

THIS AGREEMENT is made as of the date of the enrolment application shown on the cover page attached hereto.

BETWEEN:

EMBARK STUDENT FOUNDATION, a not-for-profit corporation continued under the *Canada Not For Profit Corporations Act* (hereinafter called the “**Foundation**”), sponsor and promoter of the “FLEX FIRST PLAN”,

- and -

THE INDIVIDUAL(S) OR OTHER ENTITY NAMED AS SUBSCRIBER(S) IN THE ENROLMENT APPLICATION SHOWN ON THE COVER PAGE ATTACHED HERETO (hereinafter called the “**Subscriber**”),

WHEREAS the Foundation is established and operates for the purpose of providing educational assistance payments to Beneficiaries in Post-Secondary Programs of Study at Recognized Institutions and for the purpose of the advancement of education;

AND WHEREAS the Subscriber wishes to make monies available to provide the person designated herein with the opportunity of obtaining a post-secondary education and for the purpose of the advancement of education;

AND WHEREAS the Subscriber has applied to enter into this education savings plan with the Foundation under which, in consideration of Contributions made by the Subscriber, and/or Government Grants received in respect of the Beneficiary, the Foundation agrees to pay, or cause to be paid, to the Beneficiary designated herein educational assistance payments, all in accordance with the terms of this Agreement;

AND WHEREAS the Foundation has appointed Embark Student Corp. (the “**Manager**”) as Manager and Distributor of the Flex First Plan;

AND WHEREAS the Foundation has also delegated to Embark Student Corp. (the “**Agent**”) certain of its duties as promoter of the Flex First Plan;

NOW THEREFORE the Subscriber and the Foundation, in consideration of the terms and agreements hereinafter provided, hereby covenant and agree as follows:

ARTICLE 1 - DEFINITIONS

1.01 Definitions

Whenever used in this Agreement or the Application, the following terms shall have the meanings set out below:

- (a) **Accumulating Loyalty Bonus** means the total loyalty bonus payment made by the Manager to either the Subscriber or Beneficiary based on a percentage of the Net

Contributions in the Savings Account as calculated and paid under the terms of the Agreement.

- (b) **Act** means the *Income Tax Act* (Canada), as may be amended from time to time.
- (c) **AIP** means an accumulated income payment made from the Plan pursuant to section 11.01 and which does not include an EAP, a Contribution Refund, a return of Government Grants or a payment to, or to a trust in favour of, a Qualifying Institution.
- (d) **Agreement** means this agreement, including the cover page, and any riders and amendments hereto.
- (e) **Application** means the enrolment application for a Plan as signed by the Subscriber and which is deemed to form part of the Agreement.
- (f) **BCTESP Regulation** is the *British Columbia Training and Education Savings Program* Regulation adopted under the *Special Account Appropriation and Control Act* (British Columbia), as may be amended from time to time.
- (g) **Beneficiary** means the person designated by the Subscriber in the Application as the person to whom or on whose behalf EAPs under the Plan are to be paid, or a Substitute Beneficiary.
- (h) **CESA** means the *Canada Education Savings Act* (Canada) and any regulations thereunder, as may be amended or replaced from time to time.
- (i) **CESG** is the Canada Education Savings Grant paid pursuant to CESA.
- (j) **Contribution** means any deposit to the Plan to which the RESP Limit and Government Grants apply. Contributions do not include any Government Grants received by the Trustee in respect of the Beneficiary into the Plan under or because of:
 - (i) the CESA 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.)
- (k) **Contribution Refund** means a refund of a Contribution to the Subscriber or a Beneficiary.
- (l) **Date of Termination** means the date the Agreement is terminated pursuant to Article 8.
- (m) **Depository** means any trust company or chartered bank authorized to accept monies on deposit that is approved by the Trustee and that is a member of the Canada Deposit Insurance Corporation.
- (n) **Designated Provincial Program** means a program administered pursuant to an agreement entered into under the CESA, or a program established under the laws



of a province to encourage the financing of children's post-secondary education through savings in registered education savings plans.

- (o) **Distributor** means a registered scholarship plan dealer responsible for the sale and distribution of education savings plans.
- (p) **EAP** means an educational assistance payment made from the Plan pursuant to section 10.01, which does not include a Contribution Refund or an Accumulating Loyalty Bonus payment, to assist the Beneficiary to further his or her education at a Post-Secondary School Level.
- (q) **Enrolment Fee** means the fee set out in section 13.01(a)(i).
- (r) **Fees** means the fees set out in Article 13 including, for greater certainty, the Enrolment Fee.
- (s) **Government Grants** are (i) CESGs administered under CESA; (ii) the Canada Learning Bond administered under CESA; (iii) the QESI; (iv) the Saskatchewan Advantage Grant for Education Savings administered under the SAGES Act; (v) the BCTESP grant administered under the BCTESP Regulation, (vi) any other Designated Provincial Program; and (vii) any amount paid into the Plan under or because of any program that has a similar purpose to a Designated Provincial Program and that is funded, directly or indirectly, by a province.
- (t) **Grant Agreements** means the agreements entered into by the Foundation and the Trustee in respect of Government Grants, as amended, restated and/or replaced from time to time.
- (u) **Grant Legislation** is (i) the CESA, (ii) any federal or provincial legislation respecting a Government Grant program, such as the SAGES Act and the BCTESP Regulation, that is administered pursuant to an agreement entered into under section 12 of CESA, and (iii) any federal or provincial legislation respecting a Government Grant program, such as the QESI, that encourage the financing of children's post-secondary education through savings in registered education savings plans.
- (v) **Manager** means a person or company who has the power and exercises the responsibility to direct the affairs of an investment fund.
- (w) **Net Contributions** means the amount of any and all Contributions to the Plan, on which the RESP Limit and Government Grants apply, less any Contribution Refunds and Fees deducted.
- (x) **Plan** means the Flex First Plan governed by the Agreement.
- (y) **Post-Secondary Program of Study** means a "qualifying educational program", as that term is defined in subsection 146.1(1) of the Act and, in particular, a program at a Post-Secondary School Level of not less than three (3) consecutive weeks duration that requires that each Beneficiary taking the program spend not less than ten (10) hours per week on courses or work in the program, and that is acceptable to the Foundation.
- (z) **Post-Secondary School Level** includes a program of courses, at an institution described in subparagraph (a)(ii) of the definition "designated educational institution" in subsection 118.6(1) of the Act, of a technical or vocational nature



designed to furnish a person with skills for, or improve a person's skills in, an occupation.

- (aa) **Public Primary Caregiver** means a “public primary caregiver” as that term is defined in subsection 146.1(1) of the Act.
- (bb) **Primary Caregiver** means a “primary caregiver” as that term is defined in the CESA.
- (cc) **Qualified Investments** means “qualified investments” as that term is defined in subsection 146.1(1) of the Act.
- (dd) **Qualifying Institution** means an educational institution in Canada described at subparagraph 118.6(1)(a)(i) of the Act as a university, college or other educational institution designated by the Lieutenant Governor in Council of a province as a specified educational institution under the *Canada Student Loans Act*, designated by an appropriate authority under the *Canada Student Financial Assistance Act*, or designated by the Minister of Education of the Province of Quebec for the purposes of the *Act respecting financial assistance for education expenses*, chapter A-13.3 of the Revised Statutes of Quebec.
- (ee) **Recognized Institution** means a “post-secondary educational institution”, as that term is defined in subsection 146.1(1) of the Act and, in particular:
 - (i) an educational institution in Canada that is:
 - (A) a Qualifying Institution; or
 - (B) certified by the Minister of Employment and Social Development Canada to be an educational institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person's skills in, an occupation; or
 - (ii) an educational institution outside Canada that is a university, college or other educational institution that provides courses at a Post-Secondary School Level at which a Beneficiary was enrolled in a course of not less than thirteen consecutive weeks, and that is acceptable to the Foundation.
- (ff) **RESP** means an education savings plan that has been registered for the purposes of the Act.
- (gg) **RESP Limit** means the RESP lifetime contribution limit of \$50,000 or such other amounts as may be stipulated in the Act from time to time.
- (hh) **RRSP** means a retirement savings plan that has been registered for the purposes of the Act.
- (b) **SAGES Act** is *The Saskatchewan Advantage Grant for Education Savings (SAGES) Act* and any regulations thereunder, as may be amended from time to time. On March 22, 2017, the Saskatchewan provincial government announced a temporary suspension of the SAGES program, effective January 1, 2018. As result, SAGES will not be paid on contributions made to a RESP after December 31, 2017.



- (ii) **Savings Account** means the Subscriber's savings account the assets of which are held by the Trustee, in trust, pursuant to the terms of the Trust Agreement and consist of:
- (i) all Contributions made by or on behalf of the Subscriber in accordance with the Agreement;
 - (ii) any Government Grants received by the Trustee in respect of the Beneficiary;
 - (iii) any portion of the Enrolment Fee returned pursuant to section 14.01; and
 - (iv) any income earned thereon;
- plus any Accumulating Loyalty Bonus credited back to the Savings Account.
- (jj) **Specified Plan** means an education savings plan:
- (i) that does not allow more than one beneficiary under the plan at any one time;
 - (ii) under which the beneficiary is an individual in respect of whom paragraphs 118.3(1)(a) to (b) of the Act apply for the beneficiary's taxation year that ends in the thirty first (31st) year following the year in which the plan was entered into; and
 - (iii) that provides that, at all times after the end of the thirty fifth (35th) year following the year in which the plan was entered into, no other individual may be designated as a beneficiary under the plan.
- (kk) **Specified Educational Program** means a program at a Post-Secondary School Level of not less than three (3) consecutive week's duration that requires the Beneficiary taking the program to spend not less than twelve (12) hours per month on courses in the program.
- (ll) **Subscriber** means at any time:
- (i) the individual (or spouse or common-law partner of the individual), but not a trust, who enters into the Agreement;
 - (ii) the Public Primary Caregiver who enters into the Agreement;
 - (iii) an individual or another Public Primary Caregiver who has, before that time under a written agreement, acquired a Public Primary Caregiver's rights as a Subscriber under the Agreement;
 - (iv) an individual who has before that time acquired a Subscriber's rights under the Agreement 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 Agreement, in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership; or



- (v) any person (including the estate of the Subscriber) who, after the death of the Subscriber, acquires the Subscriber's rights as a Subscriber under the Agreement or who makes Contributions, in accordance with the terms of the Agreement, in respect of the Beneficiary.

Where there are two Subscribers under the Agreement, any action permitted or required to be taken by the Subscriber shall be taken by all such individuals acting together. It is a requirement under the Act that both such individuals be spouses or common-law partners of each other.

- (mm) **Substitute Beneficiary** has the meaning ascribed thereto in section 6.01.
- (nn) **Total Contribution Goal** means the total amount of all Contributions that the Subscriber intends to be deposited to the Plan, as stated on the Application and as may be adjusted from time to time.
- (oo) **Transfer** has the meaning ascribed thereto in section 7.01.
- (pp) **Trust Agreement** means the agreement, as may be amended from time to time, in effect between the Foundation and the Trustee.
- (qq) **Trustee** means the trust company, 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 a trustee, acting from time to time as the Trustee under the Trust Agreement.

In the Agreement, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa.

ARTICLE 2 - ESTABLISHMENT OF PLAN

2.01 Contributions

- (a) The Subscriber agrees to make Contributions to the Depository in accordance with the Application. The Total Contribution Goal may not at any time be less than \$500.00. The Subscriber may, from time to time, change the amount and/or frequency of the Contributions by arrangement with the Manager. Contributions made cannot exceed the RESP Limit and may be made up to the thirty-first (31st) year (or if the Plan is a Specified Plan, the thirty fifth (35th) year) following the year in which the Agreement is entered into.
- (b) No Contribution may be made unless either:
- (i) the Beneficiary is resident in Canada when the Contribution is made and his or her Social Insurance Number is provided to the Manager before the Contribution is made; or
 - (ii) the Contribution is made by way of transfer from another RESP under which the Beneficiary was a beneficiary immediately before the transfer.
- (c) Contributions are transferred by the Depository to the Trustee as they are received.



- (d) If the Enrolment Fee has not been paid in full, and the Subscriber, during a period exceeding six (6) months, ceases to make or reduces the Contributions that he or she has agreed to make pursuant to section 2.01(a), then the Manager may recalculate the Total Contribution Goal.

2.02 Lack of Social Insurance Number

Notwithstanding the definition of “Beneficiary” and anything else to the contrary herein, where a Contribution has been made by the Subscriber on behalf of a Beneficiary whose Social Insurance Number has not been provided to the Manager (other than in circumstances described in section 2.01(b)(ii)):

- (a) effective on the date of the Plan's most recent prospectus, the Subscriber agrees to provide a valid Social Insurance Number of the Beneficiary no later than the date which is twelve (12) months following the date on which the Agreement is entered into; and
- (b) until a valid Social Insurance Number of the Beneficiary has been provided within the time period specified in section 2.02(a), the Subscriber hereby irrevocably authorizes and directs that the full amount of any Contribution (including the portion that would otherwise have been deductible in respect of the Enrolment Fee) shall be held in the name of the Foundation (rather than the Plan) and deposited in a non-registered holding account (the “**Holding Account**”), and acknowledges that:
- (i) the Foundation shall deduct, or cause to be deducted, Fees from the Holding Account, provided that any amount so deducted in respect of the Enrolment Fee shall be re-deposited to the Holding Account upon the Subscriber providing the Beneficiary's Social Insurance Number within the time period specified in section 2.02(a);
- (ii) should the Subscriber fail to provide the Beneficiary's valid Social Insurance Number (such possibility hereafter being referred to as the “**Condition Subsequent**”), the transfer of the Contribution to the Holding Account will retroactively be deemed null and void and any amount held in the Holding Account, including any income earned thereon, less the Fees, shall be returned to the Subscriber.

2.03 Provision of Social Insurance Number

- (a) Upon the Subscriber providing the Beneficiary's Social Insurance Number within the time period specified in section 2.02(a):
- (i) the original amount transferred to the Holding Account, including the Enrolment Fee re-deposited thereto and income earned thereon but excluding any other Fees, shall be a Contribution made by the Subscriber to the Plan;
- (ii) the ownership of such Contribution shall be transferred back to the Subscriber and held by the Foundation as agent of the Subscriber;
- (iii) the Subscriber shall be deemed to have directed the Foundation to transfer or to cause to be transferred such Contribution to the Trustee, and the Foundation shall transfer or cause to be transferred such Contribution to



the Trustee as a Contribution made by the Foundation on behalf of the Subscriber; and

- (iv) the Enrolment Fee will then be deducted from such Contribution.
- (b) All Contributions from the Holding Account will be subject to the RESP Limit; and, for the purpose of applying the provisions of the Agreement, the date of application for the Agreement will be the date the Agreement is entered into or the date the Beneficiary's Social Insurance Number was provided to the Manager, whichever is later.

2.04 Plan Registration

- (a) Upon receipt of the Beneficiary's Social Insurance Number within the time period specified in section 2.02(a), if the Plan has not otherwise been registered as an RESP, the Agent will apply for registration of the Plan as an RESP.
- (b) In the event that the Condition Subsequent occurs, the Plan is determined by the Canada Revenue Agency not to be registerable as an RESP, or the Subscriber requests a total Contribution Refund if such request is made within sixty (60) days after the signing of the Application, the Agreement shall be terminated.

2.05 Income Earned on Holding Account

Any income earned on the funds held in the Holding Account must be included in the taxable income of the Subscriber in the year in which such funds were earned.

2.06 Contribution Refunds

The Subscriber is entitled to a Contribution Refund at any time. Subject to the Contribution cheque or pre-approved deposit having cleared the banking system, a Contribution will be refunded to the Subscriber, or paid to the Beneficiary at the Subscriber's request, on the earlier of:

- (a) the receipt by the Manager of a written request by the Subscriber for such Contribution Refund; and
- (b) the Date of Termination.

2.07 Distribution of Contributions

The Trustee has agreed, pursuant to the terms of the Trust Agreement, to irrevocably hold, invest and reinvest all Contributions received by it in the Savings Account together with all income earned thereon, subject to the Fees, for purposes of making:

- (a) EAPs;
- (b) AIPs;
- (c) Contribution Refunds;
- (d) Transfers; and



- (e) at the direction of the Foundation, payments to, or to a trust in favour of, a Qualifying Institution.

ARTICLE 3 - INVESTMENTS

3.01 Investments

The funds held in the trust, (except the Accumulating Loyalty Bonus) will be invested and reinvested in investments that are Qualified Investments and permitted by National Policy No. 15 as administered by the Canadian Securities Administrators, except where permission otherwise has been granted by the Canadian Securities Administrators, including permission granted by virtue of the Flex First Plan prospectus receipt.

ARTICLE 4 - ACCUMULATING LOYALTY BONUS

4.01 Calculation of Accumulated Loyalty Bonus

- (a) Effective August 25, 2016, up to August 31st of the year the Beneficiary turns 18 years of age, the Manager will calculate, at the end of each calendar month, an Accumulating Loyalty Bonus on behalf of the Plan based on a percentage of the Net Contributions in the Plan at the beginning of the month, less any Contribution Refunds made and Fees levied during the month. The percentage used for the calculation of the Accumulating Loyalty Bonus will be no less than two thirds of one per cent (0.66%) per year.
- (b) The Accumulating Loyalty Bonus payment is considered a partial return of the Enrolment Fee and therefore is credited back to the Savings Account.

4.02 Qualification for Loyalty Bonus Accumulation

To qualify for an Accumulating Loyalty Bonus, as assessed at the end of each calendar month:

- (a) the Plan must be an RESP and must not be terminated;
- (b) the Beneficiary must not at that time be attending a Post Secondary Program of Study;
- (c) an AIP must not have been made from the Plan;
- (d) the current specified Total Contribution Goal for the Plan must be \$2,500 or more;
- (e) the Plan's Accumulating Loyalty Bonus accumulated at that time must not be greater than the Enrolment Fee paid to the end of the calendar month.

4.03 Loyalty Bonus Payment

An Accumulating Loyalty Bonus will be credited to, and paid from, the Savings Account by the Manager to the Subscriber, or Beneficiary at the Subscriber's discretion, prior to Contribution Refunds and provided that, prior to the Accumulating Loyalty Bonus being credited to the Savings Account, the Subscriber or the Beneficiary furnishes proof satisfactory to the Manager that either:

- (a) the Beneficiary has been accepted and enrolled as a full-time or part-time student by a Recognized Institution in a Post-Secondary Program of Study; or



- (b) the Beneficiary has, before that time, attained the age of sixteen (16) years, and has been accepted and enrolled by a Recognized Institution in a Specified Educational Program.

4.04 The Accumulating Loyalty Bonus payment is not included in the recipient Subscriber or Beneficiary's taxable income.

ARTICLE 5 - GOVERNMENT GRANTS

5.01 Application for Grants

Pursuant to the Grant Agreements and Grant Legislation, where the Beneficiary is eligible to receive Government Grants, the Foundation, as agent of the Trustee, will apply, or will cause the Agent to apply, for Government Grants in respect of the Beneficiary upon receiving a written request from the Subscriber and/or the Primary Caregiver of the Beneficiary, where required. The Subscriber hereby consents to the Foundation providing, or causing the Agent to provide, any information respecting the Agreement that is required by the applicable Grant Legislation in applying for a Government Grant.

5.02 Investments

All Government Grants in respect of the Beneficiary that have been received by the Trustee under the Agreement, and all income earned thereon, will be held in the Savings Account and will be invested pursuant to Article 3.

5.03 Distribution of Grants

The Trustee has agreed, pursuant to the terms of the Trust Agreement, to irrevocably hold, invest and reinvest all Government Grants received by it in the Savings Account together with all income earned thereon, subject to the Fees, for purposes of making:

- (a) EAPs;
- (b) AIPs;
- (c) returns of Government Grants, and/or any income earned thereon, pursuant to section 12.01;
- (d) Transfers; and
- (e) at the direction of the Foundation, payments to, or to a trust in favour of, a Qualifying Institution.

ARTICLE 6 - CHANGE OF BENEFICIARY

6.01 Substitute Beneficiary

- (a) At any time prior to the Date of Termination, the Subscriber may, on written notice to the Manager, designate another Beneficiary (a "**Substitute Beneficiary**") in place of the original Beneficiary.
- (b) Notwithstanding any substitution of Beneficiary, the date of application for the Agreement remains the date of application in respect of the original Beneficiary for the purpose of calculating the maximum time period for which Contributions can



be made by or on behalf of the Subscriber under the Agreement, being the date of application to the thirty-first (31st) year (or if the Plan is a Specified Plan, the thirty fifth (35th) year) following the year the Agreement was entered into, and the date on which the Agreement must be terminated being the end of the thirty-fifth (35th) year (or if the Plan is a Specified Plan, the fortieth (40th) year) following the year in which the Agreement was entered into and, as such, the date by which all EAPs to the Beneficiary must be paid.

6.02 Application of RESP Limit

Where there has been a substitution of Beneficiary, for the purposes of determining whether the RESP Limit has been exceeded, all of the Contributions made under the Agreement in respect of the original Beneficiary will be deemed to be Contributions made in respect of the Substitute Beneficiary unless the Substitute Beneficiary is under twenty-one (21) years of age and either:

- (a) a parent of the Substitute Beneficiary is a parent of the original Beneficiary; or
- (b) both the original Beneficiary and the Substitute Beneficiary are under twenty-one (21) years of age and are connected to an original Subscriber by blood or adoption for the purposes of the Act.

6.03 Consequence of Substitution

Where there has been a substitution of Beneficiary, the Agent shall, where required under the Grant Legislation, cause to be paid out of the Savings Account a return of all or a portion of any Government Grant received by the Trustee in respect of the Beneficiary, and/or any income earned thereon.

ARTICLE 7 - TRANSFERS

7.01 Transfer to Other RESP

Subject to the Act and the Fees, upon receipt of a written request from the Subscriber, the Manager will transfer to a trust governed by another RESP not provided by the Foundation (a "Transfer"):

- (a) all or a portion of the assets held in the Savings Account; and
- (b) all or a portion of any Government Grant received by the Trustee in respect of the Beneficiary, and/or any income earned thereon, but only when such a transfer is permitted by the applicable Grant Legislation.

ARTICLE 8 - PLAN TERMINATION

8.01 Termination of Agreement

In addition to the dates set out in section 2.04(b), the Agreement will be terminated on the earliest of:

- (a) the date on which all of the assets held by the Trustee under the Agreement are refunded resulting in no funds remaining in the Plan (except for any Government Grants that are to be returned to the government);



- (b) twelve (12) months after the date this Agreement was entered into, if the Subscriber has failed to provide a valid Social Insurance Number for the Student, as required pursuant to paragraph 2.02(a) hereof;
- (c) where a Contribution is expected in accordance with the Application, a date that is within the one hundred and fifty (150) days after the date of the signing of the Application if there has been no Contribution made within the first sixty (60) days after the date of signing of the Application that has cleared the banking system;
- (d) the day on which a Transfer of all of the assets (except for any Government Grants that are to be repaid to the government) held by the Trustee under the Agreement occurs;
- (e) the day on which the Manager receives a written request from the Subscriber to terminate the Agreement;
- (f) the last day of February in the year following the year in which an AIP is made;
- (g) December 31 of the thirty-fifth (35th) year (or if the Plan is a Specified Plan, the fortieth (40th) year) following the year in which the Agreement is entered into; and
- (h) the last day of February in the year following the year the first Contribution is received if, for any reason, the Manager is unable to register the Agreement as an RESP.

8.02 Automatic Termination

If, after thirty-six (36) months from the date the Plan is entered into, the total funds accumulated in the Savings Account, including Net Contributions, Governments Grants and income earned thereon, is less than \$350, the Foundation reserves the right to terminate the Agreement.

8.03 Distribution on Termination

If, on the Date of Termination, any income remains in the Savings Account such income will be paid:

- (a) at the request of the Subscriber, as an EAP;
- (b) at the request of the Subscriber, as an AIP;
- (c) where required under the applicable Grant Legislation, as a return to the government of the income earned on a Government Grant; and/or
- (d) at the direction of the Foundation, as a payment to, or to a trust in favour of, a Qualifying Institution.

8.04 Rights on Termination

Upon termination of the Agreement, the Subscriber is entitled to:

- (a) if the Agreement is terminated within sixty (60) days after the date of signing the Application, a return of all Contributions plus any Enrolment Fee deducted, and any income earned; or



- (b) in any other case, a Contribution Refund, subject to the Fees.

ARTICLE 9 - ENROLMENT IN A RECOGNIZED INSTITUTION

9.01 Educational Requirement

The Subscriber agrees that, prior to the enrolment of the Beneficiary in any Post-Secondary Program of Study or Specified Educational Program, the Subscriber and/or the Beneficiary will ensure that such a program is provided at a Recognized Institution.

ARTICLE 10 - EDUCATION ASSISTANCE PAYMENTS

10.01 Payment of EAPs

Subject to any restrictions under the Act, upon receipt of a written direction on a prescribed form from the Subscriber to the Manager, EAPs will be paid from the assets of the Savings Account to or on behalf of the Beneficiary at such time or times and in such amount or amounts as the Subscriber or the Beneficiary directs, provided that:

- (a) prior to the payment of an EAP, the Subscriber or the Beneficiary furnishes proof satisfactory to the Manager that either:
 - (i) the Beneficiary has been accepted and enrolled as a full-time or part-time student by a Recognized Institution in a Post-Secondary Program of Study; or
 - (ii) the Beneficiary has before that time attained the age of sixteen (16) years, and has been accepted and enrolled by a Recognized Institution in a Specified Educational Program; and
- (b) either
 - (i) the Beneficiary has satisfied the condition in section 10.01(a)(i), and
 - (A) has satisfied such condition throughout at least thirteen (13) consecutive weeks in the twelve (12) month period that ends at the time of payment; or
 - (B) the total of the EAPs to be paid, and all other EAPs made under RESPs sponsored by the Foundation (including any payment of EAPs from the Government Grants accumulated on behalf of the Beneficiary), to or for the Beneficiary in the twelve (12) month period that ends at the time of payment does not exceed \$5,000 (unless written approval for a greater amount has been obtained by the Subscriber from the Minister of Employment and Social Development Canada); or
 - (ii) the Beneficiary has satisfied the condition in section 10.01(a)(ii) and the total of the EAPs to be paid, and all other EAPs made under RESPs sponsored by the Foundation (including any payment of EAPs from the Government Grants accumulated on behalf of the Beneficiary), to or for the Beneficiary in the thirteen (13) week period that ends at the time of



payment does not exceed \$2,500 (unless written approval for a greater amount has been obtained by the Subscriber from the Minister of Employment and Social Development Canada).

10.02 Restrictions on EAPs

Notwithstanding the foregoing, no EAP will be paid under the Agreement after the Date of Termination, and the Foundation reserves the right to establish a maximum number of payments per year.

10.03 Residency Requirement

Only where the Subscriber or the Beneficiary certifies in writing that the Beneficiary is a resident of Canada for the purposes of the Act, the Agent will, subject to the conditions set out in section 10.01 and in accordance with the applicable Grant Legislation, cause all or a portion of the Government Grants held in the Savings Account, and/or any income earned thereon, to be paid to or on behalf of the Beneficiary as an EAP.

ARTICLE 11 - ACCUMULATED INCOME PAYMENTS

11.01 Payment of AIPs

Subject to any restrictions under the Act and the Grant Legislation, upon receipt of a written direction on a prescribed form from the Subscriber, the Manager will cause AIPs to be made from the assets of the Savings Account, in such amount or amounts as the Subscriber directs:

- (a) to or on behalf of the Subscriber; or
- (b) subject to the maximum amount as permitted by the Act, to the Subscriber's RRSP or, where the original Subscriber is deceased and there is no other Subscriber, to the RRSP of the original Subscriber's spouse or common-law partner, as defined in the Act;

provided that the payment as described above will be made only if:

- (c) the payment is not made jointly to, or on behalf of, more than one Subscriber;
- (d) the Subscriber is a resident of Canada, for the purposes of the Act, at the time of payment; and
- (e) any of:
 - (i) the payment is made after the ninth (9th) year that follows the year in which the Agreement is entered into, and each individual (other than a deceased individual) who is or was a Beneficiary under the Agreement has attained twenty-one (21) years of age before the payment is made and is not, when the payment is made, eligible under the Agreement to receive an EAP;
 - (ii) the payment is made in the thirty-fifth (35th) year (or if the Plan is a Specified Plan, the fortieth (40th) year) following the year in which the Agreement is entered into; or



- (iii) each individual who was a Beneficiary under the Agreement is deceased when the payment is made.

Notwithstanding the foregoing, the Minister of National Revenue may, on written application from the Foundation, waive the application of the conditions section 11.01(e)(i) where a Beneficiary suffers from a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a Post-Secondary Program of Study at a Recognized Institution.

ARTICLE 12 - RETURN OF GOVERNMENT GRANTS

12.01 Return of Government Grants

As and when required under the applicable Grant Legislation, the Agent shall, in accordance with the applicable Grant Legislation, cause to be paid out of the Savings Account a return of all or a portion of the Government Grants received by the Trustee in respect of the Beneficiary and/or any income earned thereon.

ARTICLE 13 - FEES

13.01 Enrolment and Process Fees

- (a) The Subscriber irrevocably authorizes and directs the Manager to withdraw from the Contributions transferred to the Savings Account:
 - (i) an enrolment fee, not to exceed nine and one half per cent (9.5%) of the Total Contribution Goal (plus applicable taxes) (the “**Enrolment Fee**”) to be levied from the first Contributions until the total Enrolment Fee has been paid;
 - (ii) any fee incurred in order to ensure compliance with securities regulations; and
 - (iii) any other special process fees as shall from time to time be agreed upon by the Foundation.
- (b) Effective on the date of the Plan's most recent prospectus, no Enrolment Fee shall be charged when the Subscriber increases the Total Contribution Goal that is set before the increase or where the Total Contribution Goal has been reached and the increase occurs after December 31st of the year during which the Beneficiary attains seventeen (17) years of age.

13.02 Management Fee

A management fee of up to one and one half per cent (1.5%) per annum (plus applicable taxes) will be paid in respect of funds standing to the credit of the Savings Account and will be paid monthly in arrears and charged against income on the aggregate amounts held in such account prior to income allocation to the Savings Account.



ARTICLE 14 - RETURN OF ENROLMENT FEE

14.01 Return of Enrolment Fee Where Reduction of Total Contribution Goal

Where the Subscriber requests a reduction of the Total Contribution Goal a portion of the Enrolment Fee shall be credited back to the Savings Account if:

- (a) the reduced Total Contribution Goal is equal to or greater than the Contributions made to the Plan at the time of the request; and
- (b) the Enrolment Fee paid at the time of the request is greater than the Enrolment Fee due as a result of reducing the Total Contribution Goal.

The amount of the Enrolment Fee to be credited back to the Savings Account will be calculated by subtracting the total Enrolment Fee due as a result of reducing the Total Contribution Goal from the total Enrolment Fee that has been paid as at the time of the request.

14.02 Return of Enrolment Fee Where Agreement is Terminated

Where the Subscriber requests Plan Termination a portion of the Enrolment Fee shall be credited back to the Savings Account if:

- (a) the Total Contribution Goal is equal to or greater than the Contributions made to the Plan at the time of the request; and
- (b) the Enrolment Fee paid at the time of the request is greater than the Enrolment Fee due if the Total Contribution Goal for the Plan was equal to the Contributions, in the aggregate, made to the Plan at the time of the request.

The amount of the Enrolment Fee to be credited back to the Savings Account will be calculated by subtracting the total Enrolment Fee that would be due if the Total Contribution Goal was equal to the Contributions, in the aggregate, made to the Plan at the time of the request from the Enrolment Fee paid as at the time of the request.

14.03 No Return of Enrolment Fee

No return of any portion of the Enrolment Fee will be available where:

- (a) total Contributions are greater than or equal to the Total Contribution Goal;
- (b) the Beneficiary has received an EAP;
- (c) the Subscriber has received an AIP; or
- (d) the request is made after the calendar year in which the Beneficiary attained seventeen (17) years of age.

ARTICLE 15 - AMENDMENTS

15.01 Power to Amend

The Foundation may, with the approval of the Trustee, but without the approval of the Subscriber or the Beneficiary, alter, amend, modify or add to the provisions contained in the Agreement and/or the Trust Agreement if such alteration, amendment, modification or addition is:



- (a) for the purpose of adapting the Plan to any change in the Act or the Grant Legislation or ensuring continuing compliance with the applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustee or the Plan, including for the purpose of maintaining the status of the Plan as an RESP and/or the continued qualification for Government Grants; or
- (b) necessary or desirable in the opinion of the Foundation, and such alteration, amendment, modification or addition, in the opinion of the Trustee on the advice of counsel to the Foundation, is not prejudicial to the Subscriber or the Beneficiary.

Notice of any material amendment pursuant to this provision shall be given in writing to the Subscriber and shall take effect on a date to be specified therein. The date shall be not less than thirty (30) days after the date that such notice of the amendment is mailed to the Subscriber. Notice of any other amendment pursuant to this provision shall be given, in writing, to the Subscriber which notice may be provided at any time within fifteen (15) months of the effective date of such amendment.

15.02 Amendment on Consent

Where, in the opinion of the Trustee on the advice of counsel to the Foundation, such alteration, amendment, modification or addition would not be permitted, the Plan and/or the Trust Agreement may be so amended, modified, altered or added to only with the consent of the Subscribers as evidenced by a majority of the votes cast at a meeting of Subscribers duly called for that purpose in accordance with the provisions of the Trust Agreement.

ARTICLE 16 - OTHER MATTERS

16.01 Foundation is Bound

The Foundation hereby agrees:

- (a) to be bound by all the terms and conditions of the Agreement and the Trust Agreement. The Foundation shall have ultimate responsibility for administration of the Plan.
- (b) that all income to be paid or credited to the Savings Account shall be held and used in accordance with the terms of the Trust Agreement, the Agreement and the provisions of the Act and the Grant Legislation.

16.02 Foundation as Administrator

The Trust Agreement provides that the Trustee will assume the responsibilities of the Foundation as administrator of the Plan in the event the Foundation is declared bankrupt, wound up, dissolved or is found by a court of competent jurisdiction to be incapable of performing or to have failed to perform its responsibilities pursuant to the Trust Agreement and the Agreement, provided that the Trustee shall have no obligation to assume any financial liability of the Foundation.

16.03 Notification of Beneficiary

The Beneficiary, or the Beneficiary's parent or the Public Primary Caregiver where the Beneficiary is under nineteen (19) years of age and ordinarily resides with the parent or the Public Primary Caregiver, as the case may be, will be notified within ninety (90) days of the designation of the Beneficiary under the Agreement and the name and address of the Subscriber.



16.04 Entire Agreement

The Agreement, as defined, contains and shall be deemed to contain the whole and entire agreement between the parties hereto and no representation, warranty, covenant or agreement made or purported to be made by or on behalf of any of the parties hereto shall be binding or enforceable against any of the parties hereto unless contained herein.

16.05 Execution in Counterparts

The Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement.

16.06 Subscriber is Bound

The Agreement shall enure to the benefit of and be binding upon the heirs and executors of the Subscriber.

16.07 Notification of Parties

- (a) The Trust Agreement shall be available for inspection by the Subscriber at any time during normal business hours at the offices of the Foundation at Suite 1000, 50 Burnhamthorpe Road West, Mississauga, Ontario, L5B 4A5 or at such other address as the Foundation may specify by notice to the Subscriber sent to the Subscriber's last known postal address.
- (b) Any notice or other communication required to be given pursuant to the Agreement shall be in writing and shall be sent by prepaid mail to Embark Student Corp. at the address shown in section 16.07(a).

16.08 Applicable Law

The Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

EMBARK STUDENT FOUNDATION

Per: _____
VICE PRESIDENT, FINANCE

Per: _____
CHIEF RISK & COMPLIANCE
OFFICER

