

**Important Notice:** Changes to the HSBC InvestDirect Client Terms and Conditions

Dear Valued Customer,

We are writing to inform you that HSBC InvestDirect, a division of HSBC Securities (Canada) Inc. is changing its Client Terms and Conditions (the "Agreement") with you. Main changes include updating the provisions in the Customer Information Consent section, adding a Tax Compliance section and writing the Agreement in plain language. We are providing you 60 days before the changes take effect by the terms of the current Agreement. The new Agreement replaces all prior Agreements.

The Agreement covers your investment relationship with us, including personal accounts and other services we provide.

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In this notice we provide you a summary of the key changes to the Customer Information Consent, and strongly encourage you to read the full new Agreement to understand all the changes.

**Some of the key changes to the Agreement include:**

- Clarifying when we may need to collect information from you and your rights and protections with respect to our use and disclosure of your information;
- Explaining your obligation to respond to our requests for information and describing the possible consequences should you be unable or unwilling to respond, which include, for example, the right to close or block your accounts and the right to suspend or end the provision of services;
- Clarifying when we can share your information within the HSBC Group and with third parties, regulators and tax authorities both in Canada and elsewhere;
- Introducing wider rights to investigate and take action in connection with detecting, investigating and preventing financial crime; and
- Clarifying that you are solely responsible for complying with your tax obligations in Canada and any other jurisdiction in which you have tax obligations.

**Why is HSBC making these changes?**

HSBC is committed to conducting business in a way that actively contributes to the safety and stability of our customers, the financial markets and the global banking system.

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Global regulation increasingly requires financial institutions to put stronger checks in place to ensure the stability of the global finance system, prevent fraud and other financial crimes, and comply with international sanctions and other legal requirements. As well, regulators require financial institutions to prove they know and understand who their customers are.

The members of the HSBC Group are implementing a globally consistent approach to sharing customer information needed to fulfil its Compliance Obligations and enhance its Financial Crime Risk Management. The definitions section on page 15 and paragraph 3 on page 18 of the new Agreement explain what we mean by Compliance Obligations and Financial Crime Risk Management

The updated Customer Information Consent reflects a globally consistent approach to sharing customer information. Your existing Agreement already describes many of the purposes for which customer information can be used, the circumstances where it can be shared and the people and organizations with whom we can share it. The updated Customer Information Consent also explains your obligations and the possible impact on your accounts and services that may result from actions you take (or do not take).

**Where can I obtain a copy of the new Agreement?**

You can find a copy of the new Agreement on the HSBC website ([www.hsbc.ca/investdirect-terms](http://www.hsbc.ca/investdirect-terms)) You can also contact us at 1-800-760-1180 and we will mail you a copy.

**When does the new Agreement take effect?**

The new Agreement takes effect on Sept 1, 2014.

**What do I need to do?**

Please carefully review the new Agreement to ensure you understand the changes made and how they may affect you.

**What should I do if I have questions?**

We strive to keep you informed as our valued customer. If you have any questions about this notice or the changes to the Agreement, please contact us at 1-800-760-1180. Thank you for choosing HSBC InvestDirect.

Sincerely,



Rick Kelln  
Head of HSBC InvestDirect

HSBC InvestDirect is a division of HSBC Securities (Canada) Inc. which is a wholly owned subsidiary of, but separate entity from, HSBC Bank Canada. HSBC Securities (Canada) Inc. is a member of The Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada (IIROC).