

APPLICATION FORM

• FOR ONE BENEFICIARY  
ONLY

# Individual Education Savings Plan account



# Application for Individual ESP account



## Your investment professional

for all transactions

Dealer company's name	Dealer code	Rep. code
Investment professional's name	Phone (    )	

## Type of account

for all transactions

<input type="radio"/> New account <input type="radio"/> Additional investment to existing account	Fidelity account no.
<input type="radio"/> Single <input type="radio"/> Joint tenants with rights of survivorship (does not apply to Quebec residents) <input type="radio"/> Tenants in common	

## Subscriber information

for all transactions

The subscriber is the person investing on behalf of the beneficiary.

<input type="radio"/> Mr. <input type="radio"/> Dr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Miss	Last name	First name	Initial
Date of birth day/month/year	SIN mandatory	<input type="radio"/> English <input type="radio"/> French	Home phone (    )    Work phone (    )
Street address	Apt/Suite	City	Province    Postal code

## Joint subscriber information

for joint accounts only, must be subscribers' spouse

<input type="radio"/> Mr. <input type="radio"/> Dr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Miss	Last name	First name	Initial
Date of birth day/month/year	SIN mandatory	<input type="radio"/> English <input type="radio"/> French	Home phone (    )    Work phone (    )

## Beneficiary information

for all transactions,

beneficiary name must match the name on the SIN card

A beneficiary is the person who is entitled to receive the education-assistance payments under the Plan.

You may designate anyone as beneficiary under this Plan, including yourself or your spouse. If you are not the beneficiary's parent or you do not have full or shared custody, AND the child is under 19 years of age, you must provide the custodial parent information.

Last name	First name	Middle name
Date of birth day/month/year	SIN mandatory	Gender <input type="radio"/> male <input type="radio"/> female
Relationship to subscriber <input type="radio"/> son/daughter <input type="radio"/> grandchild <input type="radio"/> niece/nephew <input type="radio"/> sister/brother <input type="radio"/> other/not related (state relationship)		
Address (if different from subscriber's)	Apt/Suite	City    Province    Postal code
Custodial parent's name (if different from subscriber)		
Custodial parent's address	Apt/Suite	City    Province    Postal code

## Investment instructions

for all transactions

U.S. currency funds not available

maximum \$4,000 each year  
lifetime maximum \$42,000  
not deductible from subscriber's income

Fund name	Fund code	Initial investment <input type="radio"/> \$ <input type="radio"/> %	Sales charge % (ISC only)	Wire order number	PAC Amount \$
<b>TOTAL AMOUNT \$</b>					<b>\$</b>

## Pre-authorized chequing (PAC) plan

optional

minimum \$50

attach a void cheque

NOTE: We need 5 business days before the start date to set up or change a PAC plan.

I authorize the financial institution shown below to pay Fidelity from my bank account, the amounts indicated to invest in Fidelity funds, as shown in the Investment instructions section. I may revoke this authorization at any time by giving my bank 10 days' written notice. If I transfer my account to a different branch of the same

institution, this authorization will still be valid. Each payment will be treated the same as if I requested it, and failure to make the payment will not give rise to any liability for the financial institution. If I rely on another party to deliver this authorization, it will be the same as if I had delivered it.

Name of financial institution			Address
Transit number	Bank code	Your account number	Name(s) on account
Start date day/month/year	Frequency (select one) <input type="radio"/> every 2 weeks <input type="radio"/> monthly <input type="radio"/> every 2 months <input type="radio"/> quarterly <input type="radio"/> semi-annually <input type="radio"/> annually	<input type="radio"/> twice a month – which dates? .....	

## Application for Canada Education Savings Grant (CESG)

optional

**Completion of this section is voluntary; however, failure to provide this information will result in the beneficiary(ies) not being eligible for a CESG.**

Do you wish Fidelity Investments to apply for a Canada Education Savings Grant (CESG) on behalf of the beneficiary?  Yes  No

**To be eligible to receive a CESG, where the beneficiary was 16 or 17 years of age this year, at least one of the following conditions must have been met in order to receive the CESG.** Check the conditions that apply to each of the beneficiaries.

A minimum of \$2,000 of contributions has been made, and not withdrawn, to registered education savings plans (RESPs) in respect of the beneficiary before the year in which the beneficiary was 16 years of age.

A minimum of \$100 of annual contributions has been made, and not withdrawn, to RESPs in respect of the beneficiary in any four years before the year in which the beneficiary turned 16 years of age.

## Investment instructions for CESG

required if applying for CESG

I authorize Fidelity to allocate the CESG grant proportionately among the fund(s) held in the Plan, according to the cost value of each fund. Unless otherwise indicated, Fidelity, on behalf of Canada Trust Company will automatically perform this function.

I authorize Fidelity to allocate the CESG grant as follows:

Fund name	Fund code	ISC %	Grant allocation %
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## Designation of educational institution

optional

In the event that no beneficiary or other person qualifies for payments under the Plan, the educational institution designated below shall be entitled to the net accumulated income portion held under the Plan.

Name of institution	City	Province
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## Date of last contribution

optional

If you do not specify the last contribution date or the termination date, Fidelity will use the latest dates allowed under the Income Tax Act.

Last contribution date  
(no later than December 31st of the 21st year following the year the Plan is established)  
day/month/year

Termination date  
(no later than December 31st of the 25th year following the year the Plan is established)  
day/month/year

## Communications

for all transactions

I consent to electronic delivery of Fund Annual Reports and Semi-Annual Reports. Fidelity will give me notice by e-mail if they wish to deliver any other documents electronically. I am not required to consent, and I can remove my consent at any time by calling 1(800) 263-4077. I can also receive a paper copy of the reports by calling the same number. I will check www.fidelity.ca for documents regularly, and I acknowledge that I can view documents in pdf format. I will tell Fidelity immediately if my

e-mail address changes. My e-mail address is:

I want Fidelity to consolidate all mailings to my household to reduce waste. Fidelity account numbers at my household (attach details if needed):

## Your signature

for all transactions

I acknowledge that I have received a copy of the current simplified Prospectus(es) and current financial statements of the fund(s) selected and understand that these transactions are made under the terms and conditions therein. I understand that mutual funds are not insured under the Canada Deposit Insurance Corporation Act.

I request Fidelity Investments Canada Limited to apply for registration of the Plan under the Income Tax Act (Canada) and, if applicable, any provincial income tax legislation.

I confirm that the beneficiary is a resident of Canada. I understand residency is a requirement for receiving a grant under the CESG Program. 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 Trustee if the beneficiary is a non-resident at the time an educational assistance payment is requested.

I acknowledge and agree to be bound by the terms and conditions set out in the Contract set forth on the reverse side hereof. I understand that I am responsible for determining the amount of contributions to the Plan that are permitted for income tax purposes. I acknowledge that I may be subjected to a penalty tax for over-contribution to the Plan.

I certify that the information provided by me on this application is complete and true in all respects. I request that this application and all documentation relating to my account or Plan be provided to me in English. Je vous prie de me faire parvenir la présente demande ainsi que toute la documentation afférente à mon compte ou à mon Régime en français.

Date day/month/year	Subscriber's signature X	Joint subscriber's signature (if applicable) X
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Accepted by Fidelity Investments Canada Limited, as promoter and agent for Canada Trust Company, Trustee.

Date day/month/year	Authorized signature 
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FUND NAME (SERIES A)	100% RSP ELIGIBLE	FOREIGN CONTENT*	CANADIAN \$ FUND CODE <sup>†</sup>	
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## Equity funds

CANADIAN			DSC	ISC
Fidelity Canadian Aggressive Fund	●		0515	0215
Fidelity Canadian Growth Company Fund	●		0565	0265
Fidelity Canadian Large Cap Fund (formerly Fidelity Capital Builder Fund)	●		0531	0231
Fidelity Disciplined Equity Fund	●		0524	0224
Fidelity True North® Fund	●		0525	0225
AMERICAN			DSC	ISC
Fidelity American Opportunities Fund		●	0563	0263
Fidelity Growth America Fund		●	0534	0234
Fidelity Small Cap America Fund		●	0561	0261
INTERNATIONAL			DSC	ISC
Fidelity Emerging Markets Portfolio Fund		●	0575	0275
Fidelity European Growth Fund		●	0428	0228
Fidelity Far East Fund		●	0537	0227
Fidelity International Portfolio Fund		●	0530	0230
Fidelity Japanese Growth Fund		●	0821	0220
Fidelity Latin American Growth Fund		●	0551	0251
Fidelity Overseas Fund		●	0570	0270
SECTOR			DSC	ISC
Fidelity Focus Consumer Industries Fund		●	0512	0212
Fidelity Focus Financial Services Fund		●	0548	0248
Fidelity Focus Health Care Fund		●	0599	0299
Fidelity Focus Natural Resources Fund		●	0577	0277
Fidelity Focus Technology Fund		●	0597	0297
Fidelity Focus Telecommunications Fund		●	0592	0292

## Asset allocation and balanced funds

CANADIAN			DSC	ISC
Fidelity Canadian Asset Allocation Fund	●		0581	0281
Fidelity Canadian Balanced Fund	●		0582	0282
INTERNATIONAL			DSC	ISC
Fidelity Global Asset Allocation Fund		●	0349	0249

## Fixed income and money market funds

CANADIAN			DSC	ISC
Fidelity Canadian Bond Fund	●		0533	0233
Fidelity Canadian Short Term Bond Fund	●		0585	0285
Fidelity Canadian Money Market Fund	●		0535	0229
AMERICAN			DSC	ISC
Fidelity American High Yield Fund		●	0555	0255

CLASS NAME (SERIES A)	100% RSP ELIGIBLE	FOREIGN CONTENT*	CANADIAN \$ FUND CODE <sup>†</sup>		
			DSC	ISC	
<b>Capital structure class</b>	<b>CANADIAN FIXED INCOME</b>			<b>DSC</b>	<b>ISC</b>
	Fidelity Canadian Short Term Income Class	●	0546	0246	
	<b>CANADIAN BALANCED</b>			<b>DSC</b>	<b>ISC</b>
	Fidelity Canadian Balanced Class	●	0526	0226	
	<b>CANADIAN EQUITY</b>			<b>DSC</b>	<b>ISC</b>
	Fidelity Canadian Growth Company Class	●	0554	0254	
	Fidelity Disciplined Equity Class	●	0596	0296	
	Fidelity True North <sup>®</sup> Class	●	0586	0286	
	<b>U.S. EQUITY</b>			<b>DSC</b>	<b>ISC</b>
	Fidelity American Opportunities Class	●	0558	0258	
	Fidelity Growth America Class	●	0584	0284	
	Fidelity Small Cap America Class	●	0574	0274	
	<b>INTERNATIONAL EQUITY</b>			<b>DSC</b>	<b>ISC</b>
	Fidelity European Growth Class	●	0598	0298	
	Fidelity Far East Class	●	0516	0216	
	Fidelity International Portfolio Class	●	0578	0278	
	Fidelity Japanese Growth Class	●	0514	0214	
	<b>SECTOR</b>			<b>DSC</b>	<b>ISC</b>
	Fidelity Focus Consumer Industries Class	●	0505	0205	
Fidelity Focus Financial Services Class	●	0518	0218		
Fidelity Focus Health Care Class	●	0544	0244		
Fidelity Focus Natural Resources Class	●	0580	0280		
Fidelity Focus Technology Class	●	0590	0290		
Fidelity Focus Telecommunications Class	●	0541	0241		

\* Your Investment Professional can help you determine and monitor the foreign content of your RSP holdings to avoid tax penalties. Amounts in excess of the allowable percentages established from time to time by the Income Tax Act (Canada) will be subject to tax penalties.

† DSC = Deferred Sales Charge ISC = Initial Sales Charge

Fidelity mutual fund trusts and classes of Fidelity Capital Structure Corp. are collectively known as 'Fund(s)'.



VISIT US ONLINE AT  
[www.fidelity.ca](http://www.fidelity.ca)

CALL FIDELITY  
CLIENT SERVICES AT  
1 800 263-4077

FAX US AT  
1 800 387-8092

## Tips to help you complete this form

**Use this form only when there is one beneficiary.** This form is not interchangeable with the application for a family RESP account.

**Print all information clearly and completely.** This is especially important for the *Subscriber information* and *Beneficiary information* sections; the application cannot be processed without them.

**Staple all required documents** to Fidelity's copy, including cheques. Attach a photocopy of the beneficiary's SIN card if necessary.

**When completing the *Investment instructions* section,**

- ◆ Copy the fund code carefully from the fund list we've provided.
- ◆ Abbreviate the fund name, eliminating the words "Fidelity" and "Fund." For example, to choose the Fidelity Canadian Growth Company Fund, simply print "Canadian Growth Company" or "Cdn Growth Co." We use this name to verify the code you have written.
- ◆ Check one circle to show whether you are using dollar amounts or percentages.

**When applying for the *Canada Education Savings Grant (CESG)*,** be sure to complete all areas of the sections called *Beneficiary information*, *Application for Canada Education Savings Grant (CESG)*, and *Investment instructions for CESG*.

**The subscriber needs to sign the form.** The subscriber's signature in the section called *Your signature* applies to all information provided on the form, including the PAC agreement in the section called *Pre-authorized chequing (PAC) plan*.

**Send the original signed form** with the initial payment to Fidelity at 483 Bay Street, Suite 200, Toronto ON M5G 2N7. The subscriber gets the second copy, and the investment professional gets the last copy.

**You may fax this form** to Fidelity at 1 800 387-8092, but it must be followed by the original signed form and initial payment, within 3 business days of the date it was signed.

## Please note

**A child can be a beneficiary under more than one RESP plan.**

The maximum annual contribution for each beneficiary is \$4,000 by all subscribers under all plans. The lifetime maximum for each beneficiary is \$42,000. Contributions over these maximums will be subject to a 1% penalty tax per month. Contributions are not deductible for the subscriber.

**To apply for a CESG,** the beneficiary must be under age 18, live in Canada, and have a valid social insurance number.

- ◆ An eligible beneficiary will receive \$400 CESG each year, to a lifetime maximum of \$7,200. Unused contribution room can be carried forward from year to year. CESG payments are not included when determining your lifetime or annual contribution limits.
- ◆ Plan information will be provided to Human Resources Development Canada and the Canada Customs and Revenue Agency for taxation purposes.

Visit us online at

[www.fidelity.ca](http://www.fidelity.ca)

or call Fidelity Client Services at  
1 800 263-4077

or fax us at  
1 800 387-8092

Fidelity Investments Canada Limited  
483 Bay Street, Suite 200  
Toronto, Ontario M5G 2N7

# FIDELITY INDIVIDUAL EDUCATION SAVINGS PLAN

## Terms and Conditions

These terms and conditions, together with the application, constitute a contract entered into between Fidelity Investments Canada Limited (the "Promoter"), as Promoter of the Plan, The Canada Trust Company, as Trustee of the Plan and either one individual or an individual and his or her spouse (the "Subscriber"), under which the Promoter agrees to pay or to cause to be paid Educational Assistance Payments to or for a Beneficiary. The Canada Trust Company, a company incorporated under the laws of Canada to carry on in Canada the business of offering to the public its services as a trustee (the "Trustee") hereby declares that it agrees to act as Trustee for the Fidelity Investments Individual Education Savings Plan.

### 1. DEFINITIONS. In the Plan:

- a) "Accumulated Income Payment" means a payment from the Plan, other than the repayment of Grant amounts or a payment described in any of paragraphs (a) and (c) to (e) of the definition of "trust" as defined in Subsection 146.1(1) of the Tax Act, 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) "Assets of the Plan" means all Subscriber Contributions made by or on behalf of the Subscriber under the Plan and all Grants, together with the income and gains derived from the investment thereof, less any losses sustained on the realization of any investment, the fees and out-of-pocket expenses of the Trustee and the Promoter paid out of the Plan pursuant to Section 17 and any payments from the Plan (including any repayment of Grants), as provided for herein, and includes all investments and all uninvested cash held from time to time by or on behalf of the Trustee in accordance with the Plan.
- c) "Beneficiary" means the person designated by the Subscriber as the Beneficiary in respect of the Plan, including a Replacement Beneficiary, and entitled to receive Educational Assistance Payments pursuant to the Plan.
- d) "Designated Educational Institution" means an educational institution in Canada that is 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 or recognized by the appropriate authority under the Canada Student Financial Assistance Act, or designated by the Minister of Higher Education and Science of the Province of Quebec for the purposes of An Act respecting financial assistance for students of the Province of Quebec.
- e) "Educational Assistance Payment" means any amount, other than a refund of Subscriber Contributions, paid out of the Plan to or for the Beneficiary to assist the Beneficiary to further his or her education at a post-secondary school level.
- f) "Grant" means a Canada Education Savings Grant as provided for in the HRD Act.
- g) "HRD Act" means the Department of Human Resources Development Act (Canada) and the Regulations thereto, as amended from time to time.
- h) "Plan" means this agreement and the education savings plan established hereunder and known as Fidelity Investments Individual Education Savings Plan.
- i) "Post-Secondary Educational Institution" means:
  - i) an educational institution in Canada that is:
    - A) a Designated Educational Institution, or
    - B) certified by the Minister of Human Resources Development to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skill for, or improve a person's skills in, an occupation; or
  - ii) an educational institution outside Canada that is a university, college or other educational institution providing courses at a post-secondary school level at which a Beneficiary was enrolled in a course of not less than 13 consecutive weeks.
- j) "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 10 hours per week on courses or work in the program and, in respect of a program at a Designated Educational Institution, that is a program at a post-secondary school level but, in relation to any particular Beneficiary, does not include any such program if the program is taken by the Beneficiary
  - i) during a period in respect of which he or she receives income from an office or employment, and
  - ii) in connection with or as part of the duties of, that office or employment.
- k) "Registered Education Savings Plan" has the meaning ascribed thereto by Subsection 146.1(1) of the Tax Act.
- l) "Subscriber" means:
  - (i) each individual with whom the Promoter of the Plan entered into the Plan;
  - (ii) an individual 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 a Subscriber under the Plan in settlement of rights arising out of, or on the breakdown of, their marriage; or
  - (iii) after the death of a Subscriber under the Plan, any other person (including the estate of the Subscriber) who makes contributions into the Plan in respect of the Beneficiary, but does not include an individual who disposed of the individual's rights as a Subscriber under the Plan in the circumstances described in paragraph (ii).
- m) "Tax Act" means the Income Tax Act (Canada) and the Regulations thereto, as amended from time to time.

2. **RESPONSIBILITY FOR THE PLAN.** The Promoter has ultimate responsibility for the Plan. Specifically, the Promoter is responsible for applying for registration of the Plan as a Registered Education Savings Plan under the Tax Act and any applicable provincial tax legislation, and for the administration of the Plan. The Trustee is responsible for the trust fund created hereunder and accepts the office of trustee of the Plan upon the terms and conditions herein contained. Without in any way derogating from the ultimate responsibility of the Trustee for the trust fund created hereunder, from time to time the Trustee may delegate to the Promoter as agent for the Trustee, certain of its duties to be performed in respect of such trust fund including the following:

- a) the receipt of Subscriber Contributions;
- b) the investment and reinvestment of Assets of the Plan in accordance with the terms herein;
- c) the collection and remittance of fees and charges applicable hereunder;
- d) the payment of amounts out of the Plan in accordance with the terms herein;
- e) maintaining the accounting records of the Plan;
- f) providing to the Subscriber Statements of account for the Plan; and
- g) such other duties as the Trustee may determine in its discretion from time to time.

3. **REGISTRATION.** The Promoter shall apply for registration of the Plan as a Registered Education Savings Plan pursuant to Section 146.1 of the Tax Act and, if required, the corresponding provisions of any applicable provincial legislation.

4. **PAYMENTS OUT OF THE TRUST.** Subject to the payment of trustee and administration charges pursuant to Section 17, the Trustee shall irrevocably hold the Assets of the Plan for:

- a) the payment, pursuant to Subsection 12(a), of Educational Assistance Payments to or for the Beneficiary;
- b) the payment of Accumulated Income Payments pursuant to Section 13;
- c) the refund of Subscriber Contributions pursuant to Section 11;
- d) the repayment of Grants pursuant to the HRD Act;
- e) the payment pursuant to Subsections 12(b) or 15(e) to or to a trust in favour of a Designated Educational Institution; or
- f) the payment pursuant to Subsection 12(c) to a trust that irrevocably holds property pursuant to a Registered Education Savings Plan for any of the purposes set out in Subsections (a) to (d) of this Section.

### 5. THE BENEFICIARY.

- a) Upon establishment of the Plan the Subscriber shall designate in the space provided on the application a Beneficiary in respect of the Plan.
- b) The Subscriber may at any time and from time to time thereafter revoke the designation of any Beneficiary and designate another beneficiary (a "Replacement Beneficiary") in respect of the Plan.
- c) The Subscriber may also specify, by advising the Promoter in writing, a Designated Educational Institution that will receive any remaining amount held by the Trustee under the Plan on the Termination Date referred to in Section 15. The Subscriber may at any time thereafter change or revoke the Designated Educational Institution as specified.
- d) Any change made by the Subscriber as provided in (b) or (c) above shall be made by written instrument in form and substance satisfactory to the Promoter which adequately identifies the Plan and the Subscriber's instructions, is dated and executed by the Subscriber and is delivered to the Promoter. If more than one such instrument is delivered to the Promoter, the one bearing the latest execution date shall govern.
- e) The Subscriber shall, on designating a Beneficiary or a Replacement Beneficiary, advise the Promoter in writing of the age and residential address of the Beneficiary or Replacement Beneficiary, as the case may be, and, if the Beneficiary or Replacement Beneficiary is under 19 years of age at the time, whether the Beneficiary or Replacement Beneficiary ordinarily resides with a parent, as defined in the Tax Act and if so, the name and residential address of the parent. Within 90 days after an individual becomes the Beneficiary or a Replacement Beneficiary, as the case may be, the Promoter shall notify the individual or, where the individual is under 19 years of age at the time and ordinarily resides with a parent of the individual, that parent, in writing of the existence of the Plan and the name and address of the Subscriber. Such notification shall be sufficiently given if mailed, postage prepaid addressed to the Beneficiary, Replacement Beneficiary or parent, as the case may be, at the residential address of such person.

6. **SUBSCRIBER'S ACCOUNT AND STATEMENTS.** The Promoter shall maintain a subscriber's account for the Subscriber in which will be recorded;

- a) Subscriber Contributions made by or on behalf of the Subscriber in respect of the Beneficiary pursuant to Subsection 7(a);
- b) the balance in the Grant account, including the amount of all Grants received from the government, and the portion of Educational Assistance Payments made from the Plan that is attributable to the Grants;
- c) refunds of Subscriber Contributions to the Subscriber made pursuant to Section 11;
- d) investments, investment transactions and investment income, gains and losses;
- e) payments to the Subscriber of Accumulated Income Payments pursuant to Section 13;
- f) amounts paid to or for the Beneficiary pursuant to Subsection 12(a) as Educational Assistance Payments; and
- g) amounts paid to Designated Educational Institutions or to other trusts pursuant to Subsections 12(b) or (c).

The Promoter shall send to the Subscriber monthly in respect of any month during which any transactions were recorded in the Subscriber's account a statement showing all transactions recorded therein during such month and at least quarterly a statement of the Subscriber's account showing the Subscriber's account balance and details of any securities held or owned at the end of the period covered by such statement whether or not any transactions have been recorded in the Subscriber's account during the period covered by such statement.

### 7. SUBSCRIBER CONTRIBUTIONS.

- a) Any amount may be paid into the Plan at any time or from time to time by or on behalf of the Subscriber in respect of the Beneficiary, provided, however, that any amount so paid (a "Subscriber Contribution") shall not:
  - i) be less than the minimum Subscriber Contribution established by the Promoter from time to time;
  - ii) together with all previous Subscriber Contributions made in the year in respect of the Beneficiary, exceed the annual limit, as defined in paragraph 146.1(1) of the Tax Act; and
  - iii) together with all previous Subscriber Contributions in respect of the Beneficiary, exceed the lifetime limit, as defined in paragraph 204.9(1) of the Tax Act.
- b) Notwithstanding the provisions of (a) above, any amount may be paid into the Plan which represents all or any portion of the assets of any other Registered Education Savings Plan entered into by the Subscriber after December 31, 1982 (the "Former Plan") and out of which no Accumulated Income Payment has been made. Any such transfer shall be made in accordance with Subsections 146.1(6.1) and 204.9(5) of the Tax Act. Specifically, the Plan shall be deemed to be entered on the day that is the earlier of (i) the day on which the Former Plan was entered into, and (ii) the day on which the Plan was entered into. Any amount so transferred shall not be considered to be a Subscriber Contribution made to the Plan at the time of transfer but, to the extent that such amount represents amounts paid into the Former Plan by or on behalf of the Subscriber in respect of the Beneficiary, such amount shall be deemed to be Subscriber Contributions made in respect of such Beneficiary at the same times and in the same amounts as paid into the Former Plan.
- c) If the Beneficiary named by the Subscriber hereunder ceases to be the Beneficiary under the Plan (a "Former Beneficiary"), and a Replacement Beneficiary is designated in place of such Beneficiary pursuant to Subsection 5(b) hereof, any such replacement must be in accordance with Subsections 204.9(4) and (5) of the Tax Act and any Subscriber Contributions made prior to that time in respect of the Former Beneficiary shall be deemed to have been made in respect of the Replacement Beneficiary.
- d) No Subscriber Contribution may be made by or on behalf of a Subscriber after the twenty-first year following the year in which the Plan was entered into. If an amount is transferred in accordance with Subsection 204.9(4) of the Tax Act into the Plan from a Former Plan that was entered into before the Plan was entered into, no Subscriber Contribution may be made by or on behalf of the Subscriber after the twenty-first year following the year in which the Former Plan was entered into.
- e) The aggregate of Subscriber Contributions to the Plan made in a particular year in respect of the Beneficiary, and payments made in that year to all other Registered Education Savings Plans by or on behalf of any person in respect of the Beneficiary shall not exceed the lesser of:
  - i) the annual limit as outlined in the Tax Act; and
  - ii) the lifetime limit as outlined in the Tax Act.
- f) If the foregoing limits are exceeded, a refund of Subscriber Contributions pursuant to Section 11 shall be made sufficient to withdraw the Subscriber's share of the excess amount within the meaning of Subsection 204.9 of the Tax Act.
- g) A Subscriber Contribution does not include any Grants received by the Plan.

8. **GRANTS.** The Promoter and the Trustee will ensure that the Grant is applied for as requested. Once received, the Grant will be invested as directed by the Subscriber. Where required by the HRD Act or the Tax Act, the Promoter, on behalf of the Trustee, will make a payment from the Plan as a repayment of Grants previously received by the Plan. The Plan will be administered in compliance with the conditions and limitations, applicable to the Grants, which may be imposed from time to time by the HRD Act. The Subscriber agrees to provide the Promoter with such information as may be required from time to time in order to enable the Promoter and the Trustee to apply for and administer any Grants in accordance with the Tax Act and the HRD Act.

9. **INVESTMENTS.** The Trustee shall hold, invest and reinvest the Assets of the Plan in accordance with the written or oral instructions of the Subscriber to the Promoter, in such investments as the Trustee shall make available from time to time. The Trustee may, but need not, require any such direction in

writing. The Promoter shall ensure that such investments are qualified investments, as defined in section 146.1 of the Tax Act, for trusts governed by Registered Education Savings Plans. The Trustee, for the purpose of investing and reinvesting the assets of the Plan, shall be released from any claims of, or liability to, the Subscriber in acting pursuant to such directions, unless caused by or resulting from its own dishonesty, bad faith, wilful misconduct or gross negligence

- 10. OWNERSHIP OF INVESTMENTS.** The Trustee may hold any investment for the Plan in its own name, in the name of its nominee, in bearer form or in such other name as the Trustee may determine. Title to the Assets of the Plan shall at all times be vested solely in the Trustee to be held in accordance with the terms hereof. Subject to the terms hereof, the Trustee may exercise the rights and powers of an owner with respect to all securities held by it for the Plan, including the right to vote or give proxies in respect thereof.
- 11. REFUND OF SUBSCRIBER CONTRIBUTIONS.** The Subscriber shall be entitled, upon written direction to the Promoter, to a refund to him of any amount not exceeding in total the aggregate of all Subscriber Contributions paid by or on behalf of the Subscriber into the Plan, to the extent of the Assets of the Plan, net of any applicable fees and expenses. Any such refund of Subscriber Contributions shall comply with the requirements of the Tax Act and the HRD Act. No refund of Subscriber Contributions may be paid where such payment would result in the value of the remaining property in the Plan being insufficient to cover any Grant repayment requirement.
- 12. EDUCATIONAL ASSISTANCE AND OTHER PAYMENTS.** At any time and from time to time upon receipt of a written direction from the Subscriber in such form as is acceptable to the Promoter, the Promoter shall pay out of the net accumulated income (including capital appreciation) of the Plan and out of any Grants as permitted or required by the Tax Act and the HRD Act such amount or amounts (less applicable taxes, if any, required to be withheld from any such amount or amounts) as the Subscriber shall direct:
- to or on behalf of the Beneficiary as the Subscriber shall direct who is
    - either
      - enrolled as a full-time student in a Qualifying Educational Program at a Post-Secondary Educational Institution, or
      - enrolled as a student in a Qualifying Educational Program at a Post-Secondary Educational Institution and has at that time a mental or physical impairment the effects of which on the Beneficiary have been certified in writing, by a person described in paragraph 118.3(1)(a.2) in relation to the Beneficiary's impairment, to be such that the Beneficiary cannot reasonably be expected to be enrolled as a full-time student, and
    - either
      - the Beneficiary has satisfied the condition set out in subparagraph (i) for at least 13 consecutive weeks in the 12-month period that ends at that time, or
      - the total of the payment and all other Educational Assistance Payments made under a Plan of the Promoter to or for the Beneficiary in the 12-month period that ends at that time does not exceed the limit prescribed in paragraph 146.1(2)(g.1) of the Act or such greater amount as the Minister of Human Resources Development approves in writing, with respect to the Beneficiary;
  - to, or to a trust in favour of, a Designated Educational Institution; or
  - to a trust that irrevocably holds money or property pursuant to a Registered Education Savings Plan for any of the same purposes as those set out in Section 4.

The Promoter shall determine whether any conditions precedent to the payment of any amount pursuant to this Section have been satisfied and such determination shall be final and binding on the Subscriber and any Beneficiary.

- 13. ACCUMULATED INCOME PAYMENTS.** At a particular time, upon receipt of a written direction from the Subscriber in such form as is acceptable to the Promoter, the Trustee or the Promoter on its behalf shall pay out of the net accumulated income (including capital appreciation) of the Plan such amount or amounts, not exceeding the lifetime limit of \$50,000 as outlined in subsection 204.94(2) of the Tax Act, (less applicable taxes, if any, required to be withheld from any such amount or amounts) as the Subscriber shall direct. Accumulated Income Payments may be paid under the Plan only if:
- the payment is made to, or on behalf of a person and not jointly to, or on behalf of, more than one person;
  - the person is resident in Canada at the particular time;
  - the person is a Subscriber at the particular time, or an individual died at any previous time and was a Subscriber under the Plan immediately before death;
  - the Beneficiary has attained 21 years of age and is not, at the particular time, eligible under the Plan to receive Educational Assistance Payments, or had died before the particular time;
  - the particular time is after the ninth year that follows the year in which the plan was entered into, or the Beneficiary has died before the particular time and the Subscriber had made a contribution into the Plan in respect of the Beneficiary and was, or was related to, a Subscriber under the Plan (or was the nephew, niece, great nephew or great niece of a Subscriber under the Plan); and
  - after such payment the value of the remaining property in the Plan is sufficient to cover any Grant repayment requirement.

Upon written notice to the Subscriber, the Promoter shall make an application to the Minister of National Revenue who may waive the application of the conditions in paragraphs (d) and (e) in respect of the Plan where the 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.

- 14. RESPONSIBILITIES OF THE PROMOTER.** The Promoter will be responsible for the administration of the Plan and in connection therewith will:
- apply for registration of the Plan as a Registered Education Savings Plan;
  - invest and reinvest the Assets of the Plan pursuant to the instructions of the Subscriber;
  - provide to the Subscriber statements of the Subscriber's account;
  - receive from the Subscriber any change in Beneficiary, Designated Educational Institution, Termination Date or any other matter which requires notification by the Subscriber to the Promoter in accordance with the terms hereof;
  - make payments out of the Plan pursuant to Sections 11, 12, 13, 15 or 17;
  - to the extent required, deal with the appropriate taxation authorities in connection with the Plan or any amendment thereof;
  - ensure that the Plan at all times complies with the requirements of the Tax Act regarding registered education savings plans; and
  - ensure compliance with all relevant provisions of the Tax Act and the HRD Act relating to Grants.

Without derogating from the Promoter's ultimate responsibility for the administration of the Plan, the Promoter may retain the Trustee or other agents to provide administrative services to the Plan. The Promoter shall remain ultimately responsible for the administration of the Plan.

- 15. TERMINATION DATE.**
- Subject as hereinafter provided, upon the establishment of the Plan the Subscriber shall designate in the space provided in the application the Termination Date which shall be a date not later than the last day of the 25th year following the year in which the Plan is entered into.
  - If any assets of a Former Plan are transferred to the Plan, the Termination Date shall not be a date later than the last day of the 25th year following the year in which the Former Plan or the Plan whichever was first, was entered into.
  - If the Subscriber dies before the Termination Date designated or otherwise established, the Termination Date shall be the earlier of the Termination Date so designated or otherwise established and the twenty-first anniversary of the date of death of the Subscriber.

- If Accumulated Income Payments are made in accordance with Section 13, the Termination Date shall be before March of the year following the year in which the first such payment was made out of the Plan.
  - Not less than six months prior to the Termination Date the Promoter shall give notice to the Subscriber, and subject to the terms of any direction given to the Trustee prior to the Termination Date, the Trustee shall pay to the Subscriber as a refund of Subscriber Contributions the maximum amount that would be refunded to the Subscriber on the Termination Date had the Subscriber requested a refund thereof pursuant to Section 11, and shall pay the remaining amount, if any held by it under the Plan on the Termination Date, less any unpaid fees and out-of-pocket expenses, to the Designated Educational Institution designated by the Subscriber at that time under the Plan.
- 16. TERMINATION.** In the event that the Plan is terminated, the Assets of Plan are required to be used for any of, or any combination of, the purposes described in Section 4.
- 17. TRUSTEE AND ADMINISTRATION CHARGES.** The Promoter may charge the Plan or the Subscriber directly fees for its and the Trustee's services under this contract. The Promoter and Trustee are entitled to reimbursement from the Plan for all disbursements and expenses (including taxes, interest, penalties or other governmental charges levied on or in respect of the Plan) reasonably incurred by the Trustee or the Promoter in connection with the Plan. The Promoter is entitled to deduct the unpaid fees, disbursements and expenses from the assets of the Plan and, for this purpose, the Trustee is authorized to realize sufficient assets of the Plan in its sole discretion. Neither the Promoter nor the Trustee will be responsible for any resulting loss. In addition, the Promoter will be entitled to normal brokerage commissions on the investment transactions for the Plan.
- 18. APPOINTMENT AND RESIGNATION OR REMOVAL OF TRUSTEE.** The Trustee may resign by giving 30 days notice in writing to the Promoter and may be removed by being given 30 days notice in writing by the Promoter. In either event the Promoter shall forthwith appoint a person to replace the Trustee and the resignation or removal of the Trustee shall not take effect until its replacement has been so appointed. Any such appointment shall be in writing signed by the person making the same and the person appointed thereby, and upon any such appointment the person so appointed shall, without further act or formality, be and become the Trustee and shall, without conveyance or transfer, be vested with the same power, rights, duties and responsibilities as the former Trustee and with the assets of the Plan; provided, however, that the former Trustee shall execute and deliver to the new Trustee all such conveyances, transfers and further assurances as may be necessary or advisable for the purpose of assuring the same to the new Trustee. Any replacement Trustee shall be a corporation resident in Canada and licensed or otherwise authorized under the laws of Canada to carry on the business of offering to the public its services as a trustee.
- 19. TERMINATION OF THE TRUST.** In the event that trust governed by the Plan is terminated, the Assets of the Plan shall be used for any of the purposes described in Section 4.
- 20. AMENDMENTS TO THE PLAN.** The Promoter may from time to time upon at least 30 days written notice to the Subscriber amend the Plan with the concurrence of the Minister of National Revenue and any similar authority of the province in which the Subscriber resides provided that such amendment does not have the effect of disqualifying the Plan for acceptance as a Registered Education Savings Plan within the meaning of Section 146.1 of the Tax Act and any applicable provincial legislation. Notwithstanding the foregoing, the Promoter reserves the right to make any amendment to the Plan which is necessary to ensure the continued compliance of the Plan with the provisions of the Tax Act, the HRD Act and any applicable provincial legislation and any such amendment shall be effective upon written notice by the Promoter to the Subscriber.

- 21. LIMITATION OF LIABILITY AND INDEMNITY.** It is expressly understood that all investments made by the Trustee or the Promoter will be for the benefit of and at the risk of the Subscriber under the Plan. Neither the Trustee nor the Promoter shall be responsible for any loss suffered by the Plan, by the Subscriber or by the Beneficiary as a result of the purchase, sale or retention of any investment, whether or not the Trustee or the Promoter has communicated to the Subscriber any information the Trustee or the Promoter may have received or any judgment the Trustee or the Promoter may have formed with respect to the value or the security of such investment at any particular time or in the future.

Neither the Trustee nor the Promoter shall be liable in its personal capacity for and in respect of any taxes, interest or penalties which may be imposed on the Trustee or the Promoter in respect of the Plan or in respect of any other charges levied or imposed by governmental authority upon or in respect of the Plan. The Trustee may reimburse itself and the Promoter for, or may pay, any such taxes, interest, penalties or charges out of the Assets of the Plan as it in its absolute discretion deems appropriate. The Subscriber and the heirs, executors and administrators of the Subscriber shall at all times indemnify and save harmless the Trustee and the Promoter in respect of any such taxes, interest, penalties or charges levied or imposed upon the Trustee or the Promoter in respect of the Plan.

Neither the Trustee nor the Promoter shall be responsible for any act, omission, default, error, fraud, failure or misconduct of any agent, employee or other person whom they may reasonably engage in the exercise of the powers conferred on them hereunder. In addition, neither the Trustee nor the Promoter shall be liable in respect of any loss or diminution of Assets of the Plan or any other loss or damages suffered or incurred by the Plan, the Subscriber or by the Beneficiary under the Plan occasioned by an act, omission or default of the Trustee or the Promoter, unless caused by or resulting from its own dishonesty, bad faith, wilful misconduct or gross negligence. The Trustee and the Promoter will be fully protected in acting upon any instrument, certificate, notice or other writing believed by them to be genuine and to be signed or presented by the proper person and the Trustee and the Promoter will be under no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of any statement contained therein.

- 22. NOTICES.** Any notice, direction or other communication to the Promoter shall be in writing and shall be sufficiently given if mailed, postage prepaid, addressed to the Promoter at its principal office, unless the Promoter has notified the Subscriber of a new address in which case it shall be addressed to the Promoter at the last address so notified. Such notice, direction or other communication shall be deemed to have been given on the date it is received by the Promoter. Any notice, statement or other communication to the Subscriber shall be in writing and shall be sufficiently given if mailed, postage prepaid, addressed to the Subscriber at the address set out in the Plan unless the Subscriber has notified the Promoter of a new address in which case it shall be addressed to the Subscriber at the last address so notified. Such notice statement or other communication shall be deemed to have been given on the third postal delivery day at the place of address following the day of mailing.
- 23. ASSIGNMENT BY THE PROMOTER.** The Promoter may assign its rights and obligations under the Plan to any other corporation resident in Canada and authorized to assume and discharge the obligation of the Promoter under the Plan, provided that such corporation shall execute any agreement which is necessary or advisable for the purposes of assuming such obligations.
- 24. HEIRS, EXECUTORS AND ASSIGNS.** The terms of this contract and the trust created hereunder shall be binding upon the heirs, executors and administrators of the Subscriber and upon the successors and assigns of the Promoter and the Trustee.
- 25. INTERPRETATION.** Words importing the singular include the plural and vice versa; and words importing the masculine gender include the feminine and vice versa.
- 26. GOVERNING LAW.** The Plan shall be governed by and construed in accordance with the laws of Canada and the laws of the Province of Ontario.