



Addendum for “Locked-In” Money Transferred from a Pension Plan (Québec)

The undersigned applicant (the “Annuitant”) has applied for a locked-in:

- (✓ Please check one.)
- HSBC Bank Canada Retirement Savings Plan (337-001)**
 - or an **HSBC Trust Company Retirement Savings Plan (544-001)**
 - or an **HSBC Mutual Funds Retirement Savings Plan (544-004)**
 - or an **HSBC Pooled Funds Retirement Savings Plan (544-008)**
 - or an **HSBC InvestDirect Self-Directed Retirement Savings Plan (544-010)**
- (the “Plan”)

In this addendum (the “Addendum”), if “HSBC Bank Canada Retirement Savings Plan” is checked-off, the issuer (the “Issuer”) is HSBC Bank Canada. If “HSBC Trust Company Retirement Savings Plan”, “HSBC Mutual Funds Retirement Savings Plan”, “HSBC Pooled Funds Retirement Savings Plan”, or “HSBC InvestDirect Self-Directed Retirement Savings Plan” is checked-off, the Issuer is HSBC Trust Company (Canada), a subsidiary of HSBC Bank Canada. This Addendum is signed by either an authorized agent of or an authorized representative for the Issuer.

The Annuitant, having established a Plan with the Issuer in respect of funds coming directly or initially from a registered pension governed by legislation of the Province of Quebec, and the Issuer hereby agree that:

1. This Addendum taken together with the applicable agreement or declaration of trust governing the Plan establish a locked-in retirement account (the “LIRA”).
2. In this Addendum the following words have the meanings assigned to them below:
 - (a) “Regulation” means the Quebec Regulation respecting Supplemental Pension Plans as it is in effect from time to time.
 - (b) “Life Pension” means a life pension or life annuity purchased from a financial institution authorized under the laws of Canada and of Quebec to issue life pensions or life annuities.
 - (c) “Life Income Fund” means a life income fund as described in section 19 of the Regulation.
 - (d) “Spouse” has the same meaning as is given to the word in section 85 of the Act except that “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 Income Tax Act (Canada) respecting a retirement savings plan.
3. Monies may be transferred into the LIRA established herein which originate, directly or originally, from one or more of the following sources only:
 - (a) the fund of a supplemental registered pension plan governed by the Act;
 - (b) the fund of a supplemental pension plan governed by a statute enacted by a legislative authority other than the Parliament of Quebec and granting a right to a deferred pension;
 - (c) the fund of a supplemental pension plan governed by a statute enacted by the Parliament of Quebec or another legislative authority;
 - (d) the fund of an annuity contract contemplated in section 30 of the Regulation and in accordance with sub-section 146(1) of the Income Tax Act (Canada), the capital of which derives from an eligible registered pension plan;

- (e) a locked-in retirement account registered as a registered retirement savings plan referred to in section 29 of the Regulation; or
 - (f) a Life Income Fund registered as a registered retirement income fund;
 - (g) the fund of a locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plan Act (chapter R-17.0.1); or
 - (h) the fund of a locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Quebec provided that the Annuitant joins that plan as part of his employment.
4. Notwithstanding anything to the contrary contained in the applicable agreement or declaration of trust governing the Plan, where contributions are transferred to the LIRA in accordance with paragraph 3 above the provisions in this Addendum shall govern the Plan.
5. * The Annuitant may request the conversion of the LIRA into a Life Pension that meets the definition of retirement income found in subsection 146 (1) of the Income Tax Act (Canada), at any time, subject to any terms agreed to for any investment held in the account where an applicable duration of investment has not expired. With the exceptions noted in paragraphs 7, 8, 9 and 10 below, the balance of the LIRA may only be converted into a Life Pension that meets the following conditions:
- (a) The Life Pension is paid in equal periodic payments at least annually for the remainder of the life of the Annuitant alone or for the remainder of the life of the Annuitant and that of his Spouse, as the case may be. These periodic payments may not vary unless each of them is uniformly increased by reason of an index or a rate provided for in the contract and in compliance with subparagraphs 146 (3) (b) (iii) to (v) of the Income Tax Act or uniformly adjusted by reason of a seizure effected on the benefits of the Annuitant, a redetermination of the Annuitant's pension, the partition of the Annuitant's benefits with his/her Spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for under paragraph 3 of the first paragraph of section 93 of the Act;
 - (b) In the event of the death of the Annuitant who is a member or former member of a supplemental pension plan which was the original source of monies held in the LIRA, a Life Pension equal to at least 60% of the Life Pension paid to the Annuitant including, during the replacement period, the amount of any temporary pension, must continue to be paid to the Spouse, provided the Spouse has not waived such Life Pension, as provided in paragraph 6(a) below.
 - (c) Payment of the Life Pension may be guaranteed during a given period extending after the death of the Annuitant but ending not later than the day preceding that on which the Annuitant would have reached the age of ninety (90).
6. * The following provisions apply in respect of the rights of the Spouse of the Annuitant who is a member or former member of a supplemental pension plan which was the original source of monies held in the LIRA:
- (a) The Spouse of the Annuitant may, by giving written notice to the Issuer, waive his/her entitlement to receive the payment provided for in paragraph 7 or the Life Pension provided for in paragraph 5 (b) and may revoke such waiver by giving written notice to the Issuer before the death of the Annuitant, in the case of the pension benefit or, in the case of the Life Pension, before date of the conversion, in whole or in part, of the total balance of the LIRA into a Life Pension;
 - (b) The Spouse ceases to be entitled to any benefit described in paragraph 5(b) above or 7 below, as the case may be, upon separation from bed and board, divorce, annulment of marriage, dissolution or annulment of civil union or, in the case of unmarried spouses or spouses that are not in a civil union, upon cessation of conjugal relationship, unless the Annuitant has transmitted to the Issuer the notice provided for in section 89 of the Act.

7. * In the event of the death of the Annuitant before the balance of the LIRA is converted into a Life Pension, if the Annuitant is a member or former member of a supplemental pension plan which was the original source of monies held in the LIRA, the balance will be paid to his Spouse or, failing that, to his/her assigns.
8. The Annuitant may, at any time before the conversion of the total balance of the LIRA into a Life Pension, transfer all or part of that balance to another pension plan referred to in section 98 of the Act or into a Life Income Fund, subject to any terms agreed to for any investment held in the account where an applicable duration of investment has not expired.
9. The Annuitant may withdraw all or a part of the balance of the LIRA and receive a payment or a series of payments where a physician certifies that his/her physical or mental disability reduces his/her life expectancy. Such certificate must be provided to the Issuer.
10. The entire balance of the LIRA may be paid in a lump-sum to the Annuitant on application to the Issuer accompanied with a declaration in conformity with the one prescribed in Schedule 0.2 of the Regulation, on the following conditions:
 - (a) the Annuitant was at least 65 years of age at the end of the year preceding the application;
 - (b) the total of the sums credited to the Annuitant in the retirement savings instrument mentioned in schedule 0.2 of the Regulation does not exceed 40% of the Maximum Pensionable Earnings, for the year in which the Annuitant applies for payment, pursuant to the Act respecting the Quebec Pension Plan;
11. The Annuitant is entitled to receive, at least once a year, a statement indicating the sums deposited, their source, the accumulated earnings, the fees debited since the last statement and the balance of the LIRA.
12. The Issuer may not make any amendment that would entail a reduction of the benefits, including any increase in fees of the Issuer, resulting from the LIRA unless the Annuitant is entitled, before the date of the amendment, to a transfer of the balance of the LIRA and has received, at least 90 days before the date on which he/she may exercise that entitlement, a notice indicating to him/her the subject of the amendment and the date from which he/she may exercise that entitlement.
13. The transfer referred to in paragraphs 8 and 12 above may, at the option of the Issuer and unless otherwise stipulated, be effected by remittance of the investment securities held in respect of the LIRA.
14. The Issuer may not, except to fulfill requirements under law, make any amendment other than that provided for in paragraph 12 above without having previously notified the Annuitant.
15. The Issuer may amend the LIRA only to the extent that it remains in conformity with the standard contract amended and registered with the Retraite Québec.
16. Subject to paragraph 9, no withdrawal, commutation or surrender of money is permitted except where an amount is required to be paid to the Annuitant to reduce the amount of tax otherwise payable under Part X.1 of the Income Tax Act (Canada).
17. If a sum is paid from the LIRA contrary to the provisions of the applicable agreement or declaration of trust governing the Plan and this Addendum or the Regulation, the Annuitant may, unless the payment is attributable to a false declaration made by him/her, require the Issuer to pay him/her, as a penalty, a sum equal to the surplus income paid.
18. The seizable portion of the balance of the LIRA may be paid in a lump sum in execution of a judgement rendered in favour of the Spouse of the Annuitant that gives entitlement to a seizure for unpaid alimony.

The Annuitant may, provided that the agreed upon term of the investments has expired, require that the total balance of the LIRA be paid to him/her in a lump sum if he/she has not resided in Canada since at least two years.

Applicant's Name (Please Print)

Applicant's Signature

Date

Branch/Account Number

Authorized Agent of/Representative
for the Carrier

Fund Number

\$ _____
Amount Received

* **Explanatory Note:** Spousal rights described in paragraphs 5, 6 and 7 do not apply under circumstances where the Applicant is not a member or a former member of a supplemental pension plan. An Applicant who transfers a benefit from a supplemental pension plan paid in respect of a splitting of pension credits of a former spouse, where the former spouse was a member or former member of a supplemental pension plan, would not himself, or herself, be considered a member or a former member of a supplemental pension plan. A subsequent spouse of such an Applicant would therefore not have the spousal rights described above.