



Family Education Savings Plan Application

505 - 1111 West Georgia Street
Vancouver, BC V6E 4M3
Tel: 1 888 809 3333
Fax: 604 683 2538
www.neiinvestments.com

Family Education Savings Plan Application

Investor #: _____ Account #: _____

Siblings Only Plan New Account Update to an Existing Account

Subscriber Information

Title: Mr. Mrs. Miss Ms. Dr. Prof.

First Name	Middle Name	Last Name	Date of Birth (mm/dd/yyyy)	Social Insurance Number
Joint Subscriber First Name (Note 1)	Middle Name	Last Name	Date of Birth (mm/dd/yyyy)	Social Insurance Number
Address		City	Province	Postal Code
Home Telephone	Business Telephone	Email Address	Business Number for Public Primary Caregiver	

Beneficiary Information (Note 2) - Beneficiary Name must match the name on their SIN card or SIN confirmation letter ↴

For additional beneficiaries, attach a separate sheet

Beneficiary #1 ↴

Gender Male Female

First Name	Middle Name	Last Name	Date of Birth (mm/dd/yyyy)	Social Insurance Number
Address (if different than Subscriber)		City	Province	Postal Code
This beneficiary is the Subscriber's Natural/Adopted: <input type="checkbox"/> Child <input type="checkbox"/> Grandchild <input type="checkbox"/> Brother/Sister		Canadian Resident? <input type="checkbox"/> Yes <input type="checkbox"/> No	Allocation of Contributions to this beneficiary (optional): _____ %	
Beneficiary's Parent/Guardian/Public Primary Caregiver's First Name <input type="checkbox"/> Same as Subscriber, or:		Middle Name	Last Name	
Address (if different than Subscriber)		City	Province	Postal Code

Beneficiary #2 ↓

Gender: Male Female

First Name	Middle Name	Last Name	Date of Birth (mm/dd/yyyy)	Social Insurance Number
Address (if different than Subscriber)		City	Province	Postal Code
This beneficiary is the Subscriber's Natural/Adopted: <input type="checkbox"/> Child <input type="checkbox"/> Grandchild <input type="checkbox"/> Brother/Sister		Canadian Resident? <input type="checkbox"/> Yes <input type="checkbox"/> No	Allocation of Contributions to this beneficiary (optional): _____ %	
Beneficiary's Parent/Guardian/Public Primary Caregiver's First Name <input type="checkbox"/> Same as Subscriber, or:		Middle Name	Last Name	
Address (if different than Subscriber)		City	Province	Postal Code

Beneficiary #3 ↓

Gender: Male Female

First Name	Middle Name	Last Name	Date of Birth (mm/dd/yyyy)	Social Insurance Number
Address (if different than Subscriber)		City	Province	Postal Code
This beneficiary is the Subscriber's Natural/Adopted: <input type="checkbox"/> Child <input type="checkbox"/> Grandchild <input type="checkbox"/> Brother/Sister		Canadian Resident? <input type="checkbox"/> Yes <input type="checkbox"/> No	Allocation of Contributions to this beneficiary (optional): _____ %	
Beneficiary's Parent/Guardian/Public Primary Caregiver's First Name <input type="checkbox"/> Same as Subscriber, or:		Middle Name	Last Name	
Address (if different than Subscriber)		City	Province	Postal Code

Designation of Educational Institution

Please designate an educational institution in Canada to which the investment earnings of this Plan could be paid upon termination of the Plan in the absence of any other direction.

Educational Institution	City	Province
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Application for Grants (Note 3) I have completed and attached one of the following application forms:

- APPLICATION: Canada Education Savings Grant (CESG) and Canada Learning Bond (CLB) (ESDC SDE 0093)
- ANNEX A - Additional beneficiaries (ESDC SDE 0093-A)
- ANNEX B - Primary caregiver and/or custodial parent/legal guardian (ESDC SDE 0093-B)
- ANNEX C - APPLICATION: Saskatchewan Advantage Grant for Education Savings (SAGES) (ESDC SDE 0093-C)
- ANNEX D - APPLICATION: British Columbia Training and Education Savings Grant (BCTESG) (ESDC SDE 0093-D)

For Quebec residents only: The Quebec Education Savings Incentive (QESI) will be applied automatically unless you indicate otherwise in writing.

Investment Instructions (Note 4) Note: All contributions made to the Plan will be allocated equally amongst all beneficiaries unless otherwise indicated in the Beneficiary Information section.

Initial Investment Is this a new Contribution? Yes No Have you borrowed funds to invest? Yes No

Buy \$	Fund Name	Fund Code	Front End Sales Charge %	Wire Order #
\$			%	
\$			%	
\$			%	
\$			%	

Pre-Authorized Contribution (PAC) Plan—FUND TRANSFERS (Please complete **Banking Information** section)

Buy \$	Fund Name	Fund Code	Front End Sales Charge %	Frequency ¹	Effective Date (mm/dd/yyyy)
\$				%	
\$				%	
\$				%	
\$				%	

¹Frequency: W=Weekly, BW=Bi-Weekly, SM=Semi-Monthly, M=Monthly, BM=Bi-Monthly, Q=Quarterly, SA=Semi-Annually, A=Annually

Switches

Amount \$ or %	Fund Name	Fund Code	Sales Charge % (max. 2%)	Wire Order #
	Switch Out		%	
	Switch In		%	
	Switch Out		%	
	Switch In		%	
	Switch Out		%	
	Switch In		%	

Banking Information (Please attach a VOID cheque with this Application)

Financial Institution Name	Institution Code	Transit Number	Account Number
Address	City	Province	Postal Code

I authorize Northwest Et Ethical Investments L.P. (NEILP) and the financial institution designated (or any financial institution I may authorize at any time) to debit my account as per my instructions for regular re-occurring payments. I acknowledge that, if this Authorization is for funds transfer PADs that have recourse through the clearing system, a PAD may be disputed but only under the following conditions:

- (a) the PAD was not drawn in accordance with this Authorization;
- (b) this Authorization was revoked

I further acknowledge that in order to be reimbursed, a declaration to the effect that either (a) or (b) took place must be completed and presented to the branch of the Financial Institution holding the Account on or before the 90th calendar day on which the PAD in dispute was posted to the Account.

For PAC plans this authorization shall remain in effect until cancellation by written notice to NEILP at least 72 hours prior to the next payment date. For a joint bank account, all Depositors must sign if more than one signature is required on cheques issued against the account.

Account Holder Signature X	Joint Account Holder Signature X
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Using Your Personal Information —Please read the following

In this section "Information" means your personal information. It includes information provided to us by you, including through the product and service arrangements made with us, and obtained from others with your consent. "Service provider" includes, amongst others, Credential Asset Management Inc., and La Fédération des caisses Desjardins du Québec and entities related to them. You agree as follows:

We may use this information to verify your identity, determine your eligibility for products and services we offer, provide you with products and services requested from time to time, and to help us manage our relationship with you. We may:

- Make this information available to our employees and to our service providers, who process certain transactions, provide communication technology, or provide other systems necessary to keep proper records.
- Use this Information to protect you and us from error, identity theft and fraud.
- Use this Information to help us understand the current and future needs of our customers and to help us forecast our future business requirements.
- Use this Information for our internal audit and record-keeping purposes.
- Use your Social Insurance Number for tax-related purposes and to keep your Information separate from that of other customers.

You may obtain our Privacy Policy by contacting the number shown on the front of this document or by visiting one of our websites at: www.northwestfunds.com or www.ethicalfunds.com.

ESP Account Agreement

I certify that the information contained in this Application is true and complete in every respect. I have read this Application together with the terms and conditions of Northwest Et Ethical Investments L.P. Family Education Savings Plan (the "Plan") provided to me, and agree to comply with their respective terms and conditions. I further acknowledge receipt of the current copy of the prospectus(es) of the Funds(s) in which I am investing. I confirm that this investment is compatible with my investment needs and objectives. I request this Contribution and any subsequent Contributions be held and invested as provided for in the terms and conditions. I request that the Promoter apply for registration of this Plan with Canada Revenue Agency as an education savings plan under the *Income Tax Act* (Canada) and hereby apply, as Subscriber(s), for participation in the Plan in accordance with the terms and conditions supplied to me. I permit Northwest Et Ethical Investments L.P. (NEILP) to release information pertaining to this Application to Employment and Social Development Canada (ESDC) for the purpose of administering the CESG Program to CRA for taxation purposes and I also permit that ESDC release similar information to NEILP. I confirm that each beneficiary is a resident of Canada, and that residency is a requirement for receiving a grant under the *Canada Education Savings Act*. I undertake to advise the trustee if the beneficiary is no longer resident in Canada at the time of any subsequent contribution in relation to that beneficiary. I further undertake to advise the Plan trustee if the beneficiary is a non-resident at the time an educational assistance payment is requested. I will inform NEILP of any change in circumstances of the beneficiary before making any additional contribution on behalf of that beneficiary or immediately before a Canada Learning Bond or Provincial Grant payment is made to that beneficiary.

I understand that no payments can be made into the Plan after December 31st, 20____ (the 31st year following the year in which the Plan was established) and that the Plan must be terminated not later than December 31st, 20____ (the last day of the 35th year following the year in which the Plan was established or such other date as may be provided for the *Income Tax Act*). I hereby declare that the information contained herein is true, correct and complete in every respect. I/We understand and acknowledge that the personal information contained herein is being collected by Concentra Trust (the "Trustee") and that by signing below, I/we confirm that I/we have read and consent to the terms of the "Concentra" Privacy Policy located on the Concentra website at concentra.ca or by contacting the Trustee at 1-800-788-6311. "Concentra" refers to Concentra Bank and its wholly-owned subsidiary Concentra Trust. I/We confirm that the information provided herein is true and accurate and I/we agree to make the Promoter, on behalf of the Trustee, aware of any changes to the personal information contained on this application form.

Subscriber Signature X	Joint Subscriber Signature (Note 5) X	Date (mm/dd/yyyy)
Representative Name	Representative Signature	Dealer Et Rep Code
Dealer Name Et Number	Branch Compliance Manager Signature (where required)	Accepted by NEILP as the Promoter, and on behalf of Concentra Trust, as Trustee

Notes:

1. Subscriber Information

Joint Subscriber must be the Subscriber's spouse or common-law partner. If this application is made by two subscribers, the assets are held jointly with right of survivorship (except for Quebec residents). If the subscribers have a different address, please complete information on a separate sheet and attach it to the application.

2. Beneficiary Information

At the time contributions to the plan are made, the beneficiary is a resident of Canada. If at the time a contribution is made and the beneficiary is not a resident of Canada, you will notify the trustee immediately. "Beneficiary" is defined in the attached *Terms & Conditions* document. The Beneficiary's Parent/Guardian/Public Primary Caregiver is only required if the Beneficiary is under 19 years of age.

3. Canada Education Savings Grant, Canada Learning Bond and Provincial Grants (herein referred to collectively as the "Grants")

Upon receipt, Grants will be invested equally amongst all beneficiaries, unless otherwise indicated in the **Beneficiary Information** section, and in the same proportions as Contributions. The Trustee will ensure that the Grants are applied for as requested. The Trustee will make any repayments of the Grants as required under the provisions of the legislation governing the Grants. The Plan will comply with the conditions imposed by the legislation governing the Grants. You agree to provide any information required by the Trustee to enable it to apply for and administer the Grants in accordance with the relevant legislation. The Applications for the Grants are to be completed in accordance with the requirements set out therein. Completion is voluntary; however, failure to provide this information will result in the beneficiary not being eligible for the applicable Grants.

4. Contributions

Minimum Investment. The minimum initial investment for a RESP account is \$500. This can be made by a lump sum contribution, a transfer from another registered account or a combination of the two.

The minimum for subsequent purchases is \$100 unless made through a Pre-Authorized Contribution (PAC) Plan, where the minimum is \$25.

All contributions (initial, subsequent and PAC) are subject to a minimum of \$25 per fund.

These minimums and the PAC Plan are described in the Simplified Prospectuses.

Overcontributions. Each subscriber who makes contributions or has contributions made on his/her/its behalf to an RESP on behalf of a beneficiary will have to pay tax if an excess amount exists for that beneficiary. The tax is 1% of the subscriber's share of an excess amount that exists at the end of a month for each month the subscriber's share of the excess amount is not withdrawn.

Borrowing to Invest. If you have borrowed money to invest, please read *'Borrowing Money to Buy Investment Funds (Leveraging)'* below.

5. Signatures Required

All instructions, other than ongoing investment instructions, require signatures of both subscribers, including change of beneficiary, initial application and any withdrawals.

Disclosure:

Borrowing Money to Buy Investment Funds (Leveraging)

Mutual funds may be purchased using available cash, or a combination of cash borrowed money. If cash is used to pay for the mutual fund purchase in full, the percentage gain or loss will equal the percentage increase or decrease in the value of the fund shares. The purchase of mutual funds using borrowed money magnifies the gain or loss on the cash invested. This effect is called leveraging. For example, if \$100,000 of fund units are purchased and paid for with \$25,000 from available cash and \$75,000 from borrowings, and the value of the fund units declines by 10% to \$90,000, your equity interest (the difference between the value of the fund units and the amount borrowed) has declined by 40%, i.e. from \$25,000 to \$15,000.

It is important that an investor proposing to borrow for the purchase of mutual funds be aware that a leveraged purchase involves greater risk than a purchase using cash resources only. To what extent a leveraged purchase involves undue risk is a determination to be made by each purchaser and will vary depending on the circumstances of the purchaser and the mutual fund purchased.

It is also important that the investor be aware of the terms of a loan secured by mutual fund units. The lender may require that the amount outstanding on the loan not rise above an agreed percentage of the market value of the units. Should this occur, the borrower must pay down the loan or sell the units so as to return the loan to the agreed percentage relationship. In our example above, the lender may require that the loan not exceed 75% of the market value of the units. On a decline of value of the units to \$90,000 the borrower must reduce the loan to \$67,500 (75% of \$90,000). If the borrower does not have cash available, the borrower must sell units at a loss to provide money to reduce the loan.

Money is, of course, also required to pay interest on the loan. Under these circumstances, investors who leverage their investment are advised to have adequate financial resources available both to pay interest and also to reduce the loan if the borrowing arrangements require such a payment. When money has been borrowed to purchase units of mutual funds, the full amount of the loan must be repaid even if there is a decline in the market value of the units purchased with the loan proceeds.

NORTHWEST & ETHICAL INVESTMENTS L.P. FAMILY EDUCATION SAVINGS PLAN - TERMS AND CONDITIONS

This agreement, between Northwest & Ethical Investments L.P. as the Promoter, Concentra Trust as the Trustee, and you, as the Subscriber, is for the purpose of establishing an Education Savings Plan under which we, as Promoter, agree to pay or to cause to be paid Educational Assistance Payments to or for one or more Beneficiaries. The Terms and Conditions of this agreement follow:

1. Definitions:

The following definitions apply:

- a) **"Accumulated Income Payment"** means any amount paid out of the Plan, other than a payment described in I., III., IV., V. and VI. of the definition of Trust herein, 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.
- b) **"Beneficiary"** means each person designated by you to whom or on whose behalf Educational Assistance Payments will be made if the Beneficiary qualifies under the Plan. Each beneficiary must be connected to each living Subscriber, or have been connected to a deceased original Subscriber, by blood relationship or adoption as defined in the *Income Tax Act*. Where application for Additional CESG, CLB or Designated Provincial Program is made, each Beneficiary must be a Brother or Sister of every other beneficiary. A new Beneficiary must be under 21 years of age unless such Beneficiary was, immediately before becoming a Beneficiary under this Plan, a beneficiary under another registered education savings plan that allowed more than one beneficiary.
- c) **"Brother"** means a brother as defined in the *CES Act*.
- d) **"CES Act"** means the *Canada Education Savings Act* and Regulations thereto, in each case, as amended from time to time.
- e) **"CESG"** means Canada Education Savings Grant, paid or payable under the *CES Act*.
- f) **"CLB"** means the Canada Learning Bond, paid or payable under the *CES Act*.
- g) **"Contribution"** "Contribution" means an amount paid into an education savings plan, but does not include an amount paid into the plan under or because of
 - I. the *Canada Education Savings Act* or a Designated Provincial Program, or
 - II. 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).
- h) **"Designated Institution"** means the Designated Educational Institution, as defined in subparagraph 118.6(1)(a)(i) of the *Income Tax Act*, last designated in accordance with Section 10.
- i) **"Designated Provincial Program"** means:
 - I. a program administered pursuant to an agreement entered into under Section 12 of the *Canada Education Savings Act*, or
 - II. 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.
- j) **"Educational Assistance Payment"** means any amount other than a refund of payments paid out of the Plan to or for an individual to assist the individual to further the individual's education at a post-secondary school level.
- k) **"Income Tax Act"** means the *Income Tax Act (Canada)*, as amended from time to time.
- l) **"Mutual Fund"** means any one or more of the mutual funds which are offered for sale to the public by Northwest & Ethical Investments L.P.
- m) **"Plan"** means the "Northwest & Ethical Investments L.P. Family Education Savings Plan" established by the Subscriber and the Promoter to which the terms herein apply.
- n) **"Plan Assets"** means all property of the Plan (less any trustee and administration charges) which is held irrevocably for any of the purposes described in the definition of Trust herein by a corporation licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as trustee, and includes:
 - contributions paid to us by you or on your behalf under the Plan, together with other amounts paid or transferred to the Plan in accordance with Section 3, and
 - any amounts paid under the *CES Act* or under a Designated Provincial Program, and
 - any income or gains derived from the investment or reinvestment of any such amountsless:
 - any trustee fees and administrative costs, charges and expenses properly paid out of the Plan pursuant to Section 8, and
 - any amounts paid out of the Plan pursuant to Sections 5, 7 and 11, including any amounts paid under the *CES Act* and under a Designated Provincial Program.
- o) **"Post-Secondary Educational Institution"** means an educational institution that is defined for the purposes of section 146.1 of the *Income Tax Act* as a "post-secondary educational institution".
- p) **"Primary Caregiver"** means
 - I. In the case of a Beneficiary who is a qualified dependant in respect of whom a child tax benefit is payable, the eligible individual in respect of the Beneficiary; or
 - II. a Public Primary Caregiver.
- q) **"Promoter"** means Northwest & Ethical Investments L.P. (NEILP), also referred to as "we" or "us" in our role as Promoter or as authorized agent of the Trustee.
- r) **"Provincial Grant"** means an amount paid or payable under a program administered pursuant to an agreement entered into under Section 12 of the *CES Act*.
- s) **"Public Primary Caregiver"** means the department, agency or institution that maintains the Beneficiary, in respect of whom a special allowance is payable under the *Children's Special Allowances Act*, or the public trustee or public curator of the province in which the Beneficiary resides.
- t) **"Qualifying Educational Program"** means a program of not less than 3 consecutive weeks duration that provides that each student taking the program spend not less than 10 hours per week in respect of a program at a Designated Institution or that otherwise meets the requirements of the definition of Qualifying Educational Program as defined for the purposes of section 146.1 of the *Income Tax Act*.
- u) **"Sister"** means a sister as defined in the *CES Act*.
- v) **"Specified Educational Program"** means a program at a post-secondary school level of not less than 3 consecutive weeks duration that requires each student taking the program to spend not less than 12 hours per month on courses in the program.
- w) **"Spouse"** means the term "spouse" as recognized in the *Income Tax Act* for the purposes of Registered Education Savings Plans (RESP) and, where applicable, incorporates the meaning of the term "common-law partner" as set out in Subsection 248(1) of the *Income Tax Act*.
- x) **"Subscriber"** means
 - I. each individual, and the spouse or common-law partner of the individual, or the Public Primary Caregiver, referred to in this document as "you" or "your", with whom the Promoter entered into the Plan or who subsequently was added to the Plan,
 - II. i. another individual or Public Primary Caregiver who has 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 the Subscriber under the Plan in settlement of rights arising out of or on the breakdown of their marriage or common-law partnership,
 - ii. another individual or Public Primary Caregiver who has acquired a Subscriber's rights under the Plan pursuant to a written agreement;or,
 - III. after the death of the last surviving Subscriber under the Plan, any other person or persons (including the estate of the deceased Subscriber) who acquires the individual's rights as Subscriber or makes contributions to the Plan in respect of a Beneficiary, provided that such contribution is made in accordance with the requirements of the Trustee, but does not include an individual or Public Primary Caregiver whose rights as a Subscriber under the Plan had been acquired by another individual or Public Primary Caregiver in the circumstances described in paragraph II. above and provided further that joint Subscribers must be "Spouses" of each other, as defined herein.

- y) **"Trust"** means property held irrevocably by the Trustee, in accordance with paragraph 146.1(2)(a), under an education savings plan for any of, or any combination of, the following purposes:
 - I. payment of educational assistance payments,
 - II. payment of accumulated income payments,
 - III. payment of refund of payments,
 - IV. repayment of amounts under the *CES Act* or under a Designated Provincial Program,
 - V. payment to, or to a trust in favour of, designated educational institutions as defined in subparagraph 118.6(1)(a)(i) of the *Income Tax Act*, or
 - VI. a payment to a trust under another RESP as permitted by the *Income Tax Act*.
- z) **"Trustee"** means Concentra Trust

2. Registration:

The Promoter will apply for registration of your Plan as required by the *Income Tax Act*.

3. Acceptance of Contributions and Transfers:

a) Contributions

Subject to the limitations following, we will accept any contributions by you or on your behalf, from time to time, in cash or other transfers of property as we determine acceptable, in such minimum amounts as we determine acceptable. The term "contributions" does not include any amount paid into the Plan under the *CES Act* or under a Designated Provincial Program. Except as provided for under subsection 146.1(2.3) of the *Income Tax Act*, at the time of any contribution in respect of a Beneficiary, the Beneficiary must

- I. have a SIN and be a resident of Canada, unless the contribution is by way of a transfer from another RESP under which the individual was a beneficiary immediately before the transfer, and
- II. be under the age of 31 years, unless the contribution is by way of transfer from another RESP that allowed more than one beneficiary at a time.

No contributions may be made into the Plan by you, or on your behalf, after the thirty-first (31st) year following the year in which the Plan is established. The aggregate contributions into the Plan must not exceed the RESP lifetime limit as defined in subsection 204.9(1) of the *Income Tax Act*. You will be responsible for determining the amount of contributions to the Plan in respect of each Beneficiary each year and you shall be solely responsible for your share of any taxes, fees or penalties resulting from the contribution of more than is permitted under the *Income Tax Act*.

b) Transfers

Subject to the terms and conditions of this Plan, and the provisions of the *Income Tax Act*, *CES Act*, and any applicable Designated Provincial Program, you may transfer amounts to the Plan from another RESP, to the extent permitted by the terms and conditions of such other plan. All transfers to the Plan are subject to the following:

- No transfer is permitted to this Plan from another RESP after the other plan has made any Accumulated Income Payment.
- Where the property of another RESP is transferred to this Plan, the date this Plan is deemed to have been entered into is the earlier of the day on which this Plan was entered into and the day on which the other plan was entered into.
- In certain circumstances, a transfer to the Plan may result in an over contribution and tax payable by the Subscriber under subsection 204.9(1) of the *Income Tax Act*. You are responsible for ensuring that such an over contribution does not occur.
- If at any particular time property held by a trust governed by another RESP is distributed to this Plan:
 - I. Except as provided in paragraphs II. and III., the amount distributed is deemed not to have been contributed into this Plan.
 - II. Subject to paragraph III., each contribution made at an earlier time into the other plan in respect of a beneficiary under the other plan is deemed also to have made at the same time by the Subscriber in respect of each Beneficiary under this Plan.
 - III. Except as otherwise provided in the *Income Tax Act*, paragraph II. does not apply as a consequence of the distribution where:
 - i. Any Beneficiary under this Plan was, immediately prior to the particular time, a beneficiary under the other plan, or
 - ii. A parent of a Beneficiary under this Plan was a parent of an individual who was, immediately before the particular time, a beneficiary under the other plan.
 - IV. Where subparagraph III. i. or ii. applies in respect of the distribution, the amount of the distribution is deemed not to have been withdrawn from the other plan.
 - V. Each subscriber under the other plan is deemed to be a Subscriber under this Plan.

4. Investments:

As directed by you, all contributions and other assets or amounts properly paid or transferred into your Plan will be used to purchase, redeem or exchange units in one or more Mutual Funds in accordance with the terms and conditions described in the Simplified Prospectus, at the then current offering price of such units, provided that such units qualify at that time as a qualified investment for registered education savings plans under the *Income Tax Act* (herein referred to as "qualified investments"). 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.

All distributions credited in respect of units of a Mutual Fund held by the Plan shall be reinvested in additional units of such Mutual Fund at the direction of the Subscriber. In the event that units of such Mutual Fund are not, at the time the Promoter is required to make any investment under the provisions hereof, available for purchase or are not qualified investments, the Promoter, at the direction of the Subscriber, may invest such deposits or cash dividends or distributions in units of one or more other Mutual Funds that are qualified investments. All investments made by the Promoter for the Subscriber shall be credited to the Subscriber's account. Where the Plan holds units of a Mutual Fund that are not qualified investments, the Promoter is further empowered to automatically redeem sufficient units of any Mutual Fund that are not qualified investments and reinvest the proceeds in a Mutual Fund at the Promoter's sole discretion. In accordance with the terms of the *Income Tax Act*, the Subscriber may be liable for a 50% Part XI.01 tax when the Plan acquires a non-qualified investment or a prohibited investment, or an investment held by the Plan becomes a non-qualified investment or a prohibited investment. The voting rights attached to the units of a Mutual Fund or to any such other securities registered in the name of the Promoter and credited to the Subscriber's account shall be exercised by the Promoter by proxy given in favour of the manager of the Mutual Fund or in favour of the management of the issuer of such other securities. However, the Subscriber, may, by written notice received by the Trustee at least 48 hours prior to any meeting, request the Promoter to authorize the Subscriber to act as the Trustee's representative for the purpose of exercising the voting rights attached to any securities registered in the name of the Promoter and credited to the Subscriber's account, at any meeting of security holders whereupon the Promoter shall give such authorization to the Subscriber.

5. Refund of Payments Under the Plan:

We will, upon receipt of your written application, refund to you any amount not exceeding the aggregate of all amounts contributed by you or on your behalf under the Plan as provided for in Section 3 herein, including an amount transferred to the Plan from another RESP provided the amount transferred would have been a refund of payments under the other plan for the purposes of section 146.1 of the *Income Tax Act* if it had been paid at the previous time directly to a subscriber under the other plan, less all refunds previously paid under this section.

6. Record Keeping and Recording:

We will record the details of all Plan Assets, investment activity and any payments to or from the Plan, including any fees, expenses and charges incurred by the Plan. We will supply you with a statement of these details at least annually.

We will fulfill all reporting requirements as required under the *Income Tax Act*, the *CES Act* and under a Designated Provincial Program, with respect to RESP.

7. Termination:

Your Plan may be terminated by you at any time and, unless terminated earlier by you, will terminate on the last day of the thirty-fifth (35th) year following the year in which your Plan was established, or such other period as may be provided for under the *Income Tax Act*. Concurrent with such termination, the total of your contributions, less any amount previously refunded to you and less any amount required to be repaid under the *CES Act* or under a Designated Provincial Program, will be paid to you while the remaining Plan Assets, less any repayments required under the *CES Act* and under a Designated Provincial Program, will be paid

- in accordance with Section 11 below and subject to such conditions and limitations as are contained therein, to your Beneficiary as directed by you as an Educational Assistance Payment if such Beneficiary is then enrolled in a Qualifying Educational Program at a Post-Secondary Educational Institution, or
- to your Designated Institution to the extent of any amount that your Beneficiaries are not eligible to receive as an Educational Assistance Payment, or
- as Accumulated Income Payments.

You may transfer the Plan Assets, before the Plan's termination date, to another RESP to the extent permitted by the *Income Tax Act*, the *CES Act* and under a Designated Provincial Program and the terms and conditions of such other plan. We will make any repayments from the Plan Assets as required by the provisions of the *Income Tax Act*, the *CES Act* or a Designated Provincial Program and we reserve the right, notwithstanding any instructions from you and notwithstanding any other provision of this Plan, to retain and dispose of any Plan Assets which in our judgment, acting reasonably, are required to ensure compliance with any requirement to make such repayments. Partial transfers will not be permitted unless specifically authorized by us.

If your Plan has a balance of less than \$500 and no contributions to or withdrawals from your Plan have been made in the preceding 12 months, you hereby authorize us to refund to you the total of your contributions, less any amount previously refunded to you and less any amount required to be repaid under the *CES Act* and under a Designated Provincial Program, and remit the remaining Plan assets, less any repayments under the *CES Act* and under a Designated Provincial Program to your Designated Institution in accordance with Section 10 hereof.

8. Fees and Expenses:

We are entitled to receive from the Plan Assets such costs, charges and expenses in respect to the operation of this Plan as have been identified by the fee schedule, if any, as communicated to you in advance. Any such fees and expenses will first be chargeable to contributions and then, if necessary, to income.

You will be given a minimum of 30 days advance written notice of any changes to the fee schedule.

9. Designation of Beneficiary:

With your Application to participate in this Plan, you are required to designate at least one Beneficiary. If this Plan has applied for and received or will receive the Additional CESG, CLB or payment under a Designated Provincial Program, any new Beneficiary you designate must be a Brother or Sister of every other Beneficiary. The individual's SIN is required before being named as a Beneficiary in the Plan. A Beneficiary named must be a resident of Canada when the designation is made, unless the designation is made in conjunction with a transfer of property into this Plan from another RESP under which the individual was a beneficiary immediately before the transfer, in which case the SIN is not required if the beneficiary was not assigned a SIN prior to the designation. Except where the Subscriber is the Primary Caregiver, where a Beneficiary you have named is not a child of yours, we will cause written notification to be given to the Beneficiary to advise of the existence of this Plan and your name, as Subscriber, and address. Where a Beneficiary is under the age of 19 years, this written notification will be given to the custodial parent or Public Primary Caregiver of the Beneficiary. Subject to the terms and conditions hereof and the requirements of the *Income Tax Act*, the *CES Act* and a Designated Provincial Program, you, or your successor subscriber, may at any time revoke the previous designation of a Beneficiary and designate another Beneficiary under the Plan.

If at any particular time a Beneficiary of this Plan ceases to be a Beneficiary of this Plan (the "Former Beneficiary") and is replaced by another Beneficiary (the "new beneficiary"):

- Except as provided by paragraph II., each contribution made to the Plan on behalf of the Former Beneficiary at an earlier time is deemed also to have been made at the same time in respect of the new beneficiary.
- Except as otherwise provided for in the *Income Tax Act*, paragraph I. does not apply as a consequence of the replacement at the particular time of the Former Beneficiary where:
 - the new beneficiary had not attained 21 years of age before the particular time and a parent of the new beneficiary was a parent of the Former Beneficiary, or
 - both beneficiaries were connected by blood relationship or adoption, as defined in the *Income Tax Act*, to an original Subscriber under the Plan and neither had attained the age of 21 years before the particular time.
- Except where paragraph II. applies, each contribution made to the Plan in respect of the former beneficiary is without affecting the determination of the amount withdrawn from the Plan in respect of the new beneficiary deemed to have been withdrawn at the particular time from the Plan to the extent that it was not withdrawn before the particular time.

10. Designated Institution:

You may designate a single Post-Secondary Educational Institution in Canada as the Designated Institution under your Plan. You may revoke the previous designation of Designated Institution and designate another Post-Secondary Educational Institution in Canada as the Designated Institution under your Plan. If you have not designated the Designate Institution and the designation is required by us at a later date, you agree that, on the request to do so from us, you will make such a designation. If we are unable to contact you in accordance with Clause 13, or if you refuse to make such a designation when requested to do so, you hereby authorize us to make this designation on your behalf and our decision shall be final.

11. Payments from the Plan:

Subject to the terms and conditions hereof and any requirements imposed by the *Income Tax Act*, the *CES Act* and a Designated Provincial Program, or any other applicable legislation, upon receipt of written instruction from you, we will make payment or payments from the accumulated net income of the Plan or other Plan Assets, as appropriate, for the following purposes:

- Educational Assistance Payments to an individual enrolled in a Qualifying Educational Program or Specified Educational Program as a full-time or part-time student at a Post-Secondary Educational Institution or, to the extent permitted by the *Income Tax Act*, to an individual enrolled in a Qualifying Educational Program or Specified Educational Program at a Post-Secondary Educational Institution on less than a full-time basis due to mental or physical impairment which has been certified by the appropriate medical practitioner as required under paragraph 118.3(1)(a.2) of the *Income Tax Act*;

- Accumulated Income Payments, subject to the following conditions: -The individual is a Canadian resident and is a Subscriber under the Plan when the payment is made, and the payment is not made jointly to, or on behalf of, more than one subscriber, and

Any of:

- the Plan has been in existence for a minimum of 10 years and all living individuals who are or were Beneficiaries under the Plan have attained the age of 21 years and are not pursuing post-secondary education,
- the payment is made in the 35th year following the year the Plan was entered into, or
- each individual who was a beneficiary under the Plan is deceased when the payment is made.

-The Plan will be terminated before March of the year following the year in which the first Accumulated Income Payment is made out of the Plan.

Conditions outlined in clause 146.1(2)(d.1)(iii)(A) may be waived, upon written application of the Promoter, by the Minister as outlined in subsection 146.1(2.2) of the *Income Tax Act*, where a Beneficiary of the Plan is mentally impaired.

- refund of payments under the Plan as provided for in Section 5 hereof;
- repayments of amounts under the *CES Act* and under a Designated Provincial Program (whether or not written instructions from you have been received);
- to, or to a trust in favour of, the Designated Institution; or
- to a trust that irrevocably holds money or property pursuant to an RESP for any of the purposes set out in a) to e) above.

To enable the Trustee to make any payment requested by the Subscriber or otherwise required hereunder, the Trustee will dispose of such of the Plan Assets as the Subscriber directs. In the absence of direction from the Subscriber, the Trustee shall dispose of such Plan Assets as the Trustee in its discretion determines to be appropriate. Any payment requested by the Subscriber shall be made as soon as is reasonably practical following receipt of written request from the Subscriber. We will make any repayments from the Plan Assets as required by the provisions of the *Income Tax Act*, the *CES Act* or a Designated Provincial Program, and we reserve the right, notwithstanding any instructions from you and notwithstanding any other provision of this Plan, to retain and dispose of any Plan Assets which in our judgment, acting reasonably, are required to ensure compliance with any requirement to make such repayments. In addition, no Educational Assistance Payment will be made pursuant to (a) above to an individual until such time as the individual has satisfied the condition set out in (a) above and:

- throughout at least 13 consecutive weeks in the 12 month period that ends at that time unless the total of that payment and all other Educational Assistance Payments made under an RESP of the Promoter to or for the individual in the 12 month period that ends at that time in respect of the individual's enrolment in the program does not exceed \$5000 or
- the individual has attained the age of 16 and is, at that time, enrolled as a student in a Specified Educational Program at a post-secondary educational institution and the total Educational Assistance Payment 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 *CES Act* approves in writing with respect to the individual. Educational Assistance Payments may be made up to six months after ceasing to be enrolled in a qualifying educational program.

All payments out of the Plan shall be made subject to such deductions or withholdings as are required by the *Income Tax Act* or any other applicable legislation. Our decision as to whether any payment which you direct us to make under this section satisfies the provisions of this Section will be final and binding on you and the Beneficiary.

In the event the Plan is terminated, the Plan Assets are required to be used for any of the purposes described in the definition of Trust herein.

12. Death:

In the event of your death while this Plan remains in effect:

- your rights as a Subscriber under this Plan pass to and become exercisable by your joint subscriber, if any.
- if no individual becomes the Subscriber, as provided for in clause 1.x), all contributions remaining in your Plan will be retained in the Plan until instructions from your personal representative are obtained with respect to payment of same, and we have been supplied with such documentation as we determine necessary to make such payment.
- Accumulated Income Payments subject to paragraphs 146.1(2)(d.1) and (i.1) of the *Income Tax Act* may be made to any individual resident in Canada, provided, however, where more than one individual is entitled to receive accumulated income payments, the payments must be made separately to each person.

13. Notices:

Any notices given to us by you under this Plan will be sufficiently given if mailed, postage prepaid by you, to any of our offices and will be deemed to have been given on the day that such notice is received by us. Any notices given by us to you will be sufficiently given if mailed, postage prepaid by us, to you at your last address as supplied by you and will be deemed to have been given on the day of mailing.

14. No Advantage:

No advantage, as defined in subsection 207.01(1) of the *Income Tax Act*, that is conditional in any way on the existence of the Plan may be extended to you or to any person with whom you do not deal at arm's length other than those advantages or benefits which may be permitted from time to time under the *Income Tax Act*.

15. Limits of our Liability:

We will not be responsible for any loss or damage suffered or incurred by your Plan, by you or by the Beneficiary designated by you, unless caused by or resulting from our dishonesty, negligence, wilful misconduct or lack of good faith.

Once we have paid out all amounts contributed to the Plan and all amounts of income, less all proper charges and repayments required under the *CES Act* and under a Designated Provincial Program, we will be considered as discharged from any further responsibilities under the Plan.

The Promoter shall not be entitled to recover from the Plan penalties, interest and/or taxes imposed under the *Income Tax Act* that are attributable to the Promoter.

16. Ultimate Responsibility:

We have entered in an Agency Agreement with the Trustee, which provides that certain duties of the Trustee have been delegated to us as agent for the Trustee for the purposes of administration of this Plan. However, we are ultimately responsible for the administration of the Plan.

17. Amendments:

We may from time to time amend your Plan by giving you 90 days notice in writing. Any amendment cannot, however, be contrary to the provisions of the *Income Tax Act*, the *CES Act* or a Designated Provincial Program and must be approved by the Registered Plans Division of Canada Revenue Agency prior to implementation.

In the event of changes to the *Income Tax Act*, the *CES Act* or a Designated Provincial Program, your Plan will be considered to have been amended to conform to such changes effective the date such changes come into force.

18. Replacement Trustee:

Notwithstanding any other provisions herein, Funds must be held by a trustee and the trustee of the plan must be a corporation licensed or authorized under the laws of Canada or a province to carry business as a trustee. When the Trust holding the Plan funds is terminated or replaced, the only permissible payments are the ones provided under the definition of Trust as per Section 1.y) herein.

19. Residence of Promoter:

The Promoter, and any successor Promoter, shall be a resident of Canada.