



SPECIAL MEETING – FLEX FIRST PLAN CUSTOMER FAQ

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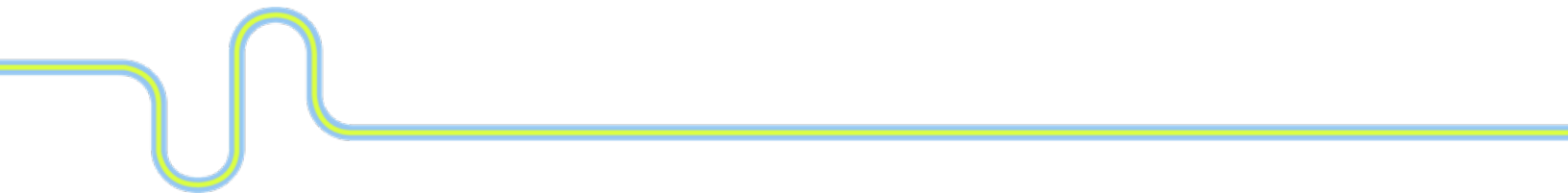
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Introduction

Education savings is our passion, and at Embark Student Corp., it's all we do. As the education landscape continues to evolve, we continue to make improvements to our education savings plans so that they offer more flexibility, savings potential, insights, and advice for you.

Today, we are asking customers of the Flex First Plan to vote in favour of change. As RESP experts in education saving and planning, we've taken everything that's great about the Flex First Plan and made it even better. Please take a moment to read *Your Vote is Important*, a one-pager that summarizes the features and benefits of the Embark Student Plan, the 'next generation' of education saving and planning.

Special Meeting & Vote Materials

What is the purpose of this Subscriber Vote?

The Board of Directors of the Embark Student Foundation are holding a vote to wind-up and transfer all Flex First Plans to the Embark Student Plan.

When are the Special Meetings?

The Special Meetings of Flex First Plan customers will be held on **December 12, 2023** at 11AM EST and can be attended virtually or in-person at Embark's head office, located at 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario.

I am not available on December 12 for the Special Meeting. Can I still vote?

You can vote in advance of the Special Meeting online, by phone or by mail. We strongly encourage you to vote in advance of the Special Meeting, using the Proxy Form included in the mailing package you received. Details about the Special Meetings and the different ways you are also available on our website at www.embark.ca/flexfirstvote.





Will the Special Meeting be held in French?

The Special Meeting will be conducted in English but all vote material is available in French at www.embark.ca/fr/votepremflex to help you make an informed vote decision.

What materials do I need to vote?

You will need the Proxy Form included in your mailing package. Prior to voting, we encourage you to read the *Your Vote is Important* one-pager, also included in the package, that explains and summarizes the features and benefits of the Embark Student Plan.

The full Management Information Circular can also be found on the Flex First Plan vote page at www.embark.ca/flexfirstvote.

Why did I receive two mailing packages?

Customers who have a Flex First Plan and a Family Single Student Plan will receive two mailing packages – one to vote for changes to the Flex First Plan and the other for changes to the Family Single Student Plan.

I have a Flex First Plan and a Family Single Student Plan. Do I attend both meetings?

In this case, the most convenient way to cast your votes is by doing so in advance. You can vote online, by phone or by mail. Instructions for each method are in the Letter to Customers and Proxy Form included in your mailing packages. You will cast one vote for your Flex First Plan and one vote for your Family Single Student Plan.

For your proxy vote to count, your vote must be cast online or by phone, or received by Mail at Computershare Proxy Department, 1354 West Beaver Creek, PO Box 300, Richmond Hill, Ontario, L4B 4R5 as follows:

- Flex First Plan: By 11AM EST on Friday, December 8, 2023.
- Family Single Student Plan: By 2PM EST on Friday, December 8, 2023.

If you choose to attend the Special Meeting virtually or in-person, you will have to attend both meetings. For the Flex First Plan, the meeting is at 11AM EST on December 12, 2023; for the Family Single Student Plan the meeting is at 2PM EST on December 12, 2023.





What can I do if I misplaced the Vote Package (or Proxy Form) that was mailed to me?

Any customer who did not receive a mailing package or who has lost their proxy should call Computershare at 1-800-564-6253 to obtain their unique Control Number. You will be asked to provide the name and address of the primary subscriber on your plan(s).

Please visit the vote page at www.embark.ca/flexfirstvote to view other important vote-related information, including the Management Information Circular and one-pager, *Your Vote is Important*, that summarizes the features and benefits of the Embark Student Plan.

Can I request a paper copy of the Management Information Circular?

Yes. To request a paper copy of the Circular, please call 1-800-363-7377 or email vote@embark.ca before 5:00 PM EST on Tuesday, November 21, 2023. This will ensure you receive the document well before the vote deadline. We will mail the Circular to you within three business days of receiving your request.

As a reminder, the Management Information Circular is available for download and print at www.embark.ca/flexfirstvote.

Voting Information

Who can vote?


Each customer with assets in a Flex First Plan as of October 16, 2023 (the date of record) is entitled to vote. If there are two customers who jointly hold a Plan, they are entitled to one vote.

Note: Customers who have less than one whole unit in their Plan, or have withdrawn and cancelled their Plan, or have a grant-only Plan, are not eligible to vote.

Customers may appoint another person to attend and act on their behalf at the Special Meeting. To appoint someone to represent you at the Special Meeting:

- Strike out the names of the persons specified in the Proxy Form and insert the name of the person to be appointed in the blank space so provided.



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- Sign the Proxy Form and return it in the Business Reply Envelope enclosed in your mailing package. The package must be received by Computershare before 11AM EST on December 8, 2023 for your vote to count.

What do I need to vote?

The Proxy Form that was sent to you contains a 15-digit Control Number (printed in the bottom left-hand corner of the page). This number is unique to you and is required for you to vote in advance or at the Special Meeting should you wish to attend virtually.

How do I cast my vote?

You can cast your vote in advance of the Special Meeting, or by attending the Special Meeting in-person or virtually. To streamline the virtual meeting, we are encouraging customers to vote in advance of the meeting no later than 11AM EST on Friday, December 8, 2023.

There are several ways to vote in advance of the meeting:

- **Online, through a secure website:** Go to www.investorvote.com or scan the QR code on the Proxy Form. The dedicated website describes your voting options and provides the ability to cast your vote.
- **By phone:** Vote by calling 1-866-732-VOTE (8683) and follow the interactive prompts.
- **By mail:** Cast your vote on the Proxy Form included in your mailing package. Sign, date and return the form using the included postage-paid business reply envelope.
- **By hand:** Customers can return the completed, signed and dated Proxy Form to: Computershare Trust Company of Canada Proxy Department; 8th Floor, 100 University Avenue; Toronto, ON L5J 2Y1.

Is there a deadline to place my vote?

We encourage customers to review the materials sent by mail and posted on www.embark.ca/flexfirstvote, and **to vote in advance of the Special Meeting by submitting their proxy votes before 11:00 AM EST on Friday, December 8, 2023**. Please reach out with any questions about the proposed changes by phone at 1-800-363-7377, Option 2 or by email at vote@embark.ca, Flex First Customers may also cast their vote by attending the Special Meeting on December 12, 2023 at 11AM EST, virtually or in-person. If another person has been





appointed to vote on their behalf at the Special Meeting, the completed, dated and signed Proxy Form must be handed in before the meeting starts.

How do I vote at the Special Meetings?

Customers or their appointed proxyholder may also cast their vote by attending the Special Meetings on December 12, 2023 virtually or in person. See the [Meeting Guide](#) for more details.

If you have appointed another person to vote on your behalf at the Special Meeting, the completed, dated and signed Proxy Form must be handed in before the meeting starts.

Is it mandatory to vote?

Voting is not mandatory but is highly encouraged. Please take a moment to read the [Your Vote is Important](#) one-pager for a summary of the features and benefits of the Embark Student Plan.

When will the vote results be available?

The results will be published within five business days following the Special Meeting.


Proposed Changes

Why the Embark Student Plan?

With the Embark Student Plan, Flex First Plan customers will have an enhanced RESP for a lower cost. Features include:

- An investment that automatically changes, designed around your child's age and years to post-secondary education.
- Option to consolidate your savings into a family plan*, allowing you to save for all your beneficiaries in one RESP.
- Digital tools to help you make the best decisions. You will have a personalized experience -- for example you will be able to forecast how much your child's education will cost; what you'll be able to pay for; receive alerts and track when you receive grants; and much more.



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- A lifetime management fee rebate of 1.16%. This means you'll get all the benefits of the enhanced Embark Student Plan for 0.49% once the management fee rebate is applied.

*For the family plan option, each beneficiary must be related to you, either by blood or adoption. They may be your children, stepchildren, grandchildren, brothers, or sisters.

For customers with a low-risk profile, meaning that the risk assessment indicates that the investor is looking for a low level of investment volatility and is willing to accept lower returns for greater security, their Flex First Plan will transfer to the Embark Select Conservative Plan.

Why does Embark want to wind up the Flex First Plan?

We want to reassure you that you made a great decision to save for your child's education with the Flex First Plan. This vote is about making important upgrades – transferring Flex First plans to our new Embark Student Plan -- that cannot be made without approval from our customers.

The Embark Student Plan is the 'next generation' of an RESP – it offers an investment approach that is tailored to your child/children's age and time to their post-secondary education. In addition, you'll have access to a new digital experience, including tools to help you save, plan for your child's education and more!

With a majority 'yes' vote, you will have maximum flexibility and access to all these benefits at a lower cost through a lifetime management fee rebate of 1.16%. Currently, the Embark Student Plan management fee is 1.65%; with the rebate, you will pay 0.49%..

I have three children and three Flex First Plans. How do I take advantage of the family plan option?

If the majority vote in favour of the proposed changes, there will be a one-to-one transfer from your existing Plan to an Embark Student Plan. Each of your plans will be transferred to new Embark Student Plan. If you are interested, we can then consolidate the plans into one.





Glidepath

How is the Embark Student Plan investment strategy tailored to my child's age and time to post-secondary?

The Embark Student Plan's investment strategy is tailored to your child's age and time to post-secondary education through its glidepath structure. The idea is to focus on growth when your child is young and time is on your side with more exposure to equities. As each child grows older, the plan automatically adjusts its asset allocation to become more conservative, preserving their savings as they are closer to post-secondary and needing to withdraw their savings.

For example, if your child is one year old – meaning they are 17 years away from starting post-secondary – the target asset mix will be 10% fixed income and 90% equities. The asset allocation will become more conservative as they grow older by increasing the proportion of fixed income in your child's plan. To preserve your savings once they are in post-secondary, 90% of your Plan will be allocated to fixed income.

The target asset mix by age of child is:

Year of Birth	Target Fixed Income Allocation	Target Equity Allocation
2021-2023	10.0%	90.0%
2018-2020	17.5%	82.5%
2015-2017	25.0%	75.0%
2012-2014	38.5%	61.5%
2009-2011	55.0%	45.0%
2006-2008	72.5%	27.5%
2005 or prior	90.0%	10.0%

Who manages the Embark Student Plan?

The Embark Student Plan is managed and administered with the help of industry leading partners:

- Portfolio Manager: BMO Asset Management Inc.
- Custodian: RBC Investor Services Trust
- Depository: The Bank of Nova Scotia
- Trustee: The Bank of Nova Scotia Trust Company



What does the Embark Student Plan invest in?

The Embark Student Plan is invested in several Bank of Montreal Exchange Traded Funds (ETFs) that track against leading market indices (MSCI, S&P500, TSX60).

Fixed Income	Equities
BMO Aggregate Bond ETF	BMO TSX Composite ETF
BMO Money Market ETF Series	BMO S&P 500 ETF
BMO Short IG Corporate ETF	BMO MSCI EAFE ETF
BMO Mid IG Corporate ET	

Management Fee Rebate

What is a management fee rebate?

The 1.16% lifetime management fee rebate is the equivalent of a discount on the management fee Flex First Plan customers pay.

If the majority of customers vote in favour of the changes, the rebate will first apply to your Flex First Plan effective December 31, 2023 and then to your new Embark Student Plan. This means effective December 31, 2023 your Flex First management fee of 1.49% will be discounted by 1.16%, and you will pay 0.33%. Once the assets are transferred to Embark Student Plan, you will pay a management 0.49% instead of the current 1.65%.

Is the management fee of 0.49% (after the 1.16% rebate) guaranteed?


No, the 0.49% is not guaranteed, only the 1.16% rebate is. The 1.16% rebate is guaranteed for the lifetime of your new Embark Student Plan, and you will always pay a significantly lower rate than the posted rate.

Note: As stated in the prospectus, the management fee cannot increase beyond 1.99% without customer approval.

Why are Flex First customers being offered a lifetime rebate of 1.16%?

The management fee rebate replaces the loyalty bonus and refund of eligible enrolment fee features -- features that customers receive *only if* certain criteria are





met. The lifetime rebate eliminates the uncertainty of whether a customer would get the loyalty bonus or return of eligible enrolment fees, and compensates for the loss of these features over the life of the plan.

Digital Tools

What digital tools are offered to Embark Student Plan customers?

With the Embark Student Plan, you will have access to a best-in-class digital plan management system. The enhanced features and tools are superior to those available to Flex First Plan customers. Some of the personalized digital features available to you 24/7 include the ability to:

- Track and manage your savings, including adding a beneficiary or co-subscriber.
- Forecast education costs and family budget.
- View returns daily
- Visualize your projected savings, using variable, user selected, estimated rates of return.
- Receive alerts and see a summary of grants received to date.
- Easily withdrawal capabilities that simplify and optimize the process


If the majority of customers vote 'FOR' the proposed changes

What changes will occur when transferring from a Flex First Plan to an Embark Plan?

If the majority of customers vote 'yes' to the proposed changes, the following will occur:

- Effective December 31, 2023, the Flex First Education Savings Plan Contract will be amended: (1) adding the 1.16% lifetime management fee rebate and (2) removing the loyalty bonus and return of enrolment fee features.
- In May 2024, we will automatically review your risk profile to determine if your plan(s) will be transferred to the Embark Select Conservative Plan or the Embark Student Plan.



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- On or before July 1, 2024, Foundation will transfer assets to Embark Student Plan, terminate the existing ESP Contract, and enter into a new Education Assistance Agreement for each customer.
 - All plan documentation and correspondence will be delivered digitally.
 - The Flex First Plan will wind up and the Trust Agreement will be terminated.

What plan documentation and correspondence will be delivered digitally?

All Plan-related correspondence, alerts, notices and documentation will be delivered digitally through their secure account on embark.ca, including:

- Plan application and enrollment documents, and Education Assistance Agreement;
- Statements of Account;
- Annual Investment Performance Report and Report on Charges and Other Compensation;
- Transaction statements such as trade confirmations.

Will I have the option to receive printed documentation and correspondence?

The Embark Plans are digital products and do not offer printing or mailing of plan-related correspondence (with the exception of tax documents).

When will the plans be transferred?

The transfer is scheduled for July 1, 2024. Prior to the transfer, likely in May, 2024, we will determine if the Embark Select Conservative Plan or the Embark Student Plan is best suited to your situation. In making this determination, we will consider the personal and financial information collected when you opened your Plan along with any updates made since, including your investment objectives and risk profile. Customers with a medium-low to high risk profile, will be transferred to the Embark Student Plan and enjoy the benefits of the glidepath age-based investment strategy. Customers with a low risk profile will be transferred to the Embark Select Conservative Plan.

What is a risk profile?

Considering a customer's overall personal and financial circumstances including liquidity needs, debts, income and assets, the risk profile is the lower of the customer's **risk tolerance** and **risk capacity**. See refer to Schedule "C" in the Circular for detailed descriptions. In general,



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- Risk tolerance describes an investor’s willingness to accept volatility and short-term fluctuations in portfolio value.
 - Risk capacity describes an investor’s financial ability to endure potential losses.

Why is a risk profile necessary?

As the manager of the funds, we must determine the most suitable approach to transfer your plan. The Embark Student Plan is suitable for investors with a ‘low-medium’ to ‘high’ risk profile. In May 2024, we will review your risk profile, age of your child and time to post-secondary education. If your risk profile is low - meaning you are looking for a low level of investment volatility and are willing to accept lower returns for greater security - your plan will be transferred to the Embark Select Conservative Plan.

To ensure you are placed in the plan that’s right for you, please call our Contact Centre at 1-800-363-7377 before May 2024 and ask to speak with a licensed Customer Success Specialist to review and update your information.

Can I transfer my existing plans to the Embark Student Plan family option?

Yes. If the majority of customers vote ‘FOR’ the proposed changes, the first step will be to transfer each of your Plans to an individual Embark Student Plan. Once that is done, you can consolidate into one family plan* to better manage and share your savings, grants and investment income between your children.

*For the family plan option, each beneficiary must be related to you, either by blood or adoption. They may be your children, stepchildren, grandchildren, brothers, or sisters.

Can I go back to my original plan if I decide I don’t like the Embark Student Plan?

No. If the majority of customers vote ‘FOR’ the wind up of the Flex First Plan and to transfer assets to the Embark Student Plan, you will not have the option to go back to your original plan. Once the transfer is complete, the Flex First Plan will wind up.





Product – Embark Plans

What are the Embark Plans?

The Embark Plans refer to the Embark Student Plan and the Embark Select Conservative Plan?

What are the costs associated with investing in the Embark Plans?

There are no costs to open an Embark Plan. The competitive management fee of 1.65% plus applicable taxes is calculated based on net asset value of all plan savings.

Flex First customers will receive a lifetime management fee rebate of 1.16%. If the majority of customers vote “FOR” the proposed changes, this rebate will be effective December 31, 2023 on your existing Flex First Plan(s) then, when assets are transferred, to the Embark Plan. The rebate also applies to any future contributions, transfers in, and any children added to your Plan.

What is the Embark Select Conservative Plan?

The Embark Select Conservative Plan is an RESP that is suitable for investors with a low risk profile – meaning that the risk profile indicates that the investor is looking for a low level of investment volatility and is willing to accept lower returns for greater security.

Can I choose the Embark Select Conservative Plan rather than Embark Student Plan?

Embark will transfer you into one of the two plans depending on your risk tolerance and capacity. **To ensure you are transferred to a suitable plan, please call our Contact Centre at 1-800-363-7377 before May 2024** and ask to speak with a licensed Customer Success Specialist to review and update your information. Once transferred, you will be able to choose to move your savings to the other plan, provided it is suitable to your risk profile.





Product – Flex First Plan

What does the Flex First Plan invest in?

The target asset allocation for the Flex First Plan is 60% fixed income and up to 40% equities. It does not change based on your child's age and time to post-secondary education.

The Plan invests mainly in Canadian fixed income securities, such as federal, provincial and/or municipal bonds, and corporate bonds with a minimum credit rating of BBB or Equivalent. In addition, no more than 40% of the Plan's net assets may also be invested in exchange-traded equity securities listed on a stock exchange in Canada or the U.S.

With the glidepath, age-based investment strategy, the Embark Student Plan is growth-oriented when your child is younger, and time is on your side. As your child ages, the plan automatically becomes more conservative, by adding more fixed income investments to protect your savings from market downturns when you need the money for their education.

What is the loyalty bonus?


The loyalty bonus feature is a payment that is calculated based on a percentage of net contributions and is calculated the year before your beneficiary turns 18 years old and has been accepted and enrolled in post-secondary education. The loyalty bonus percentage will be no less than 0.66%, per year, expressed as a monthly nominal annualized rate, or 0.66% divided by 12, per month.

Customers receive a loyalty bonus *only if* certain criteria are met. The lifetime management fee rebate of 1.16% for Flex First customers eliminates the uncertainty of receiving the loyalty bonus feature.

What is the return of eligible enrolment fees?

The return of eligible enrolment fee feature offers a *portion* of the enrolment fee that you have paid if you reduce your plan's total contribution goal, cancel your plan, or transfer your plan to another RESP. In these cases, the sales charge is recalculated based on the reduced contribution goal or, if the plan is cancelled or transferred out, the total contributions made to date. You will only receive a return of enrolment fees if the amount of sales charge already paid is greater than the





recalculated sales charge. Once you have reached your total contribution goal, you are no longer eligible for the return of eligible enrolment fees; instead, you may be eligible to receive the loyalty bonus.

Customers receive a return of enrolment fees *only if* certain criteria are met. The lifetime management fee rebate of 1.16% for Flex First customers eliminates the uncertainty of receiving the return of enrolment fee feature.

What is a TCG?

The Flex First Plan is a contract-based product with deposit schedule obligations. The Total Contribution Goal (TCG) is established at account opening under the advice of a Sales Representative for Embark Student Corp. (at the time, Knowledge First Financial Inc.). Your personal and financial situation, as well as your savings goals are taken into consideration when establishing the contribution goal. Your TCG determines your deposit schedule, enrolment fees, and potential for a loyalty bonus.

The Embark Student Plan is investment-based, and contributions are fully flexible for your needs and schedule.

