribunal, or under a written agreement, relating to a division of property between the individual and a subscriber under the Plan in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership (as defined in the Act), or
- d) After the death of an individual described in any of paragraphs (a) to (c), any other person (including the estate of the deceased individual) who acquires the individual’s rights as a subscriber under the Plan or who makes contributions into the Plan in respect of a beneficiary but does not include an individual or a public primary caregiver whose rights as a subscriber under the Plan had, before that time, been acquired by an individual or public primary caregiver in the circumstances described in paragraph (b) or (c) above. For greater certainty, a spouse or common-law partner may be added as a joint subscriber at any time prior to the termination of the Plan. Other than in Québec, any subscribers that are joint-subscribers confirm that they are joint tenants with rights of survivorship with respect to the Plan.

A “**public primary caregiver**” of a Beneficiary (as defined below) in respect of whom a special allowance is payable under the Children’s Special Allowances Act, means the department, agency or institution that maintains the Beneficiary or the public trustee or public curator of the province in which the Beneficiary resides.

We will ensure that all Grants (as defined below) are applied for as requested. Once received, Grants will be invested in accordance with the terms hereof. We will make Grant repayments in accordance with the provisions of the Canada Education Savings Act and the Regulations thereto and any other applicable legislation. The Plan will comply with the conditions imposed by the Canada Education Savings Act. The subscriber shall provide

any information required by us to enable us to apply for and administer Grants in accordance with the applicable legislation.

In this agreement, “**Grant**” means the Canada Education Savings Grant, the enhanced Canada Education Savings Grant, the Canada Learning Bond and the British Columbia Training and Education Savings Grant provided for under the Canada Education Savings Act and any amount under a designated provincial program. A “**designated provincial program**” means a program administered pursuant to an agreement entered into under section 12 of the Canada Education Savings Act or a program established under the laws of a province to encourage the financing of children’s post-secondary education through savings in registered education savings plans.

1. **Who Registers the Plan?** We will apply to register the Plan under the Act and any other applicable income tax legislation of the province of Canada indicated by your address in the Application. The Act and any other applicable income tax legislation will collectively be called the “**Applicable Laws.**”
2. **What Is the Purpose of the Plan?** The purpose of the Plan is to make Educational Assistance Payments and the other payments as described in paragraphs 8 and 9.
3. **Who Are the Beneficiaries of the Plan?** In this agreement, a “**Beneficiary**” means any person you designate as a beneficiary for whom Educational Assistance Payments (as described under paragraph 8) are made as long as the requirements of the Plan and the Act are satisfied when the Educational Assistance Payments are made. The Beneficiary must be under 21 years of age at the time of the designation unless the Beneficiary, immediately before becoming a beneficiary under the Plan, was a beneficiary under a Transferor Plan (as described in paragraph 5) that allows more than one beneficiary at any one time.

Each named Beneficiary must be connected to you by “blood relationship” or by “adoption” as those words are defined in the Act. Any person you named in the Application is an initial Beneficiary of the Plan. You may name one or more Beneficiaries.

Within 90 days after a person becomes a Beneficiary under the Plan, we will send that person a written notice advising him or her that the Plan exists. We will also give that person your name and address. If the Beneficiary is under the age of 19 and either ordinarily resides with a parent or legal guardian of the Beneficiary or is maintained by a public primary caregiver of the Beneficiary, we will notify that parent, legal guardian or public primary caregiver, as applicable.

An individual may not be designated as a Beneficiary under the Plan and no contributions may be made in respect of the individual unless the individual’s Social Insurance Number has been provided to us and the individual is a resident in Canada. The requirement that the individual be resident in Canada does not apply where the individual is designated as Beneficiary in conjunction with the transfer of property into the Plan from another registered education savings plan under which the individual was a non-resident beneficiary



immediately before the transfer and has not been assigned a Social Insurance Number. Once the transfer has occurred, no new contributions for the non-resident Beneficiary can be accepted. You undertake to advise us if the Beneficiary is no longer resident in Canada at the time of any subsequent contribution in relation to that Beneficiary. You further undertake to advise us if the Beneficiary is a non-resident at the time an Educational Assistance Payment is requested.

- 4. How Can You Change a Beneficiary?** You may change, remove or add a person as a Beneficiary of the Plan by sending us written instructions. Your instructions must:
- a) Clearly explain the change you would like to make;
  - b) Provide the name, address, Social Insurance Number, date of birth and relationship to you of any new Beneficiary and, if the Beneficiary is under the age of 19, the name and address of the Beneficiary's parents, legal guardian or public primary caregiver, as applicable; and
  - c) Identify the Plan by its account number.

You must sign and date these instructions and deliver them to us. If we receive more than one set of instructions from you, we will follow the instructions with the last date.

- 5. How Can Amounts Be Transferred from Another Plan?** You may transfer amounts to the Plan from another registered education savings plan (the "**Transferor Plan**"), if the Transferor Plan so allows and provided that the Transferor Plan has not previously distributed any accumulated income payments (as described in paragraph 10). When a transfer between plans occurs, the effective date of both plans will be considered under subsection 146.1 (6.1) of the Act so that whichever effective date is earlier becomes the effective date of the transferee plan after the transfer. A transfer between plans may result in an over-contribution, which may have tax consequences. Part X.4 of the Act sets out the additional taxes payable where a cumulative excess exists.

- 6. How Much Can You Contribute?** You are solely responsible for deciding when and how much to contribute to the Plan. You may contribute to the Plan if the contribution is within the limits allowed by the Applicable Laws. At the time this form was printed, a contribution must satisfy these rules:
- a) A contribution must not be less than the minimum amount which we establish by written notice to you;
  - b) The total contributions to the Plan for a Beneficiary must not exceed the RESP lifetime limit as defined in subsection 204.9 (1) of the Act; and
  - c) No contribution may be made to the Plan after the earlier of:
    - i) The 31st year following the year the Plan was established, or
    - ii) If an amount is transferred to the Plan from a Transferor Plan, the 31st year following the year the Transferor Plan was established.

A contribution to an education savings plan does not include an amount paid into the plan under or because of (a) the Canada Education Savings Act or a designated provincial program, or (b) any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by a province (other than an amount paid into the plan by a public primary caregiver in its capacity as subscriber under the plan).

No amount may be contributed to the Plan in respect of a particular Beneficiary, if that Beneficiary had attained 31 years of age before the time of the contribution, unless the contribution is made by way of a transfer from a Transferor Plan that allows more than one beneficiary at any time.

The "**Plan Assets**" consist of any amounts contributed by you, or on your behalf, any Grants paid into the Plan, any amounts transferred to the Plan under paragraph 5, any investments purchased and/or transferred and any income or gains on these amounts, less any losses sustained on the realization of any investment, fees, disbursements and other amounts deducted from the Plan Assets pursuant to paragraph 18 or 21 and any amounts paid out of the Plan as provided for herein. The Trustee will hold the Plan Assets in trust, in accordance with Section 11.

- 7. How Are the Plan Assets Invested?** We will invest and reinvest the Plan Assets in "qualified investments" for an RESP as defined under subsection 146.1 (1) of the Act at your direction and in accordance with your written instructions to us and subject to any reasonable requirements we may have. You shall be responsible for ascertaining whether an investment made on your direction is or remains a qualified investment.

Pursuant to the Act, the Promoter will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment.

If the Plan holds investments that are not "qualified investments" for an RESP as defined under the Act, a penalty tax will apply for holding such investments.

- 8. How Are Payments From the Plan Made?** You may send us written instructions requesting payments of amounts from the Plan as long as:
- a) The payment is:
    - i) For an Educational Assistance Payment (as defined below);
    - ii) A distribution of accumulated income payment (as defined below);
    - iii) A Refund of Payments (as defined below);
    - iv) The repayment of amounts (and the payment of amounts related to that repayment) under the Canada Education Savings Act and/or a designated provincial program;



- v) To a Designated Educational Institution (as defined below) or to a trust in favour of a Designated Educational Institution; or
  - vi) To a trust that irrevocably holds property under a “registered education savings plan” within the meaning of the Act;
- b) any reasonable requirements imposed by us; and
- c) there are sufficient Plan Assets to make the payment.

An “**Educational Assistance Payment**” means any amount, other than a Refund of Payments under paragraph 9, a distribution of accumulated income payment under paragraph 10 or a transfer to another registered education savings plan, paid out of the Plan to or for an individual to assist the individual to further his or her post-secondary education. The Plan does not allow for the payment of an educational assistance payment to or for an individual at any time after 1996, either:

- a) The individual is, at the time, enrolled as a student in a Qualifying Educational Program at a post-secondary educational institution, and either:
  - i) Has satisfied that condition throughout at least 13 consecutive weeks in a 12-month period that ends at that time, or
  - ii) The total of the payment and all other educational assistance payments made under a registered education savings plan of the promoter to or for the individual in the 12-month period that ends at that time does not exceed \$5,000 or any greater amount that the Minister designated for the purpose of the Canada Education Savings Act approves in writing with respect of the individual; or
- b) The individual has, before that time, attained the age of 16 years and meets the following conditions:
  - i) Is, at that time, enrolled as a student in a Specified Educational Program at a post-secondary educational institution, and
  - ii) The total of the payment and all other educational assistance payments made under a registered education savings plan of the promoter to or for the individual in the 13-week period that ends at that time does not exceed \$2,500 or any greater amount that the Minister designated for the purpose of the Canada Education Savings Act approves in writing with respect of the individual.

An individual may also request an educational assistance payment at any time in the six month period immediately after ceasing to be enrolled in a Qualifying Educational Program or Specified Educational Program, provided the conditions set out in paragraphs a(i) and a(ii), or b(i) and b(ii) above are met.

A “**Designated Educational Institution**” means an educational institution in Canada that is:

- a) A university, college or other educational institution designated by the Lieutenant Governor in Council of a province as a specified educational institution under the

Canada Student Loans Act, designated by an appropriate authority under the Canada Student Financial Assistance Act, or designated by the Minister of Education of the Province of Québec for the purposes of An Act respecting financial assistance for education expenses; and

- b) Designated by you from time to time or, if you do not make any designation, is approved by us.

We have the final authority on whether a payment you direct us to make satisfies the above criteria. The decision made by us will be final and binding on you and the Beneficiaries.

Where the individual entitled to payments from the Plan is a non-resident at the time of the payment, we will pay the individual the amount remaining after deducting any applicable taxes (including any interest and penalties) in respect of that payment.

An “**accumulated income payment**” under an education savings plan means any amount paid out of the plan, other than a payment described in any of paragraphs a(i) and a(iii) to a(vi) described above, to the extent that the amount so paid exceeds the fair market value of any consideration given to the plan for the payment of the amount.

A “**Qualifying Educational Program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires that each student taking the program spend not less than ten hours per week on courses or work in the program.

A “**Specified Educational Program**” means a program at a post-secondary school level of not less than three consecutive weeks duration that requires each student taking the program to spend not less than 12 hours per month on courses in the program.

“**Post-secondary school level**” includes a program of courses, at an educational institution in Canada that is certified by the Minister of Employment and Social Development Canada (ESDC) to be an educational institution providing courses other than courses designed for university credit, where the courses are of a technical or vocational nature designed to furnish a person with skills for, or improve a person’s skills in, an occupation.

A “**post-secondary educational institution**” means:

- a) An educational institution in Canada that is described in paragraph (a) of the definition “Designated Educational Institution” above, or that is certified by the Minister of Employment and Social Development Canada (ESDC) to be an educational institution providing courses, other than courses designed for university credit that furnish a person with skills for, or improve a person’s skills in, an occupation; or
- b) An educational institution outside Canada that provides courses at a post-secondary school level and that is:
  - i) A university, college or other educational institution at which a beneficiary was enrolled in a course of not less than 13 consecutive weeks, or

- ii) A university at which a beneficiary was enrolled on a full-time basis in a course of not less than three consecutive weeks.

**9. How Can You Receive a Refund of Payments?** You may send us written instructions at any time to pay you a Refund of Payments (as defined below). Where a Refund of Payments is requested, repayment of Grants (and the payment of amounts related to that repayment) will be made in accordance with the provisions of the Canada Education Savings Act and the Regulations thereto and any other applicable legislation.

To pay this refund, we will sell any of the Plan Assets that you specify. If you do not specify which of the Plan Assets you would like us to sell then we will sell any assets that we consider appropriate.

Once we pay you, we will have no liability or duty to you for the Plan Assets that were sold to pay you. Within a reasonable period of time after receiving your instructions, we will pay you the refund you requested after deducting:

- a) Any sale costs and other related fees or charges;
- b) Any taxes (including any interest and penalties) that are or may become payable by the Plan; and
- c) Any amount required to be withheld on account of your liability for income tax as a result of withdrawing funds from the Plan.

A “**Refund of Payments**” means:

- a) A refund of contributions that had been made by or on behalf of a subscriber at a previous time, if the payment had been made otherwise than by way of a transfer from a Transferor Plan; or
- b) If a payment has been made by way of a transfer from a Transferor Plan, a refund of payments that would have been a refund of payments under the Transferor Plan if it had been paid at the previous time directly to a subscriber under the Transferor Plan.

A “contribution” does not include any Grants paid into the Plan.

**10. Can You Receive Income From the Plan?** The distribution of accumulated income payments can only be made to, or on behalf of a subscriber, and not jointly to, or on behalf of more than one subscriber. You may send us written instructions requesting a distribution of accumulated income payment at a particular time from the Plan as long as you are resident in Canada at the particular time, and one of the following applies:

- a) The Plan has been in existence for at least 10 years (or an amount has been transferred to the Plan from a Transferor Plan that has been in existence for at least 10 years) and each individual (other than a deceased individual) who is or was a Beneficiary has attained 21 years of age before the payment is made and is not, when the payment is made, eligible under the Plan to receive an Educational Assistance Payment;

- b) The payment is made in the 35th year following the year in which the Plan is entered into; or
- c) Each individual who was a Beneficiary has died before the payment is made.

On written application by us to the Minister of National Revenue, the requirements of (a) above may be waived in respect of the Plan where a Beneficiary under the Plan suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a Qualifying Educational Program at a post-secondary educational institution.

To make a distribution of accumulated income payment, we will sell any of the Plan Assets which you specify. If you do not specify which of the Plan Assets you would like us to sell, we will sell any assets that we consider appropriate.

Once we pay you, we will have no liability or duty to you for the Plan Assets that were sold to pay you. Within a reasonable period of time after receiving your instructions, we will pay you the refund you requested after deducting:

- a) Any sale costs and other related fees or charges;
- b) Any taxes (including interest and penalties) that are or may become payable by the Plan; and
- c) Any amount required to be withheld on account of your liability for income tax as a result of withdrawing funds from the Plan.

Once an accumulated income payment is made, the Plan must be terminated on or before the last day of February of the year following the year in which the first such payment is made out of the Plan.

A special tax applies to accumulated income payments. You will be responsible for the applicable taxes (income and otherwise, and the related interest and penalties) in respect of an accumulated income payment. If you have sufficient RRSP contribution room at the time that an accumulated income payment is made, you may have the option to transfer the accumulated income payment to your RRSP (or a spousal RRSP), subject to the limits allowed under the Applicable Laws.

**11. What Is the Trustee’s Responsibility?** The Trustee will irrevocably hold in trust the property of the Plan (after the payment of Trustee and administration charges described in paragraphs 18 and 21) for the purpose of making the payments described in paragraph 8(a).

The Trustee will be responsible for any breach of trust in holding the Plan Assets that results from its own wilful default, gross negligence, fraud or dishonesty. The Trustee’s responsibility for holding the Plan Assets is without prejudice to the Trustee’s rights against us (or our successors) for any breach of our (or our successors’) responsibilities in this document or in any agency agreement or other agreement with the Trustee relating to the Plan.

You acknowledge and consent to the Trustee’s appointment of us or any other subsidiary of HSBC Bank Canada as its agent

to perform any of the Trustee's duties as the Trustee may determine and delegate from time to time.

## 12. What Are Your Contribution and Tax Responsibilities?

It is your responsibility to ensure that the total amounts contributed to the Plan for a Beneficiary (or to any RESP for the same Beneficiary), by you (or by others as subscribers to other plans for the same Beneficiary), do not exceed the RESP lifetime limit. (The maximum amount is referred to in paragraph 6 b.). If the maximum amount is exceeded, a penalty tax will apply. If the maximum amount is exceeded, you may request a Refund of Payments under paragraph 9 sufficient to withdraw your share of the "excess amount," as defined in the Act.

For the purpose of calculating the penalty tax on overpayments to the Plan, the following rules apply:

If you remove a Beneficiary and designate a replacement Beneficiary, then all contributions made to the Plan for the Beneficiary who has been removed will be considered to have been made for the replacement Beneficiary. If you remove a Beneficiary without designating a replacement Beneficiary (and you have named more than one Beneficiary for the Plan), then all contributions made to the Plan for the Beneficiary who has been removed will be considered to have been made for the remaining Beneficiaries in the proportions which you designate. If an amount is transferred from a Transferor Plan and a Beneficiary was, at the time of a transfer, a beneficiary under the Transferor Plan, then the contributions to the Transferor Plan will be considered to have been made for the Beneficiary. If no Beneficiary was a beneficiary under the Transferor Plan, then the contributions will be considered to have been made for the Beneficiaries in the proportions which you designate.

An over-contribution may apply as a result of a replacement or a transfer and as a result penalty taxes may be exigible. Subsections 204.9(4) and (5) of the Act provide exceptions where the penalties will not be applicable.

## 13. Who is responsible for Other Taxes and Penalties?

You are responsible for ensuring that the investments held in the Plan are at all times qualified investments for the Plan under the Act.

Pursuant to the Act, the Promoter will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment.

You are responsible for ensuring that the investments held in the Plan do not at any time include a prohibited investment for the Plan under the Act. It is your sole responsibility to determine whether any investment is, or could become, a prohibited investment for the Plan under the Act and to determine whether such investment could result in the imposition of any taxes.

Neither the Trustee nor the Promoter will be liable for or in respect of any taxes, interest, penalties or other charges which may be imposed on you, the Plan, the Trustee or the Promoter under Applicable Laws, including the Act, whether by way

of assessment, reassessment or otherwise or for any other charges levied or imposed by any governmental authority, due to payments out of the Plan or the purchase, sale or retention of any investment, including an investment that is a non-qualified investment or a prohibited investment for the Plan under the Act. Except as permitted by law, the Trustee is not authorized to reimburse itself for such taxes, interest, penalties or other charges out of the assets of the Plan. You and your heirs, executors and administrators shall indemnify and hold harmless at all times both the Trustee and the Promoter in respect of any such taxes and reasonable expenses imposed on either the Trustee or the Promoter. Neither the Trustee nor the Promoter will be liable for any loss to or diminution of the assets of the Plan resulting from any act or omission in connection with the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to in this Plan.

Further, no advantage (as defined for this purpose in the Act or any equivalent provision of Applicable Laws) in relation to the Plan may be extended to, or received by, you, the Plan, or any person who does not deal at arm's length with you.

## 14. How Will Your Account Be Kept? We will maintain an account in your name to record:

- a) Contributions made to the Plan;
- b) Grants made to the Plan;
- c) Purchases and sales of investments held in the Plan;
- d) Investment income, gains and losses for investments held in the Plan;
- e) Trustee and other fees and charges paid under paragraphs 18 and 21; and
- f) All payments made from the Plan under paragraphs 8, 9, and 10.

We will deal with the appropriate tax authorities in connection with the Plan or any amendment to the Plan.

## 15. When Does the Plan End? The Plan terminates on the earliest of the following dates (the "Termination Date"):

- a) The date designated by you;
- b) The last day of the 35th year following the year the Plan was established;
- c) If an amount has been transferred to the Plan from a Transferor Plan, the last day of the 35th year following the year in which the Transferor Plan was established and you undertake to sign and send the Trustee an instrument to establish the Termination Date;
- d) If a distribution of an accumulated income payment has been made under paragraph 10, the last day of February of the year following the year in which the first such distribution is made out of the Plan; and
- e) The 21st anniversary of your death.

If you have not given us instructions by the Termination Date on making payments from the Plan, then we may repay Grants and deposit the maximum amount permitted by the

Act in an interest-bearing account at HSBC Bank Canada. We will pay any remaining amount to a Designated Educational Institution or to a trust in favour of a Designated Educational Institution, at the Trustee's discretion and according to the Applicable Laws.

In the event that the trust governed by the Plan is terminated, the property held by the trust is required to be used for the purposes described in paragraph 8(a) above.

**16. What if I Die?** Unless there is a joint subscriber, if you die before the Plan ends under paragraph 14, your executors or administrators may continue the Plan on your behalf and will be entitled to provide us with any instructions in connection with the Plan. Any other person, including the estate, who acquires your rights as a subscriber or who makes a contribution becomes the subscriber. We and the Trustee will be entitled to rely on, and shall be fully protected in giving effect to, the instructions of your executor or administrator.

**17. Who Owns the Plan Assets and Who Can Exercise Any Voting Rights?** Ownership of the Plan Assets will, at all times, be vested solely in the Trustee, in its capacity as trustee of the Plan. The voting rights attached to the securities held under the Plan and credited to your account may be exercised by you. For this purpose, you are hereby appointed as the Trustee's agent to execute and deliver proxies and/or other instruments mailed by the Trustee or by us on the Trustee's behalf to you according to Applicable Laws.

**18. How Can the Plan Be Amended?** We may amend the terms of the Plan, with the consent of the Trustee, from time to time at our discretion, with the concurrence of the authorities administering the Applicable Laws:

- a) Without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Laws; and
- b) In all other cases, by giving thirty (30) days' notice, provided that in all cases no such amendment will have the effect of disqualifying the Account as a registered education savings plan within the meaning of the Act.

**19. What Are the Promoter and the Trustee Fees?** We and the Trustee are entitled to the following compensation for our services under the Plan:

- a) Any reasonable fees and other charges established by us or the Trustee from time to time for our respective services; and
- b) Reimbursement for all taxes imposed on us in respect of the Plan and for all costs and disbursements reasonably incurred by us and/or the Trustee in performing our duties under this agreement.

We and the Trustee may change our fees or charges in the future. We or the Trustee will give you reasonable notice of such changes. All amounts payable to us or the Trustee under this paragraph will be charged against and deducted from the Plan Assets. We may sell any of the Plan Assets that we in our absolute discretion consider appropriate to pay the amounts

described in this paragraph.

**20. What Are Our Responsibilities?** We are responsible for administering the Plan according to the Applicable Laws and the terms of this agreement. Our responsibilities include:

- a) Receiving any property that is accepted by us and transferred to the Plan;
- b) Accepting your properly completed Application;
- c) Investing and reinvesting the Plan Assets according to this agreement;
- d) Maintaining your account as required under this agreement;
- e) Providing you with statements from time to time;
- f) Collecting and remitting compensation to us and the Trustee;
- g) Determining the form of any instructions to be provided by you;
- h) Subject to paragraph 26, receiving and implementing instructions from you;
- i) Calculating and making the payments to you that are required under this agreement;
- j) Any other tasks that must be performed to administer the Plan; and
- k) Discharging such other duties of the Trustee under the Plan as we and the Trustee may agree upon.

**21. Trustee as Subsidiary.** You acknowledge that the Trustee is a subsidiary of HSBC Bank Canada and that it may have dealings with HSBC Bank Canada and its other subsidiaries (collectively, the "**Bank**") in the performance of its duties. You authorize and direct the Trustee in the exercise of its powers under this Plan to have such dealings (and enter into transactions) with the Bank. The Trustee shall not be accountable for any profit or benefit received in the exercise of its duties and powers to render.

**22. What Is Our Liability and What Is the Trustee's Liability?** Neither we nor the Trustee will be liable for:

- a) Any tax, interest or penalty which may be imposed on us, the Trustee, the Plan, the Transferor Plan, you or a beneficiary under the Applicable Laws;
- b) Any charges levied or imposed by any governmental authority in respect of the Plan as a result of payments out of the Plan or the purchase, sale or retention by the Plan of any investment; or
- c) Any cost (including, for greater certainty, any costs or expenses incurred in the course of any audit by a Governmental Authority of the Plan) incurred in performing our respective duties under this agreement, or the Applicable Laws.
- d) Any Grant repayments; or
- e) The receipt or timing of receipts of Grants.

Except as permitted by law, the Trustee may not reimburse itself for or pay any of these taxes, interest, penalties, charges or costs out of the capital or income of the Plan.



We and the Trustee will not be liable for any loss or damage suffered or incurred by the Plan, the Plan Assets, you or any Beneficiary under this agreement caused by:

- a) Any loss or diminution of the Plan Assets;
- b) The purchase, sale or retention of any investment by the Plan;
- c) Any payment out of the Plan made according to this agreement; or
- d) Us or the Trustee acting or declining to act on any instructions given to us or the Trustee by you or an individual purporting to be you under this agreement, unless the loss or damage was caused by the Trustee's bad faith, wilful misconduct or gross negligence.

You, your heirs, executors, administrators or legal representatives and each Beneficiary will at all times indemnify us and the Trustee for any taxes, interest, penalties or charges levied or imposed on us or the Trustee in respect of the Plan, costs incurred by us or the Trustee in performing our respective duties under this agreement or any losses (other than losses for which we or the Trustee are liable under this paragraph) incurred by us or the Trustee.

**23. How Is the Trustee Replaced?** The Trustee may resign by providing 60 days written notice to us or any shorter period that is acceptable to us. We may remove the Trustee from its position as trustee under the Plan by providing 60 days' written notice to the Trustee or any shorter period that is acceptable to the Trustee. The Trustee's resignation or removal will be effective on the date we replace the Trustee with another trustee (the "**Replacement Trustee**"). The Replacement Trustee must be a corporation resident in Canada and authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as a trustee. We will appoint a Replacement Trustee within 10 days after we have received notice of the Trustee's resignation or have given notice to the Trustee of its removal.

On the date the Trustee's resignation or removal becomes effective, and subject to the Trustee's receipt of all Fees and expenses then owing to the Trustee, the Trustee will sign and deliver to the Replacement Trustee all conveyances, transfers and further assurances that may be necessary or desirable to give effect to the appointment of the Replacement Trustee. However, the Trustee will not transfer any Grants in the Plan to the Replacement Trustee until such time as the Replacement Trustee has entered into a Grant agreement with the Minister and the Trustee has been reimbursed for any costs arising from the retention by the Trustee of the Grants in the Plan.

**24. Notices:** Any notice or other document required to be given by the Trustee shall be given in writing in person or, except where expressly prohibited by law, using any of the following methods:

- Mail, fax or email by using the most recent mailing address, fax number or email address the Trustee has on records for you;

- Posting notice to you through Online Banking; or
- Using any other means we reasonably believe will bring the notice to your attention.

Any notice provided by the Trustee to you or the Beneficiary is deemed to have been received by you or a Beneficiary on the earliest of (a) the time the notice is actually received by you or a Beneficiary, (b) the time and day our server says it was sent; (c) the time the notice is posted on Online Banking; (d) the time the notice is deemed to have been received by you or a Beneficiary in law; or (e) five days after sending the notice to you or a Beneficiary.

If you or a Beneficiary are required to give notice to the Trustee, you or a Beneficiary must give notice in writing at a HSBC Bank branch to the Trustee c/o HSBC Investment Funds (Canada) Inc. The notice will be deemed to have been received by the Trustee on the date it is actually received by HSBC Investment Funds (Canada) Inc.

**25. English Language.** It is the express wish of the parties that this agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

**26. What Laws Govern This Document?** The terms of the Plan will be interpreted, administered and enforced according to the laws of the Province of British Columbia, the Income Tax Act (Canada) and other federal laws of Canada applicable in British Columbia.

**27. Instructions.** We and the Trustee will be entitled to rely upon instructions received from you, any person you designate to either the Trustee or us in writing and any person purporting to be you or the person designated by you. We and the Trustee may decline to act upon any instruction if either of us have any doubt that the instruction has been properly authorized or accurately transmitted or if the instruction is insufficient or incomplete, or legally non-conforming or if there is insufficient time to permit us, acting diligently, to give effect to the instruction.

**28. Binding.** The terms of this document will be binding upon your heirs, executors and administrators, our successors and assigns and the Trustee's successors and assigns.

**29. What Are the Tax Consequences of Investing in an HSBC Mutual Funds RESP?** Generally, any income and capital gains earned on the investments within an RESP, including Grants, are tax-deferred until withdrawn from the plan. Withdrawals paid to a Beneficiary are generally taxed in the Beneficiary's hands at their marginal tax rate. Subscribers may not deduct their contributions for tax purposes but may, subject to grant repayment rules and possible penalty taxes applicable in respect of income earned in the Plan, be able to recover contributions tax-free. Additional tax information is provided in the Prospectus that accompanies this agreement. Neither we nor the Trustee is responsible for providing tax advice in connection with the Plan.



## **HSBC World Selection Portfolio RSP Declaration of Trust**

HSBC Trust Company (Canada), a trust company incorporated under the laws of Canada (hereinafter referred to as the "Trustee") hereby declares that it will act as Trustee for the applicant (hereinafter referred to as "you" the annuitant as defined in the Income Tax Act) named in the "Applicant/Annuitant" Information" section of the HSBC Pooled Funds Retirement Savings Plan/ Retirement Income Fund Application upon the following terms and conditions:

### **1. Registration**

The Trustee will apply for registration of the HSBC Pooled Funds Retirement Savings Plan (the "Plan") pursuant to the provisions of the Income Tax Act (Canada) as amended from time to time (hereinafter referred to as the "Act"), any applicable legislation in the province or territory of residence designated by you in the application as amended from time to time (the Act, relevant pension legislation and any other such other laws of Canada and of the provinces and territories applicable hereto being hereinafter collectively referred to as "Applicable Laws"). The Trustee will give all notices as to commencement and termination of the Plan required under applicable legislation.

### **2. Delegation**

Without limiting the responsibilities of the Trustee under the Plan, you expressly authorize the Trustee to delegate to such duly authorized agent or agents as it may appoint (hereinafter referred to as the "Agent") the performance of such duties and responsibilities of the Trustee under the Plan as may be agreed upon from time to time between the Trustee and the Agent and which the Trustee may by law delegate to the Agent. Notwithstanding the foregoing, the Trustee acknowledges and confirms that the ultimate responsibility for the administration of the Plan remains with the Trustee.

You also authorize the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by you to the Trustee under the Plan and may reimburse the Agent for its out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge you therefor.

### **3. Your Account**

The Trustee will maintain an account in your name which will record all contributions made to the Plan, all investment transactions, investment income earned and expenses incurred and all payments from the Fund (as defined herein).

The Trustee will send you annual or more frequent statements setting forth the particulars of each transaction since the last statement. Upon the expiration of ninety (90) days from the date of the mailing of the statement to you, the Trustee shall be released and discharged from all liability and accountability to you or anyone else with respect to the Trustee's acts and transactions during the period of time covered by the statement.

### **4. Contributions**

The Trustee shall accept only such contributions of cash or investments permitted by the Agent in a form acceptable to it, which are qualified investments for registered retirement savings plans within the meaning of the Act, as may be directed by you or your spouse to be contributed to the Trustee. If you participate in a Payroll Savings Plan as indicated in your application, you appoint the Plan Sponsor, the employer/association named in the application (the "Plan Sponsor") that is your employer or with which you otherwise have a membership or affiliation to act as your agent. The Plan Sponsor may remit contributions to your Plan on behalf of you or your spouse. All contributions, together with any income therefrom, shall constitute a trust fund (hereinafter referred to as the "Fund") to be used, invested and held subject to the terms of this Declaration of Trust. You are solely responsible for determining whether the aggregate amount of your contributions to the Fund are within the contribution limits imposed by Applicable Laws.

### **5. Investment**

The Trustee shall invest the Contribution to the Fund in any investments permitted by the Agent, as directed from time to time by you or your agent.

Income earned on any investment held by the Trustee for the Plan shall be automatically reinvested at the net asset value thereof as at the close of business on the next valuation date following such receipt in units of the fund from which the distribution was made and the investment so purchased shall be held by the Trustee for the Plan.

### **6. Qualified Investment**

The Trustee and the Agent will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment, however you are also responsible for ensuring that the investments held in your Plan are at all times qualified investments for your Plan under the Act.

### **7. Prohibited Investment**

You are responsible for ensuring that the investments held in your Plan do not at any time include a prohibited investment for your Plan under the Act. It is your sole responsibility to determine whether any investment is, or could become, a prohibited investment for your Plan under the Act and to determine whether such investment could result in the imposition of any taxes, interest or penalties.

### **8. Taxes and Penalties on Non-Qualified Investments and Prohibited Investments**

Neither the Trustee nor any Agent shall be liable for or in respect of any taxes, interest or penalties or for any other governmental charges imposed on you or the Plan (other than those taxes, interest and penalties for which the Trustee is liable in accordance with the Act and that cannot be charged against or deducted from the assets of the Plan in

accordance with the Act), whether in respect of contributions to the Plan, payments out of the Plan, investments purchased, held or disposed of by the Plan, income or capital gains earned or realized by the Plan or otherwise. You and your heirs, executors and administrators shall indemnify and hold harmless at all times the Trustee and all Agents in respect of any such taxes, interest, penalties or other governmental charges (other than those taxes, interest and penalties for which the Trustee is liable in accordance with the Act and that cannot be charged against or deducted from the assets of the Plan in accordance with the Act). The Trustee is authorized to liquidate investments of the Plan, selected in its absolute discretion, to pay any such amount as becomes payable by the Plan or is required to be withheld from payments out of the Plan. Neither the Trustee nor the Agent shall be liable for any loss to or diminution of the assets of the Plan resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to in Paragraph 22 hereof.

**9. Retirement Income**

- a) Subject to clause 17, the whole of the Fund shall be invested, used and applied by the Trustee for the purpose of providing retirement income as defined in the Act. You are required, upon ninety (90) days written notice to the Trustee, to specify the date for the commencement of a retirement income, which date shall not be later than the latest maturity date permitted by the Act (such specified date being hereinafter referred to as "Maturity"). Such notice shall indicate the name of the company from which such retirement income shall be purchased and shall instruct the Trustee to liquidate the assets in the Plan and apply the proceeds for the provision of a retirement income for you in accordance with the terms hereinafter set out, or shall instruct the Trustee to amend the Plan in order to permit the transfer of the value of the Fund to a registered retirement income fund of which you are the annuitant. Any retirement income purchased by the Trustee shall, at your option, be:
  - i) an annuity payable to you for your life (or if you so designate, to you for the lives jointly of you and your spouse and to the survivor of you and your spouse for the survivor's life) commencing at Maturity and with or without a guaranteed term not exceeding the period of time calculated in accordance with the formula set out in (a)(ii) of this Paragraph 9; or
  - ii) an annuity commencing at Maturity payable to you, or to you for your life and to your spouse after your death, for a term of years equal to ninety (90) minus either your age in whole years at Maturity, or, where your spouse is younger than you, and you so elect, the age in whole years of your spouse at Maturity.
- b) Any annuity acquired:
  - i) shall be provided by a company qualified under the Applicable Laws to provide a retirement income;

- ii) may be integrated with any Old Age Security pension;
- iii) may be increased in whole or in part to reflect increases in the Consumer Price Index or at such other rate not exceeding 4% per annum as may be specified under the terms of such annuity;
- iv) shall not provide for the aggregate of the periodic payments in a year after your death to exceed the aggregate of the payments in a year before your death;
- v) shall be payable by equal annual or more frequent periodic payments until such time as there is a payment in full or partial commutation of the retirement income, and where such commutation is partial, equal annual or more frequent periodic payments thereafter;
- vi) shall by its terms not be capable, either in whole or in part, of assignment; and
- vii) shall provide for commutation if such annuity would otherwise become payable to a person other than you or, on or after your death, your spouse.

- (c) In the event that you do not provide written notice to the Trustee at least ninety (90) days prior to the latest maturity date permitted by the Act to purchase a retirement income for you, you are deemed to have instructed the Trustee as follows:
  - i) if the assets of the Plan are not sufficient to produce retirement income of greater than \$50 per month, to liquidate the assets of the Plan and pay the proceeds to you in a single lump sum payment; and
  - ii) if the assets of the Plan are sufficient to produce retirement income of greater than \$50 per month, to transfer all the assets to the Fund to a registered retirement income fund selected by the Trustee at its sole discretion and to execute all such documents as may be reasonably required for such transfer; however, if the issuer of the registered retirement income fund does not accept the transfer, to liquidate all the assets of the Plan and to pay the proceeds to you in a single lump sum payment.

Taxes will be withheld from any payments from the Plan as required by Applicable Laws.

**10. Splitting of Assets on Breakdown of Marriage or Common-Law Partnership**

The Trustee will, upon receipt of written direction by you, allow and arrange for the splitting of assets of the Fund on breakdown of marriage or common-law partnership and transfer on your behalf any property held thereunder to a Registered Retirement Savings Plan or a Registered Retirement Income Fund under which your spouse or former spouse is the annuitant if, at the time of any such transfer, you and your spouse or former spouse are living separate and apart and the payment or transfer is being effected pursuant to a decree, order or judgement of a competent tribunal, or in accordance with a written separation agreement, relating to a division of property between you and your spouse or

former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership, in accordance with paragraph 146(16)(b) of the Act or in any amended or substituted provision therefor.

#### **11. Refund of Excess Amounts**

The Trustee shall, upon written application by you or your spouse, in form satisfactory to the Trustee, pay an amount to the taxpayer in order to reduce the amount of tax otherwise payable under Part X.1 of the Act. The Trustee will not have any responsibility whatsoever for determining the amount as stated in the preceding sentence in respect of any registered retirement savings plan.

#### **12. Transfers**

Upon receipt at least ninety (90) days prior to Maturity by the Trustee of a written direction from you in a form satisfactory to the Trustee, the Trustee shall forthwith transfer in such form and manner as is prescribed under the Applicable Laws, all of the assets of the Fund or such part thereof as is specified in your written direction together with all relevant information with respect to the Plan:

- a) to the person who has agreed to be the issuer of another registered retirement savings plan or the carrier of a registered retirement income fund under which you are the annuitant, or your spouse or former spouse is the annuitant if, at the time of such transfer, you and your spouse or former spouse are living separate and apart and the transfer is being effected pursuant to a decree, order or judgment of a competent tribunal, or in accordance with a written separation agreement relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership; or
- b) as a contribution to or under a registered pension fund or plan.

Transfers under the Paragraph 12 shall take effect in accordance with the Applicable Laws and within a reasonable time after all forms required by law and by the Trustee to be completed in respect of such transfer have been completed and provided to the Trustee. Upon such transfer, the Trustee shall be subject to no further liability or duty with respect to the Plan, or the portion thereof, so transferred, as the case may be.

#### **13. Withdrawals**

You may, by written application in a form satisfactory to the Trustee, at any time before the commencement of a retirement income, request that the Trustee pay to you all or part of the assets held under the Plan, and the Trustee may liquidate any investments held under the Plan, to the extent deemed necessary for that purpose. Such payment shall be made by the Trustee subject to the deduction of all proper charges, including income tax, if any, required to be withheld.

#### **14. Payment on Death**

In the event of your death prior to Maturity, the Trustee shall, upon receipt of satisfactory evidence of your death and all other documents that the Trustee may reasonably require, redeem the investments then held by the Trustee for your account and, subject to the deduction of all proper charges including income tax, if any, required to be withheld, the proceeds of such realization shall be held by the Trustee for payment to or for the benefit of the beneficiary, if any, designated pursuant to Paragraph 15, or to your legal personal representatives, upon such beneficiary or representatives furnishing the Trustee with such releases and other documents as may be required or as counsel may advise.

#### **15. Designation of Beneficiary**

If you are domiciled in a jurisdiction designated by the Trustee as one in which a participant in a retirement savings plan may validly designate a beneficiary other than by will, you may by instrument in writing in the form prescribed by the Trustee and delivered in accordance with the terms of this Plan to the Trustee prior to your death, designate any person as beneficiary to be entitled to receive the proceeds payable under the Plan in the event of your death prior to the provision of a retirement income hereunder.

Subject to the Applicable Laws, such person shall be deemed to be your designated beneficiary for the purposes hereof unless such person shall predecease you or unless you by instrument in writing in the form prescribed by the Trustee and delivered to the Trustee prior to your death revoke such designation.

A designation shall only be made, altered or revoked by an instrument in a form provided by the Trustee for such purpose, dated and signed by you and filed with the Trustee prior to your death or, if a provincial law does not allow such a designation, by your Will.

If no beneficiary has been designated, or if all designated beneficiaries predecease you or if Applicable Laws require it, the proceeds will be paid to your legal personal representatives.

If more than one designation has been filed in the form provided by the Trustee and if such designations are inconsistent, then to the extent of such inconsistency, payment shall be made only in accordance with the designation bearing the latest execution date and such designation shall be determinative of any inconsistency. The Trustee shall be fully discharged from any further obligations and liability in connection with the Plan upon payment being made in accordance with this Declaration of Trust.

#### **16. No Advantages**

No advantage (as defined in section 207.01 of the Act) in relation to the Plan may be extended to, or be received or receivable by you, the Plan, or any person with whom you do not deal at arm's length.

## 17. Trustee Fees and Disbursements

- a) The Trustee shall be entitled to compensation for its services, and reimbursement of disbursements hereunder, in accordance with the fee schedule provided to you, as amended from time to time. Notice of amendments to such schedule shall be given to you and shall take effect no earlier than thirty (30) days from the date of such notice which may be effected in accordance with the method set out in Paragraph 21 hereof.
- b) All fees, taxes and reimbursements of disbursements provided for hereunder (other than those taxes, interest and penalties for which the Trustee is liable in accordance with the Act and that cannot be charged against or deducted from the assets of the Plan in accordance with the Act) shall be charged against and deducted from the assets of the Plan, at such time or times during each year as the Trustee may, in its absolute discretion determine, and where necessary, the Trustee, in its sole discretion, may liquidate investments of the Plan to provide for payment of such fees, taxes and reimbursements. The Trustee shall not be responsible for any loss which results from such liquidation.

## 18. Income Tax Information

The Trustee will forward, or cause to be forwarded, to you or your spouse appropriate receipts for income tax purposes for all contributions made to the Plan and such other information regarding the Plan as may be required under the Applicable Laws. Such receipts or other information shall be forwarded to the address set out in the application for the Plan, or at any subsequent address of which you shall have notified the Trustee.

## 19. Tax Information for Citizens and Residents of Countries Other than Canada

If you are also a citizen or resident of a country other than Canada, we strongly advise you to contact your professional tax advisor before investing in a Canadian registered plan, and on a regular basis thereafter. It is important that you are aware of the foreign tax consequences and reporting and filing requirements, if any, associated with being an owner or part-owner of a Canadian registered plan.

## 20. Amendments to Plan

The Trustee may, from time to time at its sole discretion, amend this Declaration of Trust with the concurrence of the authorities administering the Applicable Laws:

- a) without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Laws; and
- b) in all other cases, by giving thirty (30) days notice in writing to you, provided that in all cases no such amendment will have the effect of disqualifying the Plan as a registered retirement savings plan within the meaning of the Applicable Laws.

## 21. Notices

Any notice or other document required to be given by the Trustee shall be given in writing in person or, except where expressly prohibited by law, using any of the following methods:

- Mail, fax or email by using the most recent mailing address, fax number or email address the Trustee has on records for you;
- Posting notice to you through Online Banking; or
- Using any other means we reasonably believe will bring the notice to your attention.

Any notice provided by the Trustee to you is deemed to have been received by you on the earliest of (a) the time the notice is actually received by you, (b) the time and day our server says it was sent; (c) the time the notice is posted on Online Banking; (d) the time the notice is deemed to have been received by you in law; or (e) five days after sending the notice to you.

If you are required to give notice to the Trustee, you must give notice in writing at a HSBC Bank branch to the Trustee c/o HSBC Investment Funds (Canada) Inc. The notice will be deemed to have been received by the Trustee on the date it is actually received by HSBC Investment Funds (Canada) Inc.

## 22. Standard of Care and Trustee's Liability

In exercising its powers and performing its responsibilities hereunder, the Trustee shall act honestly and in good faith. The Trustee shall not be liable for any loss to, or diminution of the assets of the Plan, resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to herein.

## 23. Agent's Liability

The Trustee's Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for the following:

- a) Any loss or diminution suffered by the Plan or by you or any beneficiary under the Plan as a result of the acquisition, disposition or retention of any investments; or
- b) Any loss to or diminution of the assets of the Plan except for any loss or diminution caused by the Agent's wilful misconduct or lack of good faith.

The Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for any loss or damages whether direct or indirect resulting from the delay or failure of any of them in forwarding to you any information received by them concerning investments.

## 24. Indemnity

You, any beneficiary receiving proceeds payable under Paragraph 14, and your heirs, executors and legal representatives shall indemnify at all times the Trustee, each Agent, their respective subsidiaries and affiliates and each of their respective officers, directors, employees and agents



against and hold them harmless from all taxes, interest, penalties, assessments, expense, loss, liability, claims, and demands whatsoever in respect of the Plan (other than those taxes, interest and penalties for which the Trustee is liable in accordance with the Act and that cannot be charged against or deducted from the assets of the Plan in accordance with the Act), including but not limited to those arising from the acquisition, holding or disposition of investments by the Plan or anything done hereunder, except if due to the Trustee's breach of the standard of care referred to in paragraph 22 hereof, willful misconduct or lack of good faith.

## 25. Proof of Age

The statement of your date of birth on the application for the Plan shall constitute a certification by you and an undertaking to furnish such further evidence of proof of age as may be required for the provision of a retirement income.

## 26. No Pledge or Assignment

No property held under the Plan can be pledged, assigned, or in any way alienated as security for a loan or for any other purpose other than that of providing for you a retirement income in accordance with the terms of the Plan.

## 27. Trustee as Subsidiary

You acknowledge that the Trustee is a wholly-owned subsidiary of HSBC Bank Canada and that it may periodically have dealings with HSBC Bank Canada, its affiliates or other subsidiaries (the "Bank") in the performance of its duties. You authorize and direct the Trustee, in the exercise of its powers under this agreement to have such dealings (and enter into transactions) with the Bank, to purchase securities or deposit instruments of or guaranteed by the Bank, to deposit cash with the Bank, or to purchase services from the Bank, provided such dealings and transactions are made on terms no less favourable than market terms and conditions and competitive and fair rates.

## 28. Replacement of Trustee

The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon sixty (60) days' notice in writing to you, or such shorter notice as you shall accept as sufficient, provided that a successor trustee has been appointed in writing by HSBC Investment Funds (Canada) Inc. and the successor trustee has accepted such appointment. In the event of a change of trustee, the Trustee shall transfer the Fund in such form and manner as may be prescribed by the Act together with such information as is necessary to continue the administration thereof to the successor trustee within ninety (90) days after the latter of the appointment of the successor trustee and giving notice in writing to you of such resignation.

If a successor trustee cannot be found, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. In such event, HSBC Investment Funds (Canada) Inc. shall bear the costs incurred by the Trustee in appointing a successor trustee.

## 29. Applicable Laws

This Declaration of Trust shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein except that the term "spouse" means any person who is recognized as a spouse or common-law partner for the purposes of the provisions of the Act respecting retirement savings plans.

## 30. Québec Only

It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

## 31. Locked-In Account

You may transfer assets and/or cash to the Plan from other registered plans as permitted by Applicable Laws. In addition to the terms and conditions of the Plan, you agree to be bound by, and the Plan will be subject to, any additional terms and conditions required to complete the transfer.

If an addendum concerning a Locked-in Retirement Account or Locked-In Retirement Savings Plan is attached to this agreement, the following provisions shall apply:

- a) In case of conflict between the addendum and this agreement, the provisions of the addendum shall prevail in respect of the Locked-In Retirement Account or the Locked-In Retirement Savings Plan;
- b) Locked-In Funds shall be accounted for separately from non Locked-In Funds; and
- c) The terms of the addendum may be amended from time to time without notice to you in order to ensure that the Locked-In account continues to comply with all legislation including without limitation applicable pension benefits legislation governing locked-in funds.

## 32. Binding Agreement

The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Trustee.

## HSBC World Selection Portfolio RIF Declaration of Trust

HSBC Trust Company (Canada), a trust company incorporated under the laws of Canada (hereinafter referred to as the "Trustee") hereby declares that it will act as Trustee for the applicant (hereinafter referred to as "you" the annuitant as defined in the Income Tax Act) named in the "Applicant/Annuitant Information" section of the HSBC Pooled Funds Retirement Savings Plan/ Retirement Income Fund Application upon the following terms and conditions:

### 1. Registration

The Trustee will apply for registration of the HSBC Pooled Funds Retirement Income Fund (the "Plan") pursuant to the provisions of the Income Tax Act (Canada) as amended from



time to time (hereinafter referred to as the "Act"), and any applicable legislation in the province or territory of residence designated by you in the application as amended from time to time (the Act, relevant pension legislation and any other such other laws of Canada and of the provinces and territories applicable hereto being hereinafter collectively referred to as "Applicable Laws"). The Trustee will give all notices as to commencement and termination of the Plan required under applicable legislation.

## 2. Delegation

Without limiting the responsibilities of the Trustee under the Plan, you expressly authorize the Trustee to delegate to such duly authorized agent or agents as it may appoint (hereinafter referred to as the "Agent") the performance of such duties and responsibilities of the Trustee under the Plan as may be agreed upon from time to time between the Trustee and the Agent and which the Trustee may by law delegate to the Agent. Notwithstanding the foregoing, the Trustee acknowledges and confirms that the ultimate responsibility for the administration of the Plan remains with the Trustee.

You also authorize the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by you to the Trustee under the Plan and may reimburse the Agent for its out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge you therefor.

## 3. Your Account

The Trustee will maintain an account in your name which will record all the transfers-in, all investment transactions, investment income earned and expenses incurred and all payments of Retirement Income from the Fund (as defined herein).

The Trustee will send you annual or more frequent statements setting forth the particulars of each transaction since the last statement. Upon the expiration of ninety (90) days from the date of the mailing of the statement to you, the Trustee shall be released and discharged from all liability and accountability to you or anyone else with respect to the Trustee's acts and transactions during the period of time covered by the statement.

## 4. Contributions

The Trustee shall accept only such transfer of cash or investments permitted by the Agent in a form acceptable to it, which are qualified investments for registered retirement income funds within the meaning of the Act, as may be directed by you to be transferred to the Trustee, provided the contributions may only be transferred under the terms listed in paragraph 146.3(2)(f) of the Act or such other legislation as may succeed, amend or supplement that paragraph, which may include transfers from the following:

- a) A registered retirement savings plan under which you are the annuitant; or
- b) Another registered retirement income fund under which you are the annuitant; or

- c) You to the extent only that the amount of the consideration was an amount described in Subparagraph 60(1)(v) of the Act or in any amended or substituted provision thereof; or
- d) A registered retirement income fund or registered retirement savings plan of your spouse (as defined herein) or former spouse pursuant to a decree, order, or judgement of a competent tribunal or a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of, or on the breakdown of, your marriage or common-law partnership; or
- e) A registered pension plan of which you are a member; or
- f) A registered pension plan in accordance with subsection 147.3(5) or (7) of the Act or any amended or substituted provision thereof; or
- g) A specified pension plan in circumstances to which subsection 146(21) of the Act or any amended or substituted provision thereof applies; or
- h) A deferred profit sharing plan in accordance with subsection 147(19) of the Act; or
- i) A pooled registered pension plan in accordance with subsection 147.5(21) of the Act.

The contributions, together with any income therefrom, shall constitute a trust fund (hereinafter referred to as the "Fund") to be used, invested and held subject to the terms of this Declaration of Trust.

## 5. Investment

The Trustee shall invest the contribution to the Fund in any investments permitted by the Agent, as directed from time to time by you.

Income earned on any investment held by the Trustee for the Plan shall be automatically reinvested at the net asset value thereof as at the close of business on the next valuation date following such receipt in units of the fund from which the distribution was made and the investment so purchased shall be held by the Trustee for the Plan.

## 6. Qualified Investment

The Trustee and the Agent will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non-qualified investment, however you are also responsible for ensuring that the investments held in your Plan are at all times qualified investments for your Plan under the Act.

## 7. Prohibited Investment

You are responsible for ensuring that the investments held in your Plan do not at any time include a prohibited investment for your Plan under the Act. It is your sole responsibility to determine whether any investment is, or could become, a prohibited investment for your Plan under the Act and to determine whether such investment could result in the imposition of any taxes, interest or penalties.

## **8. Taxes and Penalties on Non-Qualified Investments and Prohibited Investments**

Neither the Trustee nor any Agent shall be liable for or in respect of any taxes, interest or penalties or for any other governmental charges imposed on you or the Plan (other than those taxes, interest and penalties for which the Trustee is liable in accordance with the Act and that cannot be charged against or deducted from the assets of the Plan in accordance with the Act), whether in respect of transfers to the Plan, payments out of the Plan, investments purchased, held or disposed of by the Plan, income or capital gains earned or realized by the Plan or otherwise. You and your heirs, executors and administrators shall indemnify and hold harmless at all times the Trustee and all Agents in respect of any such taxes, interest, penalties or other governmental charges (other than those taxes, interest and penalties for which the Trustee is liable in accordance with the Act and that cannot be charged against or deducted from the assets of the Plan in accordance with the Act). The Trustee is authorized to liquidate investments of the Plan, selected in its absolute discretion, to pay any such amount as becomes payable by the Plan or is required to be withheld from payments out of the Plan. Neither the Trustee nor the Agent shall be liable for any loss to or diminution of the assets of the Plan resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to in Paragraph 18 hereof.

## **9. Retirement Income**

Subject to clause 12, the whole of the Fund shall be invested, used and applied by the Trustee only for the provision of payments to you or, if applicable, to your spouse as the successor annuitant after your death as follows:

- a) In each year commencing not later than the first calendar year after the year the Plan is established, the Trustee shall make one or more payments, the aggregate of which is not less than the minimum amount established in accordance with Subsection 146.3(1) of the Act or in any amended or substituted provision therefor and not exceeding the value of the Fund immediately before any payment. The minimum amount for the year in which the Plan commences is nil.
- b) The amount and frequency of the payment or payments referred to in Paragraph 9(a) above in respect of any year shall be as specified in writing by you on the face hereof or on such form as may be provided for this purpose. You may change the amount and frequency of the said payment or payments or request additional payments in writing on such form as may be provided for this purpose. If you do not specify the payment or payments to be made in a year or if the payment or payments are less than the minimum amount for the year, the Trustee shall make such additional payment or payments as it deems necessary so that the minimum amount for that year is paid to you.
- c) No payment required to be made in accordance with the provisions hereof may be assigned in whole or in part.

- d) On thirty (30) days written notice from you, the Trustee shall in the prescribed form and manner, transfer all or part of the Fund together with all information necessary for the continuance of the Fund to another carrier of a registered retirement income fund of which you are the annuitant provided that the Trustee retains property required to be retained in accordance with paragraph 146.3(2)(e) and paragraph 146.3(2)(e.1) or 146.3(2)(e.2), as applicable, of the Act.
- e) On thirty (30) days written notice from your, the Trustee shall in the prescribed form and manner, transfer all or part of the Fund in accordance with subsection 146.3(14.1) of the Act to a money purchase registered pension plan or which, at any time before the transfer, you were a member, provided that the Trustee retains property required to be required retained in accordance with paragraph 146.3(2)(e.1) or 146.3(2)(e.2), as applicable, of the Act.

After effecting the transfer on such basis, the Trustee shall be discharged from all further duties and liabilities hereunder immediately following payment of all amounts required hereunder.

## **10. Splitting of Assets on Breakdown of Marriage or Common-Law Partnership**

The Trustee will, upon receipt of written direction by you, allow and arrange for the splitting of assets of the Fund on breakdown of marriage or common-law partnership and transfer on your behalf any property held thereunder to a Registered Retirement Savings Plan or a Registered Retirement Income Fund under which your spouse or former spouse is the annuitant if, at the time of any such transfer, you and your spouse or former spouse are living separate and apart and the payment or transfer is being effected pursuant to a decree, order or judgement of a competent tribunal, or in accordance with a written separation agreement, relating to a division of property between you and your spouse or former spouse in settlement of rights arising out of or on the breakdown of the marriage or common-law partnership, in accordance with paragraph 146.3(14) of the Act or in any amended or substituted provision therefor.

## **11. Payment on Death**

In the event of your death prior to the Trustee paying all amounts required as provided in Paragraph 9 and upon receipt of satisfactory evidence of your death and all other documents that the Trustee may reasonably request, the Trustee shall:

- a) if your spouse has been designated as the successor annuitant in accordance with this Declaration of Trust and any Applicable Laws, or under your Will, continue the payments of a retirement income to your spouse in accordance with the provisions of paragraph 9; or
- b) if your spouse has not been so designated as the successor annuitant and if there is no designation of beneficiary in accordance with the terms of this Declaration of Trust and any Applicable Laws, or under your will, and with

the consent of your personal representative, continue the payments of a retirement income to your spouse in accordance with the provisions of paragraph 9; or

- c) if your spouse has not been designated as the successor annuitant and if permitted by Applicable Laws, redeem the investments held in your Plan and distribute in a lump sum the value of the Plan, after deduction of all proper charges including any applicable income tax to the beneficiary designated by you in accordance with this Declaration of Trust, or, if a provincial law does not allow a designation under this Declaration of Trust, to the beneficiary designated by you under your Will; or
- d) if your spouse has not been designated as the successor annuitant and if no beneficiary has been designated in accordance with this Declaration of Trust, or if all the beneficiaries so designated have predeceased you, or the value of the Plan cannot be distributed to your designated beneficiary because it is not permitted by Applicable Laws, redeem the investments held in your Plan, and distribute in a lump sum the value of the Plan, after deduction of all proper charges, including any applicable income tax, to the personal representative of your estate.

## 12. Designation of Successor Annuitant or Beneficiary

If you are domiciled in a jurisdiction designated by the Trustee as one in which a participant in a retirement income fund may validly designate a beneficiary or a successor annuitant other than by will, you may by instrument in writing in the form prescribed by the Trustee and delivered in accordance with the terms of this Plan to the Trustee prior to your death, designate your spouse as successor annuitant or any person as beneficiary to be entitled to receive your share of the Plan in the event of your death.

Subject to the Applicable Laws, such person shall be deemed to be your successor annuitant or designated beneficiary, as the case may be, for the purposes hereof unless such person shall predecease you or unless you by instrument in writing in the form prescribed by the Trustee and delivered to the Trustee prior to your death, revoke such designation.

A designation shall only be made, altered or revoked by an instrument in a form provided by the Trustee for such purpose, dated and signed by you and filed with the Trustee prior to your death or, if a provincial law does not allow such a designation, by your Will.

If no beneficiary has been designated, or if all designated beneficiaries predecease you or if Applicable Laws require it, the proceeds will be paid to your legal personal representatives.

If more than one designation has been filed in the form provided by the Trustee and if such designations are inconsistent, then to the extent of such inconsistency, payment shall be made only in accordance with the designation bearing the latest execution date and such designation shall be determinative of any inconsistency. The Trustee shall be fully discharged from any further obligations and liability in connection with the Plan upon payment being made in accordance with this Declaration of Trust.

## 13. No Advantages

No advantage (as defined in section 207.01 of the Act) in relation to the Plan may be extended to, or be received or receivable by you, the Plan, or any person with whom you do not deal at arm's length.

## 14. Trustee Fees and Disbursements

- a) The Trustee shall be entitled to compensation for its services, and reimbursement of disbursements hereunder, in accordance with the fee schedule provided to you, as amended from time to time. Notice of amendments to such schedule shall be given to you and shall take effect no earlier than thirty (30) days from the date of such notice which may be effected in accordance with the method set out in Paragraph 17 hereof.
- b) All fees, taxes and reimbursements of disbursements provided for hereunder shall be charged against and deducted from the assets of the Fund (other than those taxes, interest and penalties for which the Trustee is liable in accordance with the Act and that cannot be charged against or deducted from the assets of the Plan in accordance with the Act), at such time or times during each year as the Trustee may, in its absolute discretion determine, and where necessary, the Trustee, in its sole discretion, may liquidate investments of the Plan to provide for payment of such fees, taxes and reimbursements. The Trustee shall not be responsible for any loss which results from such liquidation.

## 15. Tax Information for Citizens and Residents of Countries Other than Canada

If you are also a citizen or resident of a country other than Canada, we strongly advise you to contact your professional tax advisor before investing in a Canadian registered plan, and on a regular basis thereafter. It is important that you are aware of the foreign tax consequences and reporting and filing requirements, if any, associated with being an owner or part-owner of a Canadian registered plan.

## 16. Amendments to Plan

The Trustee may, from time to time at its sole discretion, amend this Declaration of Trust with the concurrence of the authorities administering the Applicable Laws:

- a) without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Laws; and
- b) in all other cases, by giving thirty (30) days notice in writing to you, provided that in all cases no such amendment will have the effect of disqualifying the Plan as a registered retirement income fund within the meaning of the Applicable Laws.

## 17. Notices

Any notice or other document required to be given by the Trustee shall be given in writing in person or, except where expressly prohibited by law, using any of the following methods:

- Mail, fax or email by using the most recent mailing address, fax number or email address the Trustee has on records for you;
- Posting notice to you through Online Banking; or
- Using any other means we reasonably believe will bring the notice to your attention.

Any notice provided by the Trustee to you is deemed to have been received by you on the earliest of (a) the time the notice is actually received by you, (b) the time and day our server says it was sent; (c) the time the notice is posted on Online Banking; (d) the time the notice is deemed to have been received by you in law; or (e) five days after sending the notice to you.

If you are required to give notice to the Trustee, you must give notice in writing at a HSBC Bank branch to the Trustee c/o HSBC Investment Funds (Canada) Inc. The notice will be deemed to have been received by the Trustee on the date it is actually received by HSBC Investment Funds (Canada) Inc.

### **18. Standard of Care and Trustee's Liability**

In exercising its powers and performing its responsibilities hereunder, the Trustee shall act honestly and in good faith. The Trustee shall not be liable for any loss to, or diminution of the assets of the Plan, resulting from any act or omission in connection with the affairs of the Plan, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to herein.

### **19. Agent's Liability**

Neither the Trustee's Agent nor their nominees, agents or correspondents shall be liable for the following:

- Any loss or diminution suffered by the Plan or by you or any successor annuitant or beneficiary under the Plan as a result of the acquisition, disposition or retention of any investment; or
- Any loss to or diminution of the assets of the Plan except for any loss or diminution caused by the Agent's wilful misconduct or lack of good faith.

The Agent, their nominees, agents or correspondents shall not be liable for any loss or damages whether direct or indirect resulting from the delay or failure of the Agent, their nominees, agents or correspondents in forwarding to you any information received by them concerning investments.

### **20. Indemnity**

You, any successor annuitant, any beneficiary receiving proceeds payable under Paragraph 11, and your heirs, executors and legal representatives shall indemnify at all times the Trustee, each Agent, their respective subsidiaries and affiliates and each of their respective officers, directors, employees and agents against and hold them harmless from all taxes, interest, penalties, assessments, expense, loss, liability, claims, and demands whatsoever in respect of the Plan (other than those taxes, interest and penalties for which the Trustee is liable in accordance with the Act and that cannot be charged against or deducted from the

assets of the Plan in accordance with the Act), including but not limited to those arising from the acquisition, holding or disposition of investments by the Plan or anything done hereunder, except if due to the Trustee's breach of the standard of care referred to in paragraph 18 hereof, willful misconduct or lack of good faith.

### **21. Proof of Age**

The statement of your date of birth on the application for the Plan shall constitute a certification by you and an undertaking to furnish such further evidence of proof of age as may be required for the provision of a retirement income.

### **22. No Pledge or Assignment**

No property held under the Plan can be pledged, assigned, or in any way alienated as security for a loan or for any other purpose other than that of providing for you a retirement income in accordance with the terms of the Plan.

### **23. Trustee as Subsidiary**

You acknowledge that the Trustee is a wholly-owned subsidiary of HSBC Bank Canada and that it may periodically have dealings with HSBC Bank Canada, its affiliates or other subsidiaries (the "Bank") in the performance of its duties. You authorize and direct the Trustee, in the exercise of its powers under this agreement to have such dealings (and enter into transactions) with the Bank, to purchase securities or deposit instruments of or guaranteed by the Bank, to deposit cash with the Bank, or to purchase services from the Bank, provided such dealings and transactions are made on terms no less favourable than market terms and conditions and competitive and fair rates.

### **24. Replacement of Trustee**

The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon sixty (60) days' notice in writing to you, or such shorter notice as you shall accept as sufficient, provided that a successor trustee has been appointed in writing by HSBC Investment Funds (Canada) Inc. and the successor trustee has accepted such appointment. In the event of a change of trustee, the Trustee shall transfer the Fund in such form and manner as may be prescribed by the Act together with such information as is necessary to continue the administration thereof to the successor trustee within ninety (90) days after the latter of the appointment of the successor trustee or giving notice in writing to you of such resignation.

If a successor trustee cannot be found, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. In such event, HSBC Investment Funds (Canada) Inc. shall bear the costs incurred by the Trustee in appointing a successor trustee.

### **25. Applicable Laws**

This Declaration of Trust shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein except



that the term “spouse” does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Act respecting retirement income funds.

## 26. Québec Only

It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s’y rattachant soient rédigés et signés en anglais.*

## 27. Locked-In Account

You may transfer assets and/or cash to the Plan from other registered plans as permitted by Applicable Laws. In addition to the terms and conditions of the Plan, you agree to be bound by, and the Plan will be subject to, any additional terms and conditions required to complete the transfer.

If an addendum concerning a Life Income Fund or Locked-In Retirement Income Fund is attached to this agreement, the following provisions shall apply:

- a) In case of conflict between the addendum and this agreement, the provisions of the addendum shall prevail in respect of the Life Income Fund or Locked-In Life Income Fund;
- b) Locked-In Funds shall be accounted for separately from non Locked-In Funds; and
- c) The terms of the addendum may be amended from time to time without notice to you in order to ensure that the Locked-In account continues to comply with all legislation including, without limitation, applicable pension benefits legislation governing locked-in funds.

## 28. Binding Agreement

The terms and conditions of this Declaration of Trust shall be binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Trustee.

## HSBC Investment Funds TFSA Declaration of Trust

**(This Declaration of Trust is for Tax-Free Savings Accounts only.)**

HSBC Trust Company (Canada), a trust company incorporated under the laws of Canada will act as trustee for you, the holder named in the application under the HSBC Investment Funds Tax-Free Savings Account in accordance with the Applicable Laws and the following terms and conditions:

**Definitions:** The following terms mean:

### **We, us, our, the Trustee**

HSBC Trust Company (Canada) and its successors and assigns, and where applicable, the Agent who acts on behalf of the Trustee for certain administrative tasks in respect of the Account

### **You, your, holder**

The holder, as defined in the Act, is the Applicant named in the Account application until his or her death and after that,

any validly named successor holder of the Account, if any (as described in Paragraph 14)

### **Account**

HSBC Investment Funds TFSA established for the holder

### **Agent**

HSBC Investment Funds (Canada) Inc. or any other agent or agents appointed by the Trustee

### **Applicable Laws**

The Income Tax Act (Canada) (Act) and, if applicable, any similar legislation of the province where you live

### **Contributions**

Contributions of cash or investments to the Account

### **Declaration of Trust**

HSBC Investment Funds Tax-Free Savings Account Declaration of Trust

### **Expenses**

All costs, charges, fees, commissions, legal expenses and out-of-pocket expenses (together with any goods and services tax or other Taxes applicable to such expenses) incurred from time to time in relation to the Account

### **Property**

Any property, including the income on it, the proceeds from it and any cash held in the Account from time to time

### **Taxes**

All applicable taxes, assessments, interest and penalties

### **TFSA**

Tax-free savings account, which is a “qualifying arrangement” (as that term is defined in the Act) the issuer of which has elected, in the form and manner prescribed by the Act, to register as a TFSA

1. **Registration:** If the holder has attained the minimum age specified in the Act for opening a TFSA, the Trustee will file an election to register the qualifying arrangement as a TFSA in accordance with the Act under the social insurance number and using the name and date of birth, provided by the holder for this purpose. Prior to opening or registration of the Account, and subsequently if requested by the Trustee or Agent, the holder agrees to:
  - a) attend at a branch of the Trustee, or before the Agent, to present original documentation acceptable to the Trustee to verify the holder’s identity;
  - b) disclose to the satisfaction of the Trustee, particulars of the intended use of the Account and business relationship with the Trustee; and
  - c) provide such further documents or take such further actions as may be required by the Trustee to verify the identity of the holder, or otherwise comply with the Trustee’s legal obligations and risk management policies and practices.



If the holder refuses to comply with these obligations the Trustee may refuse to open, register, or accept further Contributions into the Account, or exercise its rights to close the Account.

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

- 2. Delegation:** Without limiting the responsibilities of the Trustee under the Account, you expressly authorize the Trustee to delegate to the Agent the performance of such duties and responsibilities of the Trustee under the Account as may be agreed upon from time to time between the Trustee and the Agent and which the Trustee may by law delegate to the Agent. The Trustee acknowledges that the ultimate responsibility for the administration of the Account remains with the Trustee.

You also authorize the Trustee to, and the Trustee may, pay the Agent all or a portion of the fees paid by you to the Trustee under the Account and may reimburse the Agent for its out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge you for any such out-of-pocket expenses.

- 3. Your Account:** The Trustee will maintain the Account in your name which will record all Contributions made to the Account, all investment transactions, investment income earned and expenses incurred and all payments from the Account.

At least once each year, the Trustee will send you an Account statement showing these transactions. Upon the expiration of ninety (90) days from the date of the mailing of the statement to you, the Trustee shall be released and discharged from all liability and accountability to you or anyone else with respect to the Trustee's acts and transactions during the period of time covered by the statement.

- 4. Use of Account:** The Account will be maintained for the exclusive benefit of the holder disregarding any right of a person to receive a payment out of or under the Account only on or after the death of the holder. While there continues to be a holder of the Account, only the holder and the Trustee have any rights under the Account relating to the amount and timing of withdrawals and the investing of funds.
- 5. Contributions:** No person other than the holder may make Contributions to the Account. The Trustee will accept only such Contributions, in a form acceptable to it, of cash or investments permitted by the Agent, which are qualified investments for TFSAs within the meaning of the Act, as may be directed by you to be contributed to the Account. The Contributions, together with any income earned on the Contributions, will constitute a trust fund to be used, invested and held subject to the terms of this Declaration of Trust and

Applicable Laws. Contributions will be invested, used and applied by the Trustee for the purpose of making distributions under the Account to the holder in accordance with the Act.

You are solely responsible for ensuring that Contributions to your Account do not exceed the maximum contribution limits permitted for tax-free savings accounts by the Act and that you do not make Contributions to your Account while you are a non-resident of Canada for purposes of the Act. Any Taxes levied under the Applicable Laws on excess Contributions or Contributions made while the holder is a non-resident will be the holder's responsibility. The Trustee and the Agent will not be liable for any Taxes which may be imposed under the Applicable Laws) if such Contributions are made.

- 6. Minimum Value of Account:** If the total value of the Contributions at any time is less than \$500, the Trustee may, in its sole discretion close the Account and pay the Account proceeds to the holder.
- 7. Investment:** The Trustee will invest Contributions to the Account in any investments permitted by the Agent, as directed from time to time by you. Income earned on any investment held by the Trustee for the Account will be automatically reinvested at the net asset value as at the close of business on the next valuation date following such receipt in units of the fund from which the distribution was made and the investment purchased will be held by the Trustee for the Account.
- 8. Qualified Investment:** The Trustee and the Agent will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Account holds a non-qualified investment, however you are also responsible for ensuring that the investments held in your Account are at all times qualified investments for your Account under the Act. The Trustee will notify you in accordance with the Act if an investment that is a non-qualified investment for your Account under the Act has been acquired or sold, or where an existing investment has become or ceased to be a non-qualified investment.
- 9. Prohibited Investment:** You are responsible for ensuring that the investments held in your Account do not at any time include a prohibited investment for your Account under the Act. It is your sole responsibility to determine whether any investment is a prohibited investment for your Account under the Act and to determine whether such investment could result in the imposition of any Taxes.
- 10. Taxes and Penalties on Non-Qualified and Prohibited Investments:** Neither the Trustee nor the Agent will be liable for or in respect of any Taxes which may be imposed on you, the Account, the Trustee or the Agent under Applicable Laws, including the Act, whether by way of assessment, reassessment or otherwise or for any other charges levied or imposed by any governmental authority, due to payments out of the Account or the purchase, sale or retention of any investment, including an investment that is a non-qualified investment or a prohibited investment for your Account

under the Act (other than those taxes, interest or penalties for which the Trustee is liable in accordance with the Act and which cannot be charged against the assets of the Account in accordance with the Act). The Trustee is authorized to reimburse itself and the Agent for, or may pay, any such taxes, interest, penalties or other charges out of whichever assets of the Account it may choose in its absolute discretion and where necessary the Trustee, in its absolute discretion, may liquidate investments of the Account to provide payment of Taxes and Expenses. You and your heirs, executors and administrators shall indemnify and hold harmless at all times both the Trustee and the Agent in respect of any such Taxes and Expenses imposed on either the Trustee or the Agent. Neither the Trustee nor the Agent will be liable for any loss to or diminution of the assets of the Account resulting from any act or omission in connection with the Account, except to the extent that such loss or diminution is directly caused by the Trustee's breach of the standard of care referred to in Paragraph 22 hereof.

**11. Refund of Certain Contributions:** The Trustee will, upon written application by you, in a form satisfactory to the Trustee, pay a distribution out of the Account to you in order to reduce the amount of Taxes otherwise payable under the Act in respect of Contributions made while a non-resident of Canada and Contributions in excess of the maximum contribution limits permitted by the Act. The Trustee will not have any responsibility whatsoever for determining the amount of such distribution.

**12. Transfers:** Upon receipt of a written direction from you in a form satisfactory to the Trustee, the Trustee will transfer, in accordance with the Act, all or part of the property in the Account as is specified in your written direction together with all relevant information with respect to the Account to a person who has agreed to be the issuer of:

- a) Another TFSA under which you are the holder; or
- b) Subject to Applicable Laws, a TFSA held by your spouse or former spouse where the transfer relates to a division of property arising on the breakdown of your marriage or common-law partnership, in accordance with the Act and this Declaration of Trust.

**13. Withdrawals:** You may, by written application, at any time, request that the Trustee pay as distributions to you all or part of the assets held under the Account, and the Trustee may liquidate any investments held under the Account, to the extent deemed necessary for that purpose. Such payment will be made by the Trustee subject to the deduction of all proper charges, if any.

**14. Designation of Successor Holder and/or Beneficiary:** If you are domiciled in a jurisdiction in which a participant in a TFSA may validly designate a successor holder or beneficiary other than by a Will, you may by instrument in writing in the form prescribed by the Trustee and delivered in accordance with the terms of this Declaration of Trust to the Trustee prior to your death, designate (a) your spouse as successor holder of the Account; or (b) any person as beneficiary to be entitled

to receive the proceeds payable under the Account in the event of your death.

Subject to Applicable Laws, such person will be deemed to be your successor holder or designated beneficiary, as the case may be, unless such person predeceases you, or unless you by instrument in writing in the form provided by the Trustee for such purpose and delivered to the Trustee prior to your death, or by your Will, revoke such designation.

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

If more than one valid designation has been filed in the form provided by the Trustee and if such designations are inconsistent, then to the extent of such inconsistency, payment will be made only in accordance with the designation bearing the latest execution date and such designation shall be determinative of any inconsistency. If a Will has been validly executed after the date of the last valid designation and if the Will contains a designation that is inconsistent with such designation, the Trustee may treat the Will as containing the last valid designation. The Trustee will be fully discharged from any further obligations and liability in connection with the Account upon payment being made in accordance with this Declaration of Trust.

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

- a) If a designation has been validly made in accordance with Paragraph 14, and if one or more of the person or persons so designated are alive at the time of your death, then
  - i) If your spouse has been designated as the successor holder in accordance with this Declaration of Trust and Applicable Laws, and is then alive, no payment is required on death. Your spouse will become holder of the Account and acquire all of your obligations and rights as holder of the Account (including the unconditional right to revoke any beneficiary designation made, or similar direction imposed, by you under the Account or relating to property held in connection with the Account). Notwithstanding the foregoing, a successor holder may not designate a subsequent spouse to his or her successor holder of the Account after his or her death under Paragraph 14; or
  - ii) If your spouse has not been designated as the successor holder or has been designated but is not alive at the time of your death, and if an individual has been designated by you as beneficiary in accordance with Paragraph 14 who is alive at the time of your death, and if permitted by Applicable Laws, the Trustee will redeem the investments held in your Account and distribute in a lump sum the value of the Account, after deduction of all proper charges, to the beneficiary designated by you in accordance with this Declaration of Trust; and

- b) In any other case:
- i) If your spouse has been designated as the successor holder by you by way of validly executed will (if permitted by Applicable Laws), and if your spouse is alive at the time of your death, no payment is required on death, and your spouse will be subject to the provisions described in (a)(i) of this Paragraph 16 as if your spouse had been designated as the successor holder in accordance with this Declaration of Trust and Applicable Laws;
  - ii) If your spouse has not been designated as the successor holder or has been so designated, but is not alive at the time of your death, and if an individual has been designated by you as beneficiary by way of validly executed will (if permitted by Applicable Laws) who is alive at the time of your death, the Trustee will redeem the investments held in your Account and distribute in a lump sum the value of the Account, after deduction of all proper charges, to the beneficiary designated by you in such will; or
  - iii) In any other case the Trustee will redeem the investments held in your Account and distribute in a lump sum the value of the Account, after deduction of all proper charges, to your personal representatives.
- c) Notwithstanding the provisions of (a)(ii), (b)(ii) or (b)(iii) of this Paragraph 15, as the case may be, in the event that the Trustee is not, for any reason, able to distribute the value of the Account, after deduction of proper charges, to the named beneficiary or your personal representatives, as the case may be, in accordance with such provisions prior to December 1st of the year following the year of your death, the Trustee is authorized to transfer the value of the Account, after deduction of proper charges, to a non-registered account established in the name of the beneficiary or your personal representatives, as the case may be, and to maintain such non registered account until such time as the Trustee is able to distribute the proceeds of the account to the beneficiary or your personal representatives, as the case may be. For the sake of certainty, the foregoing transfer by the Trustee will in no way be or be deemed to be a change or amendment to the person or persons beneficially entitled to the value of the Account, after deduction of proper charges.

**16. No Advantages:** No advantage (as defined in section 207.01 of the Act) may be extended to, or be received or receivable by, you, the Plan, or any person with whom you do not deal at arm's length.

**17. Trustee Fees and Disbursements:**

- a) The Trustee will be entitled to compensation for its services, reimbursement of disbursements, and a fee upon transfer of Account funds to another financial institution in accordance with the fee schedule provided to you, as amended from time to time. Notice of amendments to such schedule shall be given to you and will take effect no earlier than thirty (30) days from the date of such notice which

may be effected in accordance with Paragraph 21.

- b) All Expenses and Taxes (other than those Expenses and Taxes for which the Trustee is liable and which cannot be charged against the assets of the Account in accordance with the Act) will be charged against and deducted from the assets of the Account, at such time or times during each year as the Trustee may, in its absolute discretion determine, and where necessary, the Trustee, in its sole and absolute discretion, may liquidate investments of the Account to provide for payment of such fees, taxes and reimbursements. The Trustee shall not be responsible for any loss which results from such liquidation.

**18. Income Tax Information:** The Trustee will forward, or cause to be forwarded, to you appropriate forms and information regarding the Account as may be required under the Applicable Laws. Such forms and information will be forwarded to the address set out in the application for the Account, or at any subsequent address of which you have notified the Trustee.

**19. Tax Information for Citizens and Residents of Countries**

**Outside of Canada:** If you are a citizen or resident of a country other than Canada, we strongly advise you to contact your professional tax advisor before investing in a Canadian TFSA, and on a regular basis thereafter. It is important that you are aware of the foreign tax consequences and reporting and filing requirements, if any, associated with being the holder of a TFSA. Failure to comply with any such foreign requirements can result in significant penalties. As well, contributions to the Account while you are a non-resident of Canada may result in taxes, interest and penalties being imposed under the Act.

**20. Amendments to Plan:** The Trustee may, from time to time at its sole discretion, amend this Declaration of Trust with the concurrence of the authorities administering the Applicable Tax Laws if required,:

- a) Without notice to you, provided that the amendment is made for the purpose of satisfying a requirement imposed by the Applicable Legislation; and
- b) In all other cases, by giving thirty (30) days' notice, provided that in all cases no such amendment will have the effect of disqualifying the Account as a TFSA within the meaning of the Act.

**21. Notices:** Any notice or other document required to be given by the Trustee shall be given in writing in person or, except where expressly prohibited by law, using any of the following methods:

- Mail, fax or email by using the most recent mailing address, fax number or email address the Trustee has on records for you;
- Posting notice to you through Online Banking; or
- Using any other means we reasonably believe will bring the notice to your attention.

Any notice provided by the Trustee to you is deemed to have been received by you on the earliest of (a) the time the notice

is actually received by you, (b) the time and day our server says it was sent; (c) the time the notice is posted on Online Banking; (d) the time the notice is deemed to have been received by you in law; or (e) five days after sending the notice to you.

If you are required to give notice to the Trustee, you must give notice in writing at a HSBC Bank branch to the Trustee c/o HSBC Investment Funds (Canada) Inc. The notice will be deemed to have been received by the Trustee on the date it is actually received by HSBC Investment Funds (Canada) Inc.

**22. Trustee’s Responsibilities and Limitations of Liability:**

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

- a) the actions or any failure to act, of any other person,
- b) the Trustee’s failure to perform or fulfill any obligation due to any cause beyond the Trustee’s control;
- c) incomplete or incorrect information or instructions supplied to the Trustee by the holder, including instructions for Contributions to the TFSA or investment of the Property of the Account that causes a loss or gives rise to Taxes;
- d) any loss or harm for acting in reliance upon any designation, or revocation of designation, of a successor holder or designated beneficiary in an instrument provided by the holder to the Trustee;
- e) dealing with the Contributions in accordance with the Instructions of the holder; or
- f) any liquidation of the Contributions implemented in accordance with this Declaration of Trust or Instructions of the holder.

**23. Agent’s Liability:** The Trustee’s Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for the following:

- a) Any loss or diminution suffered by the Account, by you or any beneficiary under the Account as a result of the acquisition, disposition or retention of any investments; or
- b) Any loss to or diminution of the assets of the Account except for any loss or diminution caused by the Agent’s willful misconduct or lack of good faith.

The Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents shall not be liable for any loss or damages whether direct or indirect

resulting from the delay or failure of any of them in forwarding to you any information received by them concerning investments.

**24. Indemnity:** You, any beneficiary receiving proceeds payable under Paragraph 15, and your heirs, executors and legal representatives shall indemnify at all times the Trustee, the Agent, its subsidiaries and affiliates and each of their respective officers, directors, employees and agents against and hold them harmless from all taxes, interest, penalties, assessments, expense, loss, liability, claims, and demands whatsoever arising out of the holding and administration of the Account or anything done hereunder (other than those taxes, interest or penalties for which the Trustee is liable in accordance with the Act and which cannot be charged against the assets of the Account in accordance with the Act). You authorize the Trustee to reimburse itself to satisfy this indemnity and to sell investments held in the Account to generate funds to satisfy this indemnity. This indemnity survives the Termination of the Account.

**25. Third Party Orders and Demands:** The Trustee may permit any duly authorized third party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Account or related to the Account as required and in compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Account or part or all of the Contributions, or to issue payment from the Account, with or without instructions from the holder or in contradiction of instructions of the holder.

**26. Proof of Age and Social Insurance Number:** The statement of your name, date of birth, age and social insurance number on the application for the Account shall be deemed to be a certification by you and an undertaking to provide any further evidence of same that is satisfactory to and as may be required by the Trustee. The Trustee may rely upon the statement of your name, date of birth and social insurance number in the application in registering the Account, and you warrant that such information accords to that provided by you and held on file with the Canada Revenue Agency (CRA). Failure to provide the Trustee with accurate disclosure of your name, date of birth, and social insurance number and confirmation that accords to that information as held on file with the CRA, may result in rejection of the application to register the Account at sole loss, cost, risk and expense of you, and you will have no right of recourse against the Trustee.

**27. Use as Security for a Loan:** You may use your interest or, for civil law, right in the Account as security for a loan or other indebtedness provided that:

- a) the terms and conditions of the indebtedness are those which persons dealing at arm’s length with each other would have entered into; and
- b) it can reasonably be concluded that none of the main purposes for such use is to enable a person (other than the



holder) or a partnership to benefit from the exemption from tax provided by the Account.

To the extent the rights outlined in Paragraph 4 and Paragraph 12(a) are inconsistent with using an interest or right in the Account as security for a loan or other indebtedness, Paragraph 4 and Paragraph 12(a) will not apply.

**28. Borrowing Money:** The Trust may not borrow money or other property or take any other action that would result in the Account being considered to be indebted to any person or partnership.

**29. Trustee as Subsidiary:** You acknowledge that the Trustee is a wholly-owned subsidiary of HSBC Bank Canada and that it may periodically have dealings with HSBC Bank Canada, its affiliates or other subsidiaries (the "Bank") in the performance of its duties. You authorize and direct the Trustee, in the exercise of its powers under this Declaration of Trust to have such dealings (and enter into transactions) with the Bank, to purchase securities or deposit instruments of or guaranteed by the Bank, to deposit cash with the Bank, or to purchase services from the Bank, provided such dealings and transactions are made on terms no less favourable than market terms and conditions and competitive and fair rates.

**30. Replacement of Trustee and Termination:** The Trustee may resign as trustee and be discharged from all further duties and liabilities upon not less than 60 days' written notice to the holder, or such shorter period as the holder shall accept as sufficient. In the event of such resignation, the Trustee will, prior to the resignation taking effect, appoint a successor to act as trustee of the Account who shall be acceptable under the provisions of the Act (the "Successor Depository or Trustee"), and the Trustee shall transfer the assets of the Account to the Successor Depository or Trustee together with all records, books, reports and accounts of the Account within three months of the Trustee ceasing to hold the Account. Upon the resignation of the Trustee taking effect, the Trustee shall be released and discharged from all duties and liabilities under this Trust Declaration and Applicable Laws.

If a successor trustee cannot be found, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee. In such event, the Trustee will bear the costs incurred by the Trustee in appointing a successor trustee.

In the alternative, the Trustee may, in its sole discretion, terminate its relationship with the holder by delivering a demand, in writing, that by no less than 60 days' after the date of the demand, or such shorter period as the holder accepts as sufficient, the Holder must

- a) provide a written instruction to the Trustee, in accordance with Paragraph 12, to transfer the Contributions to a TFSA held by a third party trustee or depository, and
- b) pay all Expenses and Taxes.

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

**31. Applicable Laws:** This Declaration of Trust will be governed by and construed in accordance with the laws of Canada except that the term "spouse" includes any person who is recognized as a spouse or common-law partner for the purposes of any provision of the Act respecting TFSA's.

**32. Québec Only:** It is the express wish that this Declaration of Trust and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

**33. Binding Agreement:** This Declaration of Trust is binding upon your heirs, executors, administrators and assigns and upon the successors and assigns of the Trustee.



